



Housing
Executive

52ND ANNUAL REPORT

1 April 2022 - 31 March 2023

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By the Department for Communities

on

28th September 2023

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Performance Report - Non Executive's Report by the Chair, Nicole Lappin

I am delighted to introduce my first annual report as Housing Executive Chair. At the outset, I would like to thank and acknowledge the hard work and commitment of the out-going Chair, Peter Roberts; specifically his passion for sustainable development to combat climate change and reduce the impact of fuel poverty on our tenants.

I am also grateful to the Board members whose terms have recently ended. I thank Allan Bresland, Amanda Grehan, Catherine Elattar and Michael Ruane for their time and commitment to ensuring good governance for the organisation.

From my first day, I have been eager to get out and about to meet, listen and learn from colleagues across the organisation. I have been impressed by the evident professionalism and willingness to put customers' needs first. In the year ahead, I am looking forward to meeting as many people as possible to fully appreciate the fantastic work that is delivered on a daily basis.

A few weeks after I joined the organisation, I was invited to a photo-exhibition organised by the Westcourt Centre. This exhibition was part of an initiative called 'Still Somebody – Voices for Change' and was created to raise awareness of the different circumstances which force people into homelessness and the unseen people who are impacted by it. I found this exhibition to be so moving that I requested copies of some of these photographs to be displayed in the Boardroom. They are a powerful, visual reminder of the real and pressing need for our services to support people who find themselves without a home.

Without doubt, the past year has been challenging for all of us. For those working in the housing sector, rising inflationary costs alongside a significant increase in the demand for social housing, housing services and temporary accommodation means that the challenges which have to be managed are more difficult. The people and communities that we are here to serve have been greatly impacted by the rising cost of food and fuel. Despite these challenges, the Board was assured when colleagues presented a Cost of Living Action Plan and we learnt about the proposed expansion of the Financial Inclusion Team. This support has made a real impact and, during the past twelve months, the team was able to generate an additional £1.325m in annual benefit entitlement for our tenants.

I am pleased to report that the majority of our targets have been met, or exceeded, over the past year. As well as maintaining our stock of some 83,000 homes, we invested £218.3m in stock improvement and maintenance work. In partnership with housing associations through the Social Housing Development Programme, we facilitated 1,956 much needed new build social home starts across Northern Ireland.

Our Homelessness Strategy sets out proposals for the development of a comprehensive approach to homelessness, emphasising the need to focus on prevention. Through our Supporting People Programme last year, we also provided funding to 824 housing support services, which assisted over 19,000 vulnerable people across Northern Ireland.

As a caring and responsible social landlord, we offered tenants the support, advice and access to additional services they need to make a lasting home. I was delighted to learn that, in 2022/23, we saw 88% of tenancies being sustained beyond their first year.

I am also delighted to report that the Housing Executive continues to support community cohesion initiatives with approximately £540,000 invested into our communities through Cohesion funding. This funding has been used to deliver race relation projects, estate-based cohesion projects, as well as a number of different reimagining projects which have helped address the physical manifestations of segregation in our estates.

All of this work would not have been possible without the continued support of the Department for Communities. I would therefore like to thank the Permanent Secretary, Colum Boyle, and his DfC colleagues, for working in partnership with us to ensure that public services are delivered to those most in need. I am also grateful to Minister Hargey for her support for the organisation and look forward to a restored Executive which will enable us to deliver better for our tenants and the people we serve.

I would like to acknowledge the work of the Housing Community Network and was pleased to be invited to speak at their recent annual conference in February. The Housing Executive works closely with the Network and many other partners including various community and neighbourhood groups, voluntary and community sector organisations and all of the Supporting People Providers. These partnerships ensure we can serve our tenants and other customers well in challenging times.

Looking ahead to 2023/24, I plan to meet with a wide-range of stakeholders to explore areas of mutually beneficial collaboration and share learning. This will include public, private, voluntary and community organisations. The purpose of these meetings will be to exchange best practice and identify opportunities for innovation and collaboration, in the face of significant budget pressures.

Finally, I thank all of my new colleagues across the organisation for their continued dedication as well as those who serve the Board and its Committees with integrity and professionalism.

Over the coming months, there will be an equal number of challenges and opportunities ahead, but I am confident in the organisation's ability to play an integral role in Northern Ireland society and positively impact the people living here.



Nicole Lappin
Chair

Date: 20 September 2023

Who we are

The Northern Ireland Housing Executive is the Strategic Housing Authority for Northern Ireland, and a public landlord at scale. With an annual budget of approximately £1.2bn, we provide a range of public services across Northern Ireland. Our footprint extends to more than 220,000 homes, and our services impact on the lives of one in every three people across Northern Ireland.

We have two distinct strands to our business: our Landlord role and our Strategic Housing Authority Role, both of which are underpinned by our Support Services.

Landlord Role

Our Landlord services are delivered through our Asset Management and Housing Services Divisions. They encompass the full range of landlord services including housing management, repairing and improving our homes, and engaging with our customers and tenants at a community based level. We also manage a commercial property portfolio of approximately 400 units and 6,100 leasehold properties. We actively strive to improve and enhance the communities where our tenants and customers live socially, economically and environmentally.

Strategic Housing Authority Role

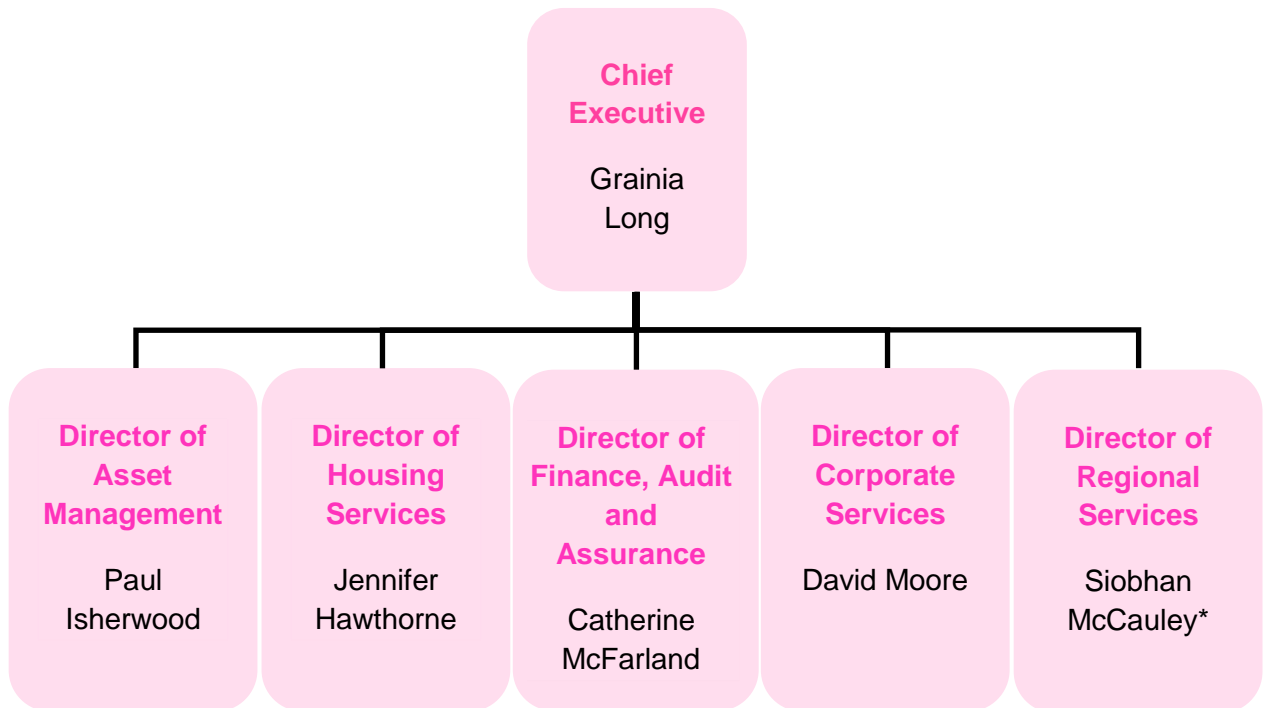
As the Strategic Housing Authority for Northern Ireland (sometimes referred to Regional Services) we assess housing need, oversee the Social Housing Development Programme (SHDP) with our housing association partners, provide housing support services with our voluntary and community sector partners and provide homelessness services across Northern Ireland (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. Furthermore, we are the Home Energy Conservation Authority (HECA) for Northern Ireland.

Support Services

Support Services provide the necessary support for our Landlord Role and Strategic Housing Authority Role. 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.



*Elma Newberry has been acting Director of Regional Services since September 2022

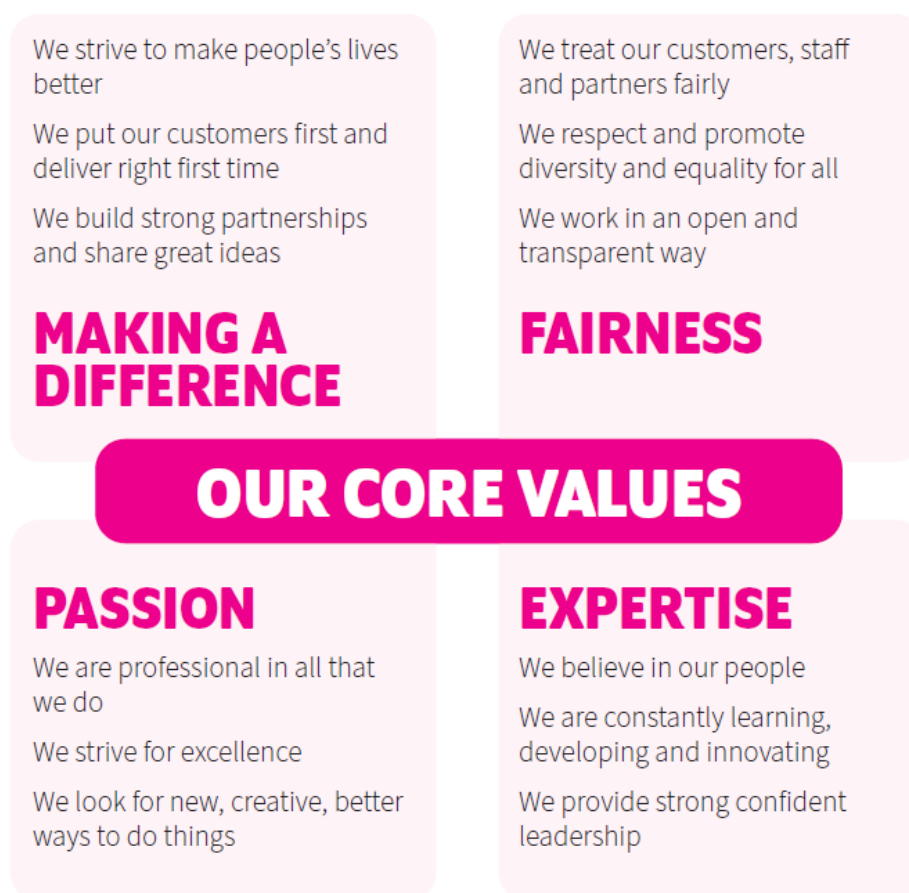
Our Vision, Core Values and Priorities

Our Vision:

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

Our values:

Our values were developed in collaboration with our colleagues. They reflect our culture and underpin how we approach our work.



Energising Communities: 2022/23 – 2024/25 Corporate Strategy

Following an extensive consultation exercise we received final approval from both our Board and DfC in the 2022/23 financial year for our organisational Corporate Strategy (formerly known the Corporate Plan).

Our Corporate Strategy – 'Energising Communities', covers the period 2022/23 – 2024/25 and outlines the organisations six strategic objectives over the duration of the three year plan. Each objective also has a clear set of priorities that we will work towards as an organisation to help achieve our goals.

Our Six Priorities:

1. We will work with our partners, to increase social housing supply to help meet identified need and we will build our capacity to borrow, invest in our stock and add to new supply;
2. We will help NI meet its emissions targets, address the impact of climate change and help sustain and protect our environment for future generations;
3. We will invest an estimated £1,700m (during the period 2022/23 to 2024/25) into our local economy, through our housing services, construction activity, employment opportunities and through our support for the health, voluntary and community sectors. In the same period we will process circa £1,148m in Housing Benefit payments across public and private housing tenures;
4. We will work with our partners to deliver innovative housing solutions for our customers and to help reduce poverty and improve Health & Wellbeing;
5. We will involve our customers to ensure that they are at the heart of service improvements and our business delivery model; and
6. We will be an employer of choice and deliver high quality services for all in Northern Ireland's increasingly diverse community.

The Corporate Strategy is supported by annual business plans which are developed and approved at the start of each business year. The following report is both a summary of our performance in delivering our 2022/23 business plan, as well other key achievements delivered by teams across the organisation.

You can access both our Corporate Strategy and 2022/23 business plan (detailed within the Corporate Strategy document) by following this [link](#).

Our Commitment

This annual report highlights the work that the Housing Executive has delivered from April 2022 to March 2023. It outlines our performance during this period and illustrates how these results have directly benefitted our tenants and other customers.

Unfortunately, the rising cost of living continues to have a profound impact on the day-to-day lives of our tenants. In direct response to this, we created an action plan, which quickly focused our efforts on a number of different measures to help alleviate some of the worst impacts.

Key amongst these support measures was the expansion of our Financial Inclusion Team. The team is helping to ensure that our tenants get full access to all of the benefits to which they are entitled and is also providing useful advice and guidance on debt management.

As the Home Energy Conservation Authority (HECA) we provide free energy advice to households across Northern Ireland. This service has helped many people struggling to heat their homes with advice on energy-saving measures, signposting to grant schemes and the oil buying club network.

We have also seen a marked increase in demand for Discretionary Housing Payment (DHP) and are working to maximise spend against the budget which is available to us. Recognising that people are facing higher rent costs than ever before, we are proactively promoting DHPs for those who are eligible to receive it.

All of these support measures recognise the different needs of our customers, whom we are here to serve. Our connection to them is crucial to help us understand the lived reality of the many thousands of people who are finding it increasingly difficult to make ends meet, on a daily basis.

I would like to acknowledge the important role of the Housing Community Network and Central Housing Forum in helping us to shape, inform and co-design how we deliver our services. We are hugely grateful for the time they give us to gain a deeper insight into the needs of our customers. Tenant participation in our work is essential, not only to help create sustainable tenancies but to also create stable communities. Going forward this support will have increased importance as we continue to mobilise our services to meet the rising cost of living.

Without doubt, the many challenges faced by the construction industry, including spiralling material costs and labour shortages, have had an impact on our ability to get all of our response and planned maintenance work delivered. As a result of this, we have had to quickly adapt our approach and in doing so have made some real progress with £218.3m invested in maintenance schemes and housing stock improvements, including £44.48m on 227,789 maintenance repairs. This is something that we are determined to build upon despite ongoing challenges in the construction sector.

As a major local economic investor, we plan on spending several hundred million pounds on our homes in the near future. In the past year alone, the Corporate Procurement Unit awarded a total of 227 contracts, with a combined value of £187m. This is a significant investment and reflective of our desire to deliver safe and affordable homes for all of our customers.

Despite many external challenges, the last year has been a successful one for the organisation, as we have:

- ✓ Delivered 873 retrofits in homes across Northern Ireland, making them more energy efficient and resilient to the effects of climate change;
- ✓ Delivered 5,591 Affordable Warmth measures to 3,308 homes with 3,617 onward referrals to the existing available energy efficiency schemes - overall, this work resulted in reduced fuel costs for householders and £16.3m invested into the local economy;
- ✓ Collected £341.3m in rent and rates (equating to 99.4% of income collected). Rental income is used to invest in our homes and for the running of our tenant services;
- ✓ Supported the Ukrainian resettlement scheme;
- ✓ Spent approximately £500m in Housing Benefit to our customers;
- ✓ Approved 822 Disabled Facility Grants with a value of approximately £12.8m;
- ✓ Planted 11,490 trees (against a target of 5,500) as part of our Corporate Sustainable Development Strategy and Action Plan, which was launched in November 2022;
- ✓ With housing associations commenced a record number of 1,956 new social homes (as part of the Social Housing Development Programme) and completed 1,449 over the past year;
- ✓ Continued to extract social value from our spending power - delivering local inclusive economic development, by investing in skills and supply chains;
- ✓ Awarded approximately £545k to address community safety issues in our estates;
- ✓ Invested in new apprenticeship schemes to help nurture new talent, with 12 Housing Customer Support trainees commencing their Apprentice Programme;
- ✓ Successfully delivered Stage 1 of the Fundamental Review of Allocations; a complex piece of work involving engagement with our tenants and a wide range of other key stakeholders; and
- ✓ Supported a total of 326 staff to take part in carbon literacy training.

We are continuing to work closely with the Department of Communities on the Revitalisation Programme which will allow the Housing Executive to borrow against its rental income, provide much-needed new investment in its homes, and start to build new social housing again. I remain hopeful that we can meet the 2025 target, as originally set out by the Minister.

I would like to thank our outgoing Chair Professor Peter Roberts for his passion and dedication, throughout his time with the Housing Executive, and particularly for his championing of sustainable development and the development of greater energy efficiency measures within our properties.

I welcome our new Chair Nicole Lappin to the organisation and look forward to working closely with her in the years ahead. Nicole brings a wealth of governance experience with her and a commitment to public service.

Over the past year, I have been grateful for the support and dedication of my colleagues. They continue to put our customers at the heart of everything that they do and are helping to positively transform lives on a daily basis.

A handwritten signature in black ink that reads "Grainia Long". The signature is written in a cursive, flowing style.

Grainia Long
Chief Executive

Date: 20 September 2023

The Scale of our Business – 2022/2023

LANDLORD SERVICES

Housing Executive



83,000

Over 83,000 homes managed by the Housing Executive



11,490

native trees and whips were planted in the 2022/23 planting season



£218.3m

in stock improvement and maintenance, including: Over 239,000 response maintenance repair jobs, costing £87.4m; and £130.9m on Housing Stock Improvements and Planned Maintenance



154,598

HOUSEHOLD MEMBERS LIVING IN APPROXIMATELY 83,000 HOMES
30,872 aged 15 years & under
44,934 aged 60 years old & over



4,116

minor adaptations

122 major adaptations

122 major and 4,116 minor adaptations to Housing Executive stock



227

Awarded a total of 227 contracts, with a combined value of £187m



By implementing a range of energy efficiency measures on our housing stock we have reduced CO₂ emissions by

7,384 tonnes



£131m

in stock investment and property adaptations



873

European Regional Development Fund (ERDF) retrofits delivered in year



£1.325m

in additional annual benefit entitlement generated for customers by our Financial Inclusion Team



30,510

elemental improvements carried out across our stock



441,423

phone calls received and 43,452 visits to our offices

The Scale of our Business – 2022/2023

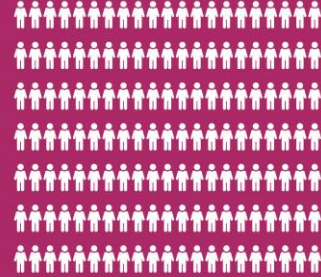
Housing Executive

STRATEGIC HOUSING AUTHORITY



45,105

applicants on the **waiting list**



15,913



homeless presenters and 9,994 acceptances

822



Disabled Facilities Grants approved with a value of **£12.8m**, with 619 completed at a value of **£10.2m**

32,633

in housing stress



5,591

Affordable Warmth measures delivered to **3,308 homes**

5,796

allocations, of which 2,801 were allocated by the Housing Executive and 2,995 were allocated by Housing Associations



1,956

units (across 85 schemes) started and

1,449

units (across 80 schemes) completed as part of the **Social Housing Development Programme**



11



Rural needs tests carried out in 2022/23

£473.29m

administered through **Housing Benefit** to **99,077 customers** of which **42,832** are Housing Executive tenants and assessed **14,088** new claims



£78.52m

provided in **Supporting People funding**, across **827 schemes**, to **almost 20,000 service users**



1,039

We approved 1,039 applications to the **Boiler Replacement Scheme**



554

house sales completed during the financial year

Performance Analysis

This section outlines the Housing Executive's performance during the 2022/23 business year against the 2022/23 one year business plan. In 2022/23, Corporate Performance was reported on a monthly basis (NB. some KPIs/PIs are reported quarterly) to our Performance Review Committee (PRC) which comprises of our Chief Executive, Directors, Head of Internal Audit, Risk and Governance Manager and the Senior Planning and Performance Manager. This information is reported to the Housing Executive Board, Resources and Performance Committee and the Department for Communities (DfC).

For the 2022/23 Business Year, we reported on 105 Key Performance Indicators (KPIs) and Performance Indicators (PIs) using a Red, Amber or Green (RAG) status. The scoring criteria is as follows: Green: 100% performance against target; Amber: between 99.9% - 90% performance against target; and Red: less than 90%. (Note: there are some exceptions, for KPIs which have contractual KPI scores or where 90% is not sensitive enough to give a meaningful performance score).

Of the 105 KPIs/PIs monitored in 2022/23, 96 were assessed using a RAG status (nine were for 'data only' or monitoring purposes). Overall, at year-end there were 77 Green, 10 Amber and 9 Red KPIs/PIs.

Housing Executive KPI/PI performance during 2022/23

Directorate	Green KPIs/PIs	Amber KPIs/PIs	Red KPIs/PIs	PIs (monitoring only)	TOTAL
Regional Services (Strategic Housing Authority)	23	2	0	2	27
Finance	10	0	0	3	13
Corporate Services	20	2	2	0	24
Housing Services	15	3	3	3	24
Asset Management	9	3	4	1	17
TOTAL	77	10	9	9	105

For the Housing Executive, as for many other organisations in the housing sector, 2022/23 was marked by significant challenges: the ongoing shortage of affordable housing, global supply chain issues, industrial action, price inflation, labour market pressures and the legacy of the COVID-19 pandemic. Despite these challenges, the Housing Executive remained committed to our mission of providing safe, affordable and high quality housing, and our performance during the year was strong. Of the 96 KPIs and PIs which were assigned a RAG status, 80% were scored 'Green' (in 2021/22 66% of KPIs were scored green). A more comprehensive overview of these KPIs can be found throughout this document, but some notable KPI achievements during 2022/23 included:

- Both income collected and arrears recovery targets met;
- Targets were exceeded for both SHDP starts (1,956 against a target of 1,950) and completions (1,449 against a target of 1,400);
- Exceeding targets for energy efficiency and grant availability advice and assistance and for the delivery of the Affordable Warmth and Boiler Replacement Schemes;
- Developing a 3 year Land Asset Management Strategy;
- Significantly reducing service delivery times for processes within the Housing Executive's control for Disabled Facilities Grants;
- Meeting all Housing Benefit targets including recovering over £10m in overpayments.
- Developing and commencing implementation of an Affirmative Action outreach plan;
- Investing heavily in staff development through the delivery of Leadership Programmes for staff Level 6 and above (including the Executive Team);
- Increasing tenancy sustainment for new tenants from 86% to 88% this year and successfully delivering countless initiatives and improvements through our community based strategies and work;
- Delivering the in-year objectives for stage 1 of the Fundamental Review of Allocations;
- Implementing Year 3 of the Tower Block Strategy; and
- Exceeding our Health and Safety requirements.

Whilst we have made significant strides towards delivering the goals set-out in both our 2022/23 - 2024/25 Strategic Plan and the 2022/23 Business Plan, there were nine KPIs/PIs that did not fully meet their annual objective and therefore have been assessed as 'Red' at the end of the year. These are:

- LLAM PI 6.9: Carry out 38,447 elemental improvements to NIHE stock.
- LLAM PI 6.7: Complete retrofits through the NIHE ERDF Retrofit Programme - Implement 2nd year of the programme to insulate 1,297 non-standard public properties.
- LLAM KPI 8.5: Deliver the Direct Labour Organisation (DLO) Evolve Programme with objectives to deliver a better customer experience.
- LLAM PI 4.6: Deliver 6 units through Modern Methods of Construction (MMC) in Belfast.
- LLHS PI 1.3.1: Maintain relet times to an average of within 28 days and remain within the Housemark top performing quartile.

- LLHS KPI 7.13: End the use of bed and breakfast and hotel accommodation as temporary housing for children for more than two weeks: Reduce by 70% from 2021/22 baseline.
- LLHS KPI 1.5: Remain a top quartile performing Landlord as benchmarked by Housemark measured as 80% of 26 areas in Quartile 1 & 2.
- SSCS KPI 1.16: Implement a new pay and grading structure across the Housing Executive to ensure our people are remunerated appropriately and fairly (subject to approval).
- SSCS KPI 1.17: Develop and implement employee engagement and reward and recognition strategies to ensure we attract and retain talent.

Further details relating to these KPIs/PIs are outlined in the relevant sections of this report.

Landlord Services

Landlord Services comprises 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 (Commissioned 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 generated from property rental income, supplemented by government grant for specific initiatives and house/land sale receipts.

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 challenges 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.

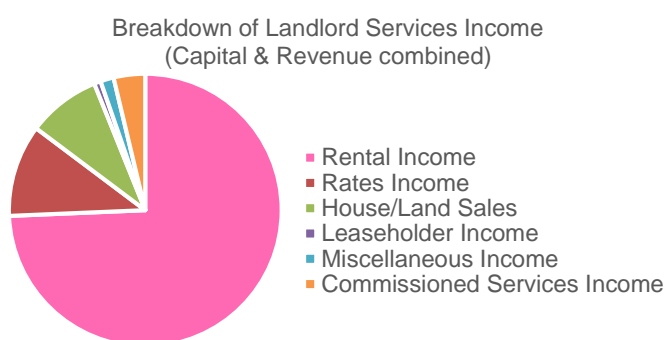
Weekly domestic property rent charges remain amongst the lowest within the UK social housing sector at an average of £74.21 per week (inclusive of a 7% uplift in 2023/24). Detailed analysis clearly indicates that present level of rental income is insufficient to fund the required programme of maintenance and improvement works during the next 10 plus years to ensure our housing stock remains fit for purpose and to protect tenants from the impacts of climate change and cost of living energy price increases through a programme of thermal improvement works.

The **Housing Executive Revitalisation** Programme was established in 2021 to consider and assess a range of options to ensure the medium to longer term sustainability of our stock in order to 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 was to produce recommendations to address funding of the stock investment challenge. Options for this were jointly developed by NIHE and DfC, and are presently under consideration by the DfC officials.

Income & Funding Received

Landlord Services is largely financed via self-generated rental income, supplemented by DfC funding for specific initiatives, and house/land sale receipts. A breakdown of income generated and funding received is provided below.

Income	£millions
Rental Income	302.3
Rates Income	44.4
House/Land Sales	35.2
Leaseholder Income	3.2
Miscellaneous Income	6.4
Commissioned Services Income	15.2
Total Income	406.7



*See Note 3 in Part 2 of Accounts

Key points to note are as follows:

- **Rental income** – No rent increase was applied in 2022/23.
- **Rates Income** – Landlord Services is required to collect rates on its properties on behalf of Land & Property Services. A sum equivalent to 10% of the total rates charge is retained by the Housing Executive to fund associated administration costs.
- **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.
- **House/Land Sales** - Total receipts reflect the sale of 558 domestic properties in 2022/23 (444 sales in 2021/22).

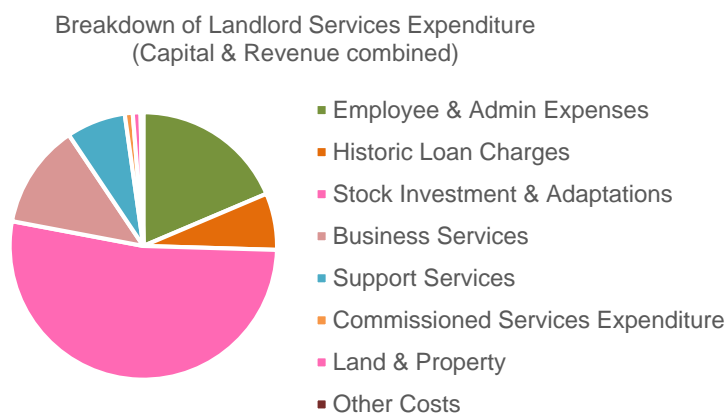
In addition to the above, ERDF Funding of £0.5m and DfC Funding of circa £22.2m was received for:

- Stock investment activities (£6.6m);
- Landlord Urban Renewal activities (£4.1m);
- The installation of Disabled Adaptations to address tenant needs (£11.1m); and
- Other Landlord activities (£0.4m).

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.

Expenditure	£millions
Employee & Admin Expenses	77.4
Historic Loan Charges	28.5
Stock Investment & Adaptations	218.3
Business Services	52.5
Support Services	29.8
Commissioned Services Expenditure	4
Land & Property	3.9
Other Costs	1.4
Total Expenditure	415.8



*See Note 3 in Part 2 of Accounts

Key points to note are as follows:

- Stock Investment & Adaptations** – Despite significant challenges in relation to contract procurement difficulties arising from high levels of inflation, circa £218m of expenditure was directed towards stock investment activities, including planned, cyclical and response maintenance activities (2021/22 investment was circa £196.6m). It is noted that the higher cost incurred during 2022/23 includes increased contract costs associated with material and labour shortages, and sustained inflationary growth.
- Historic Loans** - Annual costs associated with the repayment of historic loans continue to decrease year-on-year. As at the end of 2022/23 financial year the amount of outstanding loan principle was circa £121m.
- Business Services** – This includes the payment of 90% of rates charged on Housing Executive properties to Land & Property Services (circa £40.6m).

As at the end of the 2022/23 financial year, the Landlord Services Rental Income Reserve balance was circa £270m, representing a reduction of circa £8m from the previous year. This fund will be used to augment annual rental income to fund stock investment activities in future years, but importantly remains insufficient to address the medium to longer term stock investment challenge.

European Regional Development Fund Retrofit (ERDF) Programme

The Housing Executive was 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 £39m with the funding contribution from ERDF equivalent to circa £19m and the funding contribution from the Housing Executive equivalent to circa £20m (subject to exchange rate fluctuations). In 2022/23, the Housing Executive spent £24.7m on this programme and received £0.5m of cash funding from ERDF with further funding to be received during 2023/24 as the programme progresses. The programme is targeted to complete by December 2023.

Housing Services

We are the largest social landlord in Northern Ireland and one of the largest in the UK with approximately 83,000 properties. During the year, out of the 5,796 allocations made to all applicants within the social sector in Northern Ireland, 2,801 were by the Housing Executive with the remaining 2,995 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 for 2022/23 is shown below:

Total KPIs/PIs	Green	Amber	Red	Blue
24	15	3	3	3

Sustaining Tenancies

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. In 2022/23 we sustained 88% of tenancies beyond their first year, against a target of 86% (LLHS KPI 1.3.2).

In October 2022, the Board approved the Tenancy Sustainment Action Plan (TSAP) 2022-24, and the appointment of a dedicated team to deliver it. The plan is a set of specific and practical actions that will be taken to tackle threats to tenancy sustainability and resilience (a number of these will require the development of business cases/project plans). Some of the headline, priority actions include:

- Deliver a flexible model of Intensive Tenancy Sustainment Support for new and existing tenants with highly complex circumstances;
- Review feasibility of funding/partially funding Tenancy Starter Packs to ensure continuous and consistent provision for our tenants being rehoused from homelessness;
- Procure and deliver a mental health awareness training course that is bespoke for social housing professionals in Northern Ireland who are supporting tenants; and
- Commission or procure a nationwide hoarding support service for Housing Executive tenants and prepare a hoarding protocol for use by staff and third party contractors.

Our KPI to evaluate the pilot tenant incentive scheme initiative (LLHS KPI 8.1) was met and we plan to consider our next steps throughout 2023/24.

Following the award of £877k via the Sustaining Tenancies Funding Programme in February 2021/22, a further £501k was invested during 2022/23 in voluntary, community and social enterprise sector projects that will benefit our tenants and their families. All 36 funded projects commenced during 2022/23, and we continued to monitor the progress of these projects, measuring impact and outcomes for tenants. At the end of 2022/23, we were ahead of our investment goals, and a business case for a renewed three year funding programme will be developed in 2023/24.

In 2022/23, the Housing Executive contributed £172k towards the provision of Tenancy Starter Packs for its new tenants who have been rehoused from circumstances of Full Duty Applicant¹ (FDA) Homelessness. Packs contain a number of practical, essential items including;

- Small electrical goods e.g. kettle, microwave;
- Bedding and towels;
- Crockery and cutlery;
- Cleaning items e.g. mop and bucket, dishcloths; and
- Other misc. e.g. bulbs, wardrobe hangers.

A further £416k will be granted to Homeless Connect to maintain this provision in the first half of 2023/24. A business case will be developed during 2023/24 to procure this service for tenants on a more secure and flexible basis.

Tenancy Fraud

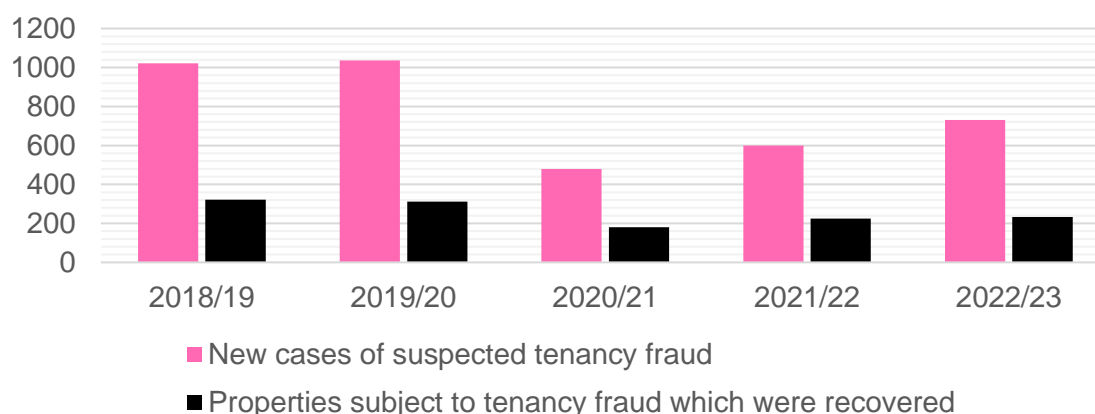
The 2022/23 year saw the removal of the final operational restrictions on Housing Services in place in response to COVID-19 pandemic. Site visits resumed in April 2022 and restrictions were lifted on taking possession proceedings in June 2022. There was a corresponding rise in the recorded number of fraud reports across the year, as well as a small increase in the total number of properties recovered. There were approximately 19 recoveries per month across the financial year, equating to a recovery rate of 0.28% of our total stock. Each property recovered represents a significant saving to the public purse and increases the number of properties available to allocate to those in housing need in Northern Ireland.

Across the year 2022/23, the Housing Information and Tenancies Team continued to provide assistance to frontline offices on complex fraud queries, helping to investigate and take action where appropriate, and ensuring our all stock is only occupied by those with the legal right to do so. The resolution of the significant backlog of complex investigations which accrued due to the COVID-19 pandemic will remain a high priority for local offices, the Housing Information and Tenancies Team, and the Tenancy Fraud Unit in the new financial year.

During 2022/23 there were:

- 730 new cases of suspected tenancy fraud were recorded across all areas (compared to 599 new cases in 2021/22). Of these, 60 were initially identified by local offices and referred to the Tenancy Fraud Unit for investigation; and
- 233 properties subject to tenancy fraud were recovered (compared to 225 in 2021/22). Of these, 33 were recovered following investigation by the Tenancy Fraud Unit.

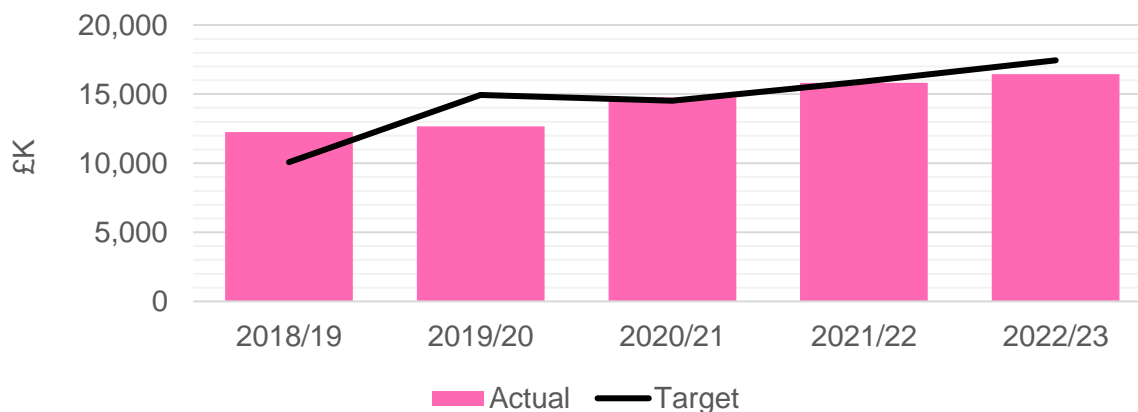
New cases of suspected tenancy fraud and number of properties subject to tenancy fraud which were recovered
2018/19 - 2022/23

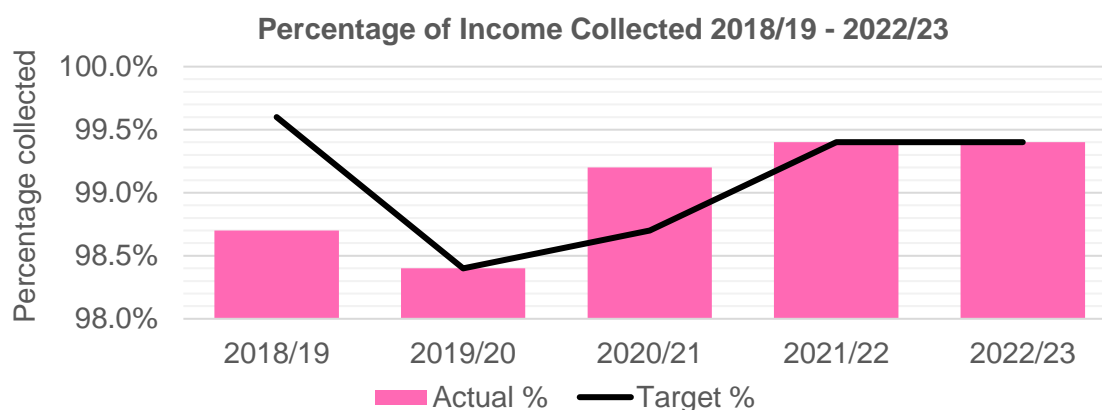


Income Collection, Leasehold and Commercial Property.

Our target for gross current arrears not to exceed £17,443k (LLHS PI 1.2) was achieved and we also achieved our target to collect 99.4% of rent due (LLHS PI 1.1).

Arrears Collection 2018/19 - 2022/23





The changes to welfare benefits introduced via the Welfare Reform Programme continued to be the single biggest factor during 2022/23, increasing both technical and recoverable arrears.

During 2022/23 we continued to attempt to improve our tenants' financial wellbeing by providing appropriate advice and assistance on household budgeting and benefit entitlement. In addition, we continued to implement appropriate arrears recovery methods to address non-payment.

Financial inclusion and 'Making Your Money Work'

Our Financial Inclusion Strategy for 2016-2019 (subsequently extended to 2022) aimed to improve the financial wellbeing of our tenants and other customers. Throughout 2022/23 we developed a new Financial Inclusion Strategy for 2023-2028, which is due to be approved by our Board in 2023/24 and builds on the success of our previous strategy.

During 2022/23, and through delivery of our 'Making Your Money Work' and Financial Inclusion services, we continued to:

- Provide advice and assistance with household budgets and benefits entitlement through use of the Benefit and Budgeting calculator;
- Make referrals for independent specialist debt advice for tenants with significant or complex debt problems;
- Make referrals for floating support services for tenants with perceived vulnerabilities; and
- Signpost to other forms of practical advice and support, e.g. DfC's Make the Call service, charitable organisations etc.

During the year, the Financial Inclusion Team within Housing Services has continued to assist tenants in financial difficulty to improve their financial circumstances. Responding to 2,237 referrals from frontline staff, 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 of court action and/or eviction due to arrears.

Through their income maximisation work, the Financial Inclusion Team generated an additional £1.325 million in annual benefit entitlement for customers during 2022/23.

During the year, approval was granted to expand the team to include an additional Financial Inclusion Manager and three new Deputy Financial Inclusion Managers. With these additional resources, the team can work more proactively to target those customers most at risk of financial hardship, and can offer more opportunities for the delivery of face-to-face advice for those customers who may need, or prefer, to access the service in this way.

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

Responding to customer research, we made a number of changes to how we communicate with our tenants, ensuring we provide clearer advice and guidance when transferring to Universal Credit, and the effect on their housing costs.

During 2022/23, a total of 5,000 Housing Executive tenants made a claim for Universal Credit, bringing the total number of tenants who have made a claim for Universal Credit since its introduction in September 2017 to 29,822 (by the end of March 2023), an average of 416 tenants per month. At end March 2023, 23,115 tenants had an active Universal Credit claim, an increase of 4,493 from the previous year. It is anticipated that between 45,000 – 50,000 tenants will eventually move on to Universal Credit by the time it is fully implemented.

Leasehold Unit and Commercial Properties

During 2022/23 we continued to carry out works and services to approximately 6,140 leasehold properties. The estimated yearly charges applied to the General Service Charge accounts for the 2022/23 year totalled £2,169K with a further £1,008K of planned scheme costs billed for payment. General Service Charge Arrears increased by £180.7K and Planned Scheme works arrears increased by £340.3K.

In advance of planned scheme works being carried out at the blocks where sold flats (leaseholders) are situated, 508 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 287 leasehold properties where resales² or change of ownership took place. To support the House Sales applications for flats, 136 estimated service charges were prepared for inclusion with the offers.

The new Lease Extension Policy was successfully implemented with applications being accepted from 1 October 2022. This was 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.

During the 2022-2023 year, the Commercial properties portfolio had a net collectable rental income of £1.8m Commercial rental abatements, supporting 53 community organisations was estimated to be £150k. Gross current arrears at year end were £197.5k, a reduction of £26.5K from the previous year. At year-end there was an increase of eight void commercial units, bringing the current total to 43 properties unoccupied.

Customer Service Excellence

Through our Continuous Tenant Omnibus Survey, we measure tenant satisfaction annually, across a range of key metrics, including overall satisfaction with the overall service provided by the Housing Executive and tenant satisfaction with the quality of their home.

We missed our challenging target of ensuring 85% of our tenants are satisfied with the overall service they receive, achieving 78% (LLHS KPI 2.9), a drop in performance from 84% in 2021/22. We also missed the target of ensuring 86% of our tenants are satisfied with the overall quality of their home, achieving 79% (LLAM KPI 2.6). This represents a drop in performance from 85% in 2021/22.

Satisfaction has dropped in relation to a number of key operational areas compared to 2021/22, in-turn impacting upon overall tenant satisfaction and resulting in the KPIs not being achieved. The Housing Executive faced challenges relating to staffing, repairs, industrial action, delays in planned maintenance works, and resource and supply chain issues. Work is underway across the organisation to monitor and address these issues and improve customer satisfaction.

Customer Service Excellence (CSE) accreditation is an acclaimed independent UK national standard of excellence in service delivery. In 2022 Housing Services was assessed as fully compliant across the 57 rigorous criteria and achieved "Compliance Plus" (best practice standard) in 25 of these 57 criteria.

² Resales are flats sold on the open market, resulting in new owner customers for collection of service charges.

Our performance in relation to one criteria was upgraded to compliance plus. 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 ongoing commitment to put the customer at the heart of everything we do.

Fundamental Review of Social Housing Allocations

The Fundamental Review of Allocations (FRA) Implementation Project is delivering a series of changes to the Housing Selection Scheme (HSS) and allocations process on a phased basis over a three year period. The changes will help to build on the strengths of the current allocations scheme to enable it to work better for people in need. These are the most significant changes to the Scheme since its introduction over 20 years ago.

The Project Team successfully delivered the first group of changes on 30th January 2023, in line with Stage 1 of the Project Plan, achieving LLHS KPI 8.2 (Deliver the objectives of the Fundamental Review of Allocations in line with the Business Case and Project Initiation Document (PID)). The first changes relate to Proposals 1, 5, 15 and 16³, set out in the DfC Fundamental Review of Allocations Consultation documents. These include the ability of all Applicants to choose as many or as few areas of choice as they wish, ending the policy of the automatic imposition of a wider general area of choice on statutory homeless applicants, and the reduction in the number of reasonable offers given, from three reasonable offers, to two reasonable offers.

³ In 2021/22 we received approval from 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. This review set out 20 Proposals for Changes to the Housing Selection Scheme and wider allocations policy for Northern Ireland. Stage 1 Delivery of the Fundamental Review of Allocations included the implementation of the following four proposals, which came into effect on 30 January 2023: Proposal 1: Independent, tenure neutral housing advice service for NI; Proposal 5: Greater choice of areas (removal of the General Housing Area imposition); Proposal 15: Reduction from three to two reasonable offers; Proposal 16: Social landlords may withdraw an offer in specified circumstances. You can read more about the Fundamental Review of Allocations here: <https://www.nihe.gov.uk/housing-help/apply-for-a-home/fundamental-review-of-allocations>.

The Group 1 implementation involved complex changes to the Housing Management System (HMS) which needed to be carefully, planned, tested and implemented to ensure the integrity of the existing 56,000 applicants and transfer applications. New and revised policies, procedures and guidance were also delivered. Training and Awareness sessions were delivered to over 800 Housing Executive and Housing Association staff prior to 'go live' and a number of sessions provided for advocacy groups and other key stakeholders. A comprehensive Communications Plan was rolled out to communicate the first changes to customers and stakeholders and a Stakeholder Advisory Group has been established to assist the Housing Executive throughout the duration of the Project to successfully implement the proposals for change.

Stage 2 commenced in February 2023 and will see a further five proposals for change implemented at the end of 2023 (Proposals 6, 12, 14, 17 and 18⁴). These changes include greater promotion of mutual exchanges; changes to the definition of difficult to let stock and the multiple offer process and the introduction of the discretion for social landlords to withhold consent to a policy succession or policy assignment in specific circumstances where there is evidence an applicant needs it.

Work also continues on longer term proposals, while significant preparatory work is underway in this stage for the reassessment of all Applicants and Transfers on the Waiting List (approximately 56,000 households) which is due to commence in early 2024 and is required to implement Proposal 8 (Points should reflect current housing circumstances – the removal of the No-Detriment Policy for statutory FDAs) and Proposal 11 (The alignment of ages of children sharing with Social Sector Size Criteria for Help with Housing Costs under Universal Credit / Housing Benefit). The Project Team are working with our IT supplier on the development and delivery of a Data Store solution to facilitate the reassessment exercise and the development of a new Housing Allocations module to deliver the changes.

While the funding outlook for 2023/24 is extremely challenging, in March 2023, the Project obtained approval from the Executive Team to work at risk in the absence of a confirmed funding for 2023/24 up until the 31st December 2023 to complete Stage 2 of the Project. Further details on the Proposals for Change and the Project Timeline can be found on the NIHE [website](#).

⁴ Proposal 6: Greater use of mutual exchange service; Proposal 12 and 14: Social landlords should be able to make multiple offers directly and to as many applicants as they think necessary; Proposal 17 and 18: Social landlord may withhold consent for policy assignments/successions to general needs and adapted accommodation.

Benchmarking

Housing Services carries out a yearly benchmarking exercise of its costs and performance across a range of core housing activities. This allows us to test and ensure service levels are consistently high and, where appropriate, consider how we can improve and maintain performance. The main aim is to ensure that we are providing the best possible service to customers, and highlight any areas for improvement. The results are compared against a range of other UK social housing organisations.

The 2021/22 benchmarking process completed in December 2022, and compared the Housing Executive to similar large scale social housing landlords (with a minimum stock size of 20,000 units) from across the UK, and covered six main areas of activity: rent arrears and collection; repairs; void works and lettings; tenancy management; resident involvement; and estate services.

Results in the main have been positive, however, performance in all areas was impacted over two years as a result of pandemic related issues. Therefore the KPI (LLHS KPI 1.5) was not achieved and scored Red.

During 2021/22 rent collection rates were impacted by technical arrears built up during the Universal Credit and Rates Relief application and assessment processes. Further initiatives are ongoing which aim to improve rent collection and arrears reduction

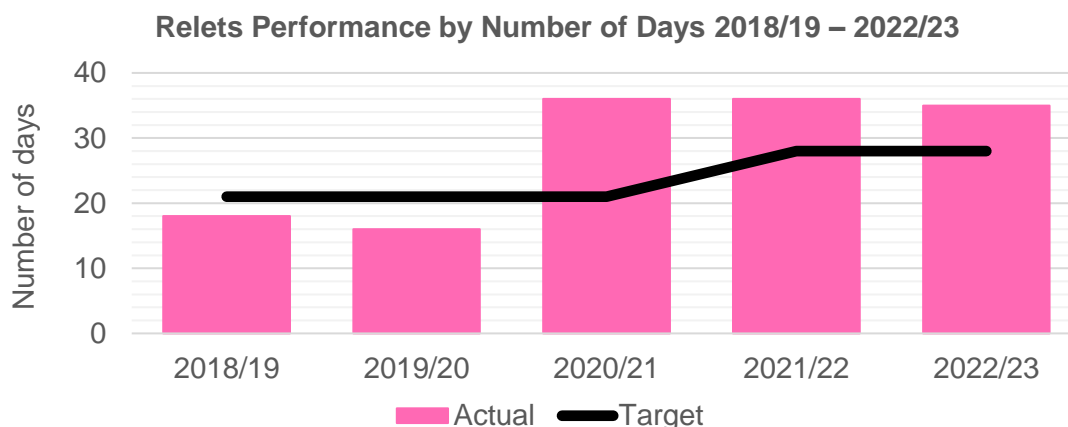
Tenants continue to report high levels of satisfaction with service, their homes and neighbourhoods. The target to keep vacant property levels below 0.7% (thus minimising associated lost rental income), has been met over the past number of years relet times remain lower than comparative organisations and tenancy turnover continues to decrease. This demonstrates that we are making best use of the housing stock which we own and manage.

Performance comparisons across our activities for the year, using 26 different measures, showed that Housing Executive performance was ranked in the top 25% for 8 of these (31%) and above average for a further 10 (38%). A number of follow up actions have been identified for the incoming year to maintain or improve performance as well as targeting better cost efficiency and use of resources.

Relets and Voids

The Housing Executive aims to repair and re-let properties as promptly as possible when they become vacant in order to maximise rental income and to allocate properties to those in need on the waiting list. However, the residual impact of the pandemic on our void management performance continues to be felt across the organisation. The macro-economic issues in relation to the supply and cost of materials, and labour shortages common to all contractors, were further compounded by a prolonged period of industrial action which affected the response contractor in place in four Area Offices across all three regions. Our relet time (LLHS KPI 1.3.1) was an average of 35 days, compared to a target of 28 days. Whilst still not meeting our KPI, this represents a reduction from 36 days in 2021/22. At March 2023 0.85% (713) of our properties were void (i.e. untenanted), and our tenantable void loss of 1.2% met the target set out in the corresponding KPI (LLHS KPI 1.3).

Housing Services will be presenting a Voids Action Plan to the Housing Executive Board in 2023/24, which will focus on achieving continuous improvement in void performance now that the impacts of COVID-19 and global economic instability appear to be abating.



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.

Community Safety 2022/23

We successfully published and implemented Year 3 actions for our Community Safety Strategy (LLHS KPI 3.1) 'Working Together for Safer Communities 2020 – 2023'. The strategy is supported by annual action plans and we continued to work with a range of partners across statutory, voluntary and community sectors.

During 2022/23 we responded to 1,604 reports of alleged anti-social behaviour. We continued 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 2022/23, one decree for possession was obtained on the grounds of anti-social behaviour and six properties were returned to us following action.

During 2022/23, our procured mediation service provider worked on 31 neighbour disputes. With funding from the Housing Executive and the PSNI, our community based restorative partners, Northern Ireland Alternatives and Community Restorative Justice Ireland, provided mediation and community support in over 600 cases of neighbour disputes, a marginal increase on cases in 2021/22. Three Mediation and Community Support (MACS) projects continued in 2022/23, addressing the problems of low-level crime and anti-social behaviour by attempting to fix the broken relationships between victim, offender and the community, based on a model of restorative practice. Northern Ireland Alternatives (NIA) piloted the projects in Mid Ulster and Portadown, and in 2023/24 continued to deliver this programme in Shankill, North Belfast, and Bangor. Similarly, Community Restorative Justice Ireland (CRJI) piloted this programme in South Belfast, and continued to deliver this programme in West Belfast into 2023/24.

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 2022/23 almost £545K was awarded to address community safety issues in our estates.

Estate Services

We continued to work with a range of partners and stakeholders on Response, Grounds and Planned Maintenance issues.

Following the tragic death of a toddler, Awaab Ishak, in Rochdale from prolonged exposure to mould in his family's home, the Board and Chief Executive of the Housing Executive commissioned a review of current practices for dealing with damp and mould, as well as providing assurances the organisation is dealing appropriately with mould in its own properties. A cross-divisional Task and Finish group was established to coordinate the various workstreams. Estate Services were tasked with providing facts and data to inform

the Group on current practises within the organisation and identify areas for concern, working extensively with our Data Analytics team to obtain, filter and present relevant data. The final report was presented to the Board in February 2023, and included a number of recommendations which will feed into a new planned Damp & Mould Action Plan that will be delivered in the 2023/24 and 2024/25 business years.

Throughout 2022/23 we continued to work with a range of partners and stakeholders on Grounds Maintenance business as usual requirements. The team produced and analysed weekly progress in the development of new grounds contracts for 2024, incorporating a vast review exercise of existing contracts and services, collation and actioning of lessons learned, updating NIHE contractual standards and revising contract conditions across the entire Grounds services delivery. Further to this, 11,490 trees and whips were planted in the 2022/23 planting season, surpassing the target of 5,500 (LLHS PI 5.1).

New grounds contracts will see the introduction of numerous new items including the application of NEC4⁵ contract arrangement framework, Nature Positive Solutions delivery in its business as usual services, a new KPI framework and new industry recognised scope of grounds activities not previously identified in the current services.

Community Cohesion

The Housing Executive invested approximately £721k into our communities through Cohesion funding during 2022/23. Our Good Relations Officers, Race Relations Officer, Interface Officer and Shared Housing Officer work in partnership with communities to implement our Community Cohesion Strategy, producing practical and tangible actions that benefits those communities.

The KPI (LLHS KPI 3.2.1) to implement our Community Cohesion Strategy and develop a new Community Cohesion Strategy was partially met. A new Community Cohesion Strategy was not developed in year and is now expected to be ready for launch in Autumn 2023. However we successfully implemented the 2022/23 Action plan, including the following key achievements:

- We funded and administered 105 estate based good relations projects, and 17 race relations projects;
- We supported 13 projects in Whitewell and a funded worker in Glenbank via the Areas at Risk Programme in North Belfast, on behalf of DfC;
- We supported the development and implementation of 17 reimagining projects via a community-led approach, addressing the physical manifestations of segregation within and between our estates;

⁵ New Engineering Contracts (NEC) are a family of standard contracts, designed to successfully manage any project from start to finish. The contracts are clear, straightforward and easily understood, and aim to prevent costly disputes. NEC contracts are endorsed by both governments and industry bodies, and have a history of helping to deliver large-scale projects.

- We worked in partnership with DfC and 11 Housing Associations, to deliver the Housing for All Programme;
- By the end of 2022/23 we had completed work at 16 interface locations and have invested funding of approximately £1,833k from Together: Building United Communities (T:BUC) funds into our communities.; and
- Working in partnership, or as lead agency, we helped deliver six major programmes under the SEUPB Peace IV Programme⁶. Three of these programmes have been completed with targets met. Other programmes include the ONSIDE⁷ programme, Children and Young People programme and the Building Positive Relations Belfast programme in Belfast.

The current Community Cohesion Strategy has undergone an independent review of effectiveness, taking cognisance of the wider Northern Ireland Executive approach and future Programme for Government commitments, which may impact the direction of any new Cohesion Strategy (a new Cohesion Strategy will be developed in 2023/24).

We have continued to work in partnership with DfC to support the delivery of 69 shared new build schemes on the Shared Housing Programme. In 2022/23 we exceeded the KPI (LLHS KPI 3.9) target, with 253 units delivered across 11 schemes. In addition to this, work with Housing Associations will continue throughout 2023/24 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 framework for the Housing Executive, tenants, residents and leaseholders to work together towards mutually agreed outcomes. During 2022/23 we successfully implemented Year 5 of the strategy (LLHS KPI 3.3). Key achievements included:

- Conducting research to establish a baseline of current participation levels and participant's views across our communities;
- Awarding 119 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

⁶ The Special EU Programmes Body (SEUPB) PEACE Programme was initially created in 1995 as a direct result of the EU's desire to make a positive response to the paramilitary ceasefires of 1994, and is a unique cross-border initiative designed to support peace and reconciliation in Northern Ireland and the border counties of Ireland.

⁷ The ONSIDE project was a cross border project created to address the social isolation experienced by disabled people. It was led by Disability Action NI in partnership with the Northern Ireland Housing Executive; the Independent Living Movement in Ireland; and Supporting Communities.

- Continuing our work with the Digital Inclusion Working Group to ensure the Housing Executive increases digital capacity and capability for our Housing Community Network.

Tenant and Customer Engagement

The Housing Community Network (HCN) is the key forum for tenant and community engagement in Northern Ireland. It comprises over 500 community groups and representative tenant involvement panels in each of the Housing Executive areas of housing management. The Central Housing Forum (CHF) sits at the top of the HCN pyramid structure. It is made up of representatives from each of the Housing Executive's 13 Areas and representation from 'easy to ignore' groups, including LGBTQ+ representatives, young people, people with disabilities, and people from rural areas. The Central Housing Forum has a recognised and meaningful role in the monitoring and decision-making process of the Housing Executive and influences decisions affecting tenants and communities. The Panel scrutinises policies and procedures and acts as a quality assurance to the Housing Executive's Board. During the year the forum 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.

Throughout 2022/23 CHF and HCN continued to meet on a hybrid basis, either face to face or via video call (facilitated by Supporting Communities). The preparation of the new Community Involvement Strategy commenced, and pre-consultations took place with community groups from the HCN. Supporting Communities recruited a Digital Engagement Officer who began rolling out digital capacity training within the HCN, initially to assist the Central Housing Forum members when accessing the collaboration portal.

The Rural Resident's Forum (RRF) continued to meet on a regular basis with Housing Executive staff via Zoom and face to face. RRF has continued to follow their work programme and receive presentations from internal and external departments. 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 and the new community involvement strategy.

The Disability Forum met on a regular basis, facilitated by Disability Action Northern Ireland. The team also met with the Northern Ireland Youth Forum who work with young people who want to get involved in housing issues and join our networks. In addition to this, we continued to engage with the Rainbow Project to ensure LGBTQ+ representation on the CHF through the LGBTQ+ Working Group.

Community Grant Funding

During 2022/23 we invested £249k 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.

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 3 Action Plan was implemented, taking into consideration recent changes to the Public Services (Social Value) Act 2012, which mandates that tenders must now include a minimum of 10% of the total award criteria to social value, within public sector procurement. With more than £3 billion per year spent in public sector contracts, it is generally recognised that the new policy has potential to release significant amounts of money for social value activity. Consequently, during 2022/23, the Social Enterprise Team consulted with a range of internal and external stakeholders to build understanding of how the new policy could benefit Housing Executive communities in order to establish awareness and preparedness for social clauses. The survey showed a high level of awareness regarding changes in social value but there were varying degrees of understanding around how to proceed or access benefits from the new arrangements.

The Housing Executive Directory of Social Enterprises was reviewed and updated, helping inform the Social Enterprise NI (SENI) Directory and creating a comprehensive directory of social enterprises in Northern Ireland, and providing a catalogue of organisations who may be approached by a contractor to deliver the terms of social value clauses. This work continues and 'building capacity to meet requirements of social value clauses' was made one of the key priority areas for 2023/24 funding.

The Social Enterprise Plus Programme opened to funding applications in March 2023, focusing on reducing the impact of the cost of living crisis; energy and environmental impacts; preparing social enterprises for social clauses within Government contracts; and COVID-19 recovery.

Graduate Trainees

In 2022/23, the Housing Workforce Development team coordinated two separate cohorts of Graduate Trainees concurrently. There were 14 Housing Services Graduate Trainees who commenced their programme in October 2021, and who progressed onto their second academic qualification, a Level 5 in Housing, delivered by the Chartered Institute of Housing (CIH). On completion of their development programme, the Graduate Trainees will take up roles throughout the Housing Services Division.

A further 11 Graduate Trainees began their programme in October 2022, and commenced their first academic qualification, a Level 5 in Leadership and Management. As they progress through their development programme they will be participating in learning events and experiential placements. Part of the programme includes identifying innovative solutions for business improvement, and presenting them at a “Dragon’s Den” event. It is expected that some of these will be taken forward, leading to tangible improvements to our services.

Apprentices

The Housing Workforce Development team worked with internal and external stakeholders to establish an Apprentice Programme for the housing sector. This resulted in a programme being developed in partnership with other housing providers throughout Northern Ireland, alongside CIH and North West Regional College.

Twelve Housing Customer Support Apprentices commenced their Apprentice programme within the Housing Executive in 2022/23. Apprentices develop their skills through an extensive learning and development programme which includes experiential learning events, including a bus tour around Belfast, relevant training sessions and community placements. A number of these events have taken place with Apprentices from other housing providers, giving Apprentices the opportunity to network and build relationships with colleagues throughout the sector. Apprentices will commence their formal qualification in September 2023, a Level 3 in Housing.

GEM Programme Talent In House

The Graduate Empowerment Mentoring (GEM) Programme is a training scheme, supported by ‘Centre for Partnerships’ and 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 a Level 4 in Housing through CIH.

In January 2022 three existing Housing Services staff joined the GEM Programme ‘Talent In House’ which was successfully delivered through a hybrid of face to face & online learning events. The Housing Services GEMs worked with GEMs from Clanmil Housing Association in Belfast and Circle Voluntary Housing in Dublin to deliver a two day experiential learning event in Belfast. It brought together GEMs from throughout the UK and Ireland who were taking part in programme.

In January 2023, a further two existing Housing Services staff joined the GEM Programme and are taking part in face to face learning events delivered throughout the UK. They are working towards achieving their CIH Level 4 qualification. The GEM Programme 'Talent In House' continues to perform as a beneficial learning and development opportunity for Housing Services staff and a networking opportunity for the Housing Executive with Housing providers across the UK & Ireland, promoting shared learning and best practice.

The Housing Workforce Development team have been working towards developing other learning and development opportunities for Housing Services staff. A new initiative was piloted in 2021 through South Eastern Regional College, where two staff with line management responsibility commenced a Level 5 Diploma in Leadership & Management. In October 2022, a further nine staff embarked on the qualification, which includes developing innovative solutions to business improvement and culminating in the presentation of their ideas and creative solutions at a '*TED Talk*' event to senior managers and colleagues. Plans are underway for another cohort to start the course in September 2023.

The team are also working with other colleges to support the delivery of a number of smaller learning and development programmes to Housing Services staff. Throughout 2022, almost 25 staff completed courses such as a Level 2 Introduction to Counselling Skills and a Level 2 in Understanding Substance Misuse, delivered by Northern Regional College and Belfast Metropolitan College.

Asset Management

Asset Management KPI Performance for 2022/23 is shown below.

Total KPIs/PIs	Green	Amber	Red	Blue
17	9	3	4	1

Asset Strategy and Investment Planning

Providing modern, safe and warm homes, while also reducing carbon emissions, is a key objective for any social housing landlord and we deliver considerable investment every year in pursuing this objective. However, a report on future stock investment requirements (completed with support from Savills plc in 2021) indicates that we will need significantly increased funding (i.e. some £10.3 billion over the next 30 years) to fulfil our landlord obligations by upgrading our stock and maintaining it at modern standards, carry out adaptations and decarbonising our stock, in order to contribute to the UK's 2050 Net Zero carbon target (it should also be noted this figure will now be higher due to cost inflation in the construction sector in the interim period). Consequently, pending the outcome of the Housing Executive Revitalisation project, which aims to develop a sustainable funding model for our landlord business and enable a major future investment programme, we continue to prioritise works and services that will optimise the number of our properties available for letting, to meet growing housing need.

Cost inflation, labour and supply issues had a major impact on delivery of our intended physical programme in 2022/23. The mutual release of 10 of 13 companies from their CT055 Planned Maintenance contracts demonstrates the difficulties we experienced in procuring works on terms that represent value for money. Nevertheless, while we did not achieve our target of 38,447 elemental improvements in 2022/23 (LLAM PI 6.9) we improved the living conditions of many of our tenants and their families by carrying out 30,510 planned maintenance and improvement works to properties, including window replacements, heating installations and roofs repairs.

Although we did not achieve the target of 1,297 retrofits via the ERDF (European Regional Development Fund) part-funded Energy Efficiency in Social Housing programme (LLAM PI 6.7), we successfully implemented thermal improvements to 873 homes, demonstrably improving heat retention in these properties and reducing energy use by their tenants, now more important than ever in the face of the cost of living crisis. At the end of 2022/23, over 1,000 homes had benefitted from this scheme, with approximately 1,300 set to benefit by late 2023 when the programme ends.

The combination of this programme and other investment in our planned maintenance programme to upgrade heating systems, loft insulation and double glazing, helped us exceed the 2022/23 target of a 1.6% reduction in our stock's carbon emissions (LLAM KPI 8.2), as set out in our Sustainable Development Strategy and Action Plan.

This strategy and action plan, together with an Energy Efficiency Strategy for our stock (due in 2023/24), aims to roll-out such works across our stock, although doing so will require a major investment programme and a step-change in the funding that will be available to us. In the interim we are continuing to prepare for such a programme by undertaking a number of pilot schemes and skilling-up our staff. We successfully developed a project of 300 properties to further test various low carbon heating options (LLAM KPI 8.6) which will start on-site in 2023/24 and ultimately inform the review of our Heating Policy. We are also working with industry to assess intelligent data systems that would allow better monitoring and control of energy use in our tenants' homes. Additionally, we have introduced a thermal retrofit training programme for our maintenance officers and project managers in tandem with the Retrofit Academy.

We had planned to start on site with our Modern Methods of Construction/Low Energy new build scheme in north Belfast (LLAM KPI 4.6), which aims to inform future standards for social housing, but unfortunately were unable to appoint a contractor due to cost issues; we are preparing to go out to tender again and hope to appoint a contractor and start on site in late 2023. As part of looking to the future we initiated a design competition with Queens University Belfast and Ulster University to develop ideas on what a socially and environmentally sustainable community might look like.

Good progress was made towards delivering the Tower Block Strategy, as we successfully completed Year 3 of our Tower Block Action Plan (LLAM KPI 4.5). Demolition works started at Monkscoole House; all Latharna House's tenants have been rehoused; and rehousing of residents is proceeding well in Rathmoyne House, Coolmoyne House, Kilbroney House and Clarawood House. During the year approval was obtained from the Department for Communities to demolish four more blocks – Belvoir House, Breda House, Mount Vernon House and Ross House, and clearance of these is underway. During 2023/24 we hope to fully clear and award demolition contracts for several of these blocks and move closer to the time when they will be replaced with more modern forms of housing that better meet the communities' needs.

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 as well as provide Grounds Maintenance in the north area covering over 830 hectares of grass.

The current DLO consists of approximately 460 staff (including agency workers). Alongside the response maintenance service and grounds we also deliver motor vehicle workshop and electrical health and safety inspections.

During 2022/23 there was significant industrial action, with nearly two thirds of the

operational staff on strike, and the target of delivering the Evolve⁸ programme (LLAM KPI 8.5) was not achieved. Seven months of strike action ended on the 31st March 2023. As staff returned there was significant health and safety compliance training undertaken to ensure the operatives can continue to provide our services. During 2023/24 the DLO will continue to engage with other contractors to provide additional support to ensure that any backlog is addressed urgently.

Looking forward, during 2023/24 the DLO will be working closely with other departments as part of the 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.

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 2022/23 we had two KPIs related to major adaptations. Throughout 2022/23 the major adaptations programme faced a number of challenges, with difficulty obtaining statutory approvals in particular creating delays. Additionally, due to the economic climate, there was a shortage of materials and labour, with contractor's resources limited.

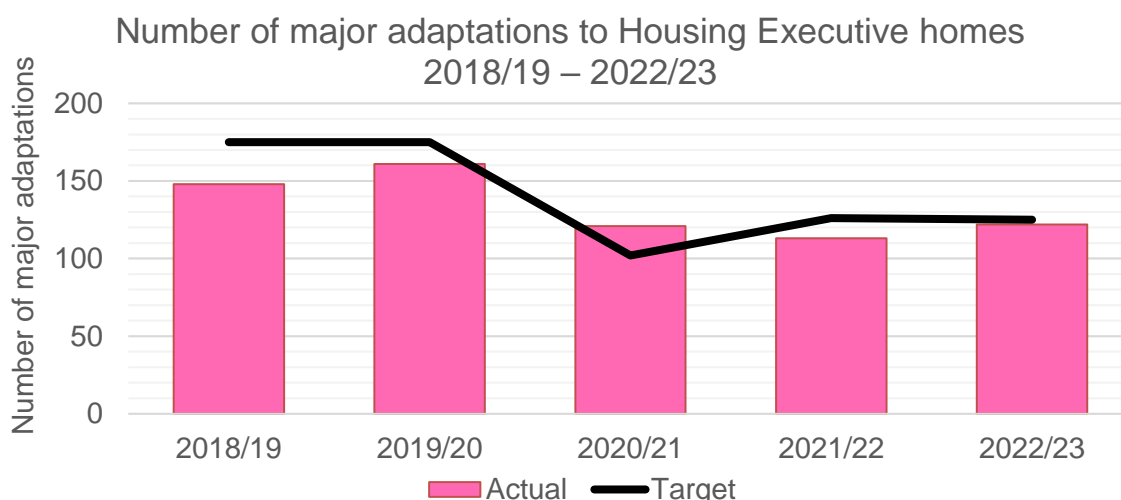
Our KPI to start 125 major adaptations to Housing Executive Stock (LLAM KPI 4.2) was narrowly missed with a year-end outturn of 122. Work to improve service delivery times for major adaptations to Housing Executive stock continued during the year (LLAM KPI 4.1), although again this KPI was missed and scored amber. Adaptations were delayed due to issues such as 'building over' agreements⁹ and relocating of gas meters, while the adoption

⁸ The Housing Executive conducted a review of each aspect of the DLO's business, taking on board the views of key stakeholders as well as the DLO team. The recommendations from this review will be delivered through the Evolve programme which aims to ensure that DLO builds on its experience to provide a service which is: as good as it can be; delivered in the right way; delivered in a responsive manner; of the highest standard; value for money for the customer; reflective of the changing needs of our customers and communities; in a position to grow and expand; attractive to new and existing DLO team members. Ultimately, the Evolve programme will ensure the Housing Executive provides our tenants and customers with a focused, efficient and effective maintenance service.

⁹ A 'Build Over' Agreement gives the NI Water assurance that the work to be carried out will not negatively affect the sewer below and it also ensures that the Water Company will still have sufficient access to the sewer so it can be repaired and maintained.

of new protocols within our external partnerships have also hindered our delivery process. In response, the Housing Executive have set adaptation targets for 2023/24, for each of the regions, which will be monitored on a monthly basis. Also:

- Together, the Adaptations team and the Procurement team will work to complete the procurement processes;
- We have started an interim Major Adaptation works for Persons with Disabilities (MAPDs) Procurement Exercise, with weekly meetings taking place to aid the process; and
- The commencement of MAPD works on-site will be monitored throughout 2023/24 via KPI's and monthly meetings.



Planned Maintenance

Our key objective through the planned maintenance programme is to maintain and improve 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 October 2022, the Housing Executive Board reached agreement with ten contractors to release them from planned maintenance contracts, as a result of escalating construction costs (the 10 contracts had been originally tendered for up to 7 years in November 2020). Key to this decision was the prevention of job losses within the industry.

This led to some delays in improvements to tenants’ homes, but tendering began immediately to replace these contracts, and the Housing Executive maintained over 130 different contracts in place to deliver a maintenance and improvement programme in excess of £200m. The new procurement exercise is due to be completed in 2023/24. Overall, while 2022/23 was an extremely challenging year, the Housing Executive’s experience of contract delivery is similar to other public bodies in similar circumstances, and we attempted to be agile in responding to the environment, re-tendering significant works in-year, to enable ongoing delivery.

In 2023/24 we plan to identify opportunities to deliver elemental improvements to tenants homes outside of the 'base' elemental improvement programme and also devise a five year programme to address the programme backlog (subject to budget).

Building Safety

The Building Safety Department covers all aspects of statutory compliance and building safety, and focuses on the management of risks in properties owned and managed by the Housing Executive, with particular emphasis on high-risk residential buildings over 18 meters. The department, through active compliance management and continual assessment of risks around fire and structural safety, asbestos, Legionella, lifting equipment, electrical installations, gas safety checks and resident engagement identify and mitigate any risks to ensure the safety of residents who occupy our properties.

Despite the challenges faced as a result of recruitment difficulties, the Building Safety Compliance Teams continued to provide assurance in respect of Statutory and Regulatory functions through the undertaking of regular compliance audits and inspections, and the management and operational delivery of servicing, maintenance and improvements across all Compliance areas (LLAM KPI 3.3). The team completed legionella risk assessments and 1,500 asbestos management surveys for domestic properties. They ensured 99.63% of all occupied homes have a valid gas safety certificate (the remaining 0.37% of properties are being managed through the no access process). The team completed Fire Risk Assessments in: 34 Community Lets, 75 Commercial Properties, 9 DLO depots, 5 Hostels, 31 High Rise Tower Blocks, 2 Concierge Stations, 37 Office Premises, 1 HMO & 29 Supported Living, 2 Contractor Facilities and 13 Hostel Offices.

During 2022/23 a number of key compliance policies were reviewed including the Fire Safety Management Policy. The Asbestos policy, Legionella policy, the Lead Pipe Replacement Policy, Oil Remediation Policy, Septic Tank Maintenance Policy, the Lifting Equipment and Maintenance Policy and the Gas Safety policy were reviewed by the Building Services Manager, have progressed through the Policy Review approval processes and are currently awaiting final approval during 2023/24.

Following the introduction of the Building Safety Act in England, eight members of staff within the Building Safety Team completed the Chartered Institute of Building Level 6 Diploma in Building Safety Management, all receiving Distinctions. They were the first cohort to complete the new course in the UK.

The Housing Executive has undertook to review the external facades against the new regulatory standards, as per the 'Industry Response Group' Report recommendation, and in June 2022 commenced a critical review of the facades of the Housing Executive's High Risk Residential Buildings. This was facilitated via a research project with University of

Ulster/FireSERT¹⁰, with the objective of determining the structural stability of the spandrel panels and their potential for external fire spread. The results of these assessment will guide the Housing Executive regarding what action, if any, is to be taken regarding the external wall systems. In conjunction with this the Building Safety Team commissioned a specialist resource to complete a Fire Risk Appraisal of External Walls (FRAEW) of the four Housing Executive High Risk Residential Buildings (HRRB's) with cladding, to assess the risk to occupants from a fire spreading over or within the external walls of the building, to determine whether remediation or other mitigating measures to address the risk are considered necessary.

A programme of sprinklers as a “compensatory measure” in addition to “physical measures” has been developed for 23 of the NIHE’s High Risk Residential Buildings, and a Business Case has been prepared and submitted to DfC for approval. A specification and schedule of rates has also been developed and a ‘Request For Information’ was issued to the Market place, with two submissions received. These submissions will be reviewed during 2023/24.

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, via 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 procured 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 2022/23 the CPU awarded a total of 227 contracts, with a combined value of £187m. These included multi-million pound contracts to retrofit external wall insulation (to help with thermal comfort and reduce fuel costs for tenants) and planned maintenance works (including new bathrooms and kitchens).

Looking forward, CPU will deliver a number of key projects during 2023/24;

- Procurement of contractors to deliver Major Adaptation works for Persons with Disabilities (MAPDs), over an anticipated period of two years, with a value of over £40m;
- Obtain external contractors to assist with the next tranche of demolitions to support the Tower Block Strategy;
- Interim planned maintenance contracts worth in excess of £100m;
- Heating and Thermal Improvement contracts worth approximately £90m per annum; and
- Grounds Maintenance contracts worth approximately £9m per annum.

¹⁰ FireSERT is the Fire Safety Engineering Research and Technology Centre within the Belfast School of Architecture and the Built Environment.

Throughout 2022/23 the operating environment continued to be challenging. Specifically, high inflation led to significant cost increases across a range of contracts. CPU quickly adapted to this instability by using different procurement strategies, focusing on shorter term contracts, industry specific price adjustment indices and establishing frameworks that allow for larger fluctuations in price (compared to longer term, fixed price contracts). As expected, using a flexible commercial approach has been more resource intensive, but sharing inflationary risks in a more equitable manner has proven to be successful when procuring the supplies, services and works required by the Housing Executive.

Regional Services

Regional Services KPI Performance for 2022/23 is shown below.

Total KPIs/PIs	Green	Amber	Red	Blue
27	23	2	0	2

The Housing Executive is the Strategic Regional Housing Authority for Northern Ireland.

It works strategically across a broad range of Northern Ireland housing issues, supporting a range of stakeholders to create sustainable places and communities where people want to live.

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 to date, 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 and the Supporting People programme.

It remains anticipated that expenditure restraints will restrict the availability of capital and revenue programme grant funding in 2023/24 and beyond. Confirmation of this has been delayed due to the continued suspension of the NI Executive, with the result that it extremely difficult to operationally and strategically plan for service delivery.

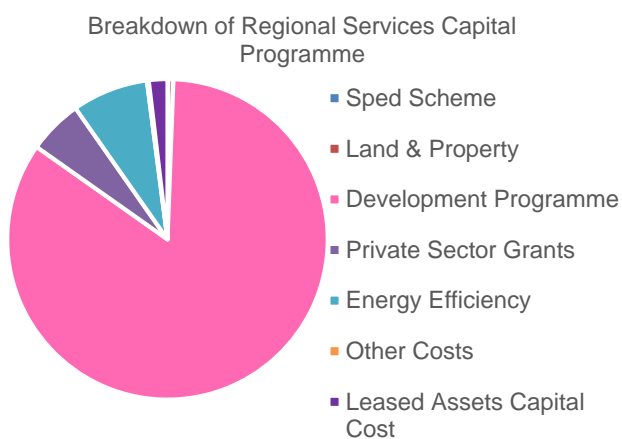
Whilst our aim will always be to protect operational frontline statutory services, this is becoming increasingly difficult when confirmation of funding availability is delayed, or where funding fails to reflect demand-led growth for services. With 98% plus of Regional Services activities being either contractual, statutory or Ministerial priority in nature, there is very limited scope for reducing financial commitments.

If additional funding is not forthcoming, this will put at risk our ability to meet our statutory and contractual responsibilities

Capital Expenditure Programme

The capital expenditure programme in 2022/23 delivered approximately £218.9m of services, with £184.3m (84%) 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:

Capital Programme	£millions
Sped Scheme	0.2
Land & Property	1.1
Development Programme	184.3
Private Sector Grants	12
Energy Efficiency	16.8
Other Costs	0.4
Leased Assets Capital Cost	4.1
Total Capital Programme	218.9



*See Note 3 in Part 2 of Accounts (excludes income)

Key points to note are as follows:

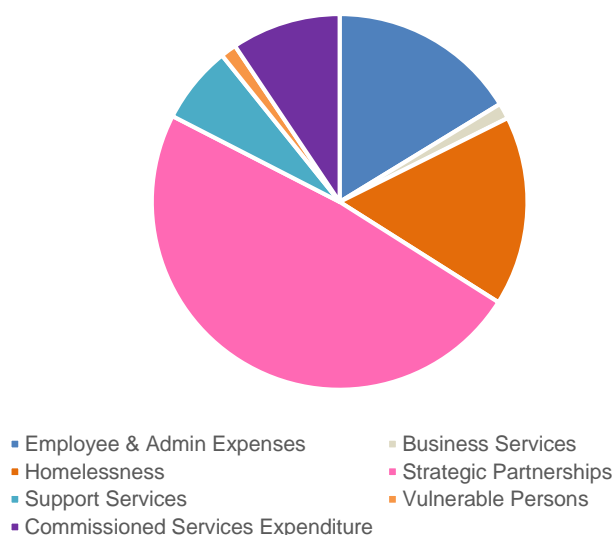
- **Development Programme** – The programme delivered a total of 1,956 new social housing starts during the 2022/23 year with programme expenditure of £184.3m.
- **Private Sector Grants** – This programme includes expenditure of £10.2m for Disabled Facility Grants to help customers maintain a better degree of independence in their own home.
- **Energy Efficiency** – This programme includes expenditure of £16.2m in Affordable Warmth grant measures which includes cavity wall insulation heating, double glazing etc. and approx. £0.6m in grants to implement new thermally efficient heating boilers.

Revenue Expenditure Programme

The revenue expenditure programme in 2022/23 delivered approximately £161.6m of services, with £78.5m (49%) of this provided to Supporting People providers and £26.4m (16%) in support of the NIHE statutory Homeless function.

Revenue Programme	£millions
Employee & Admin Expenses	26.3
Business Services	2.2
Homelessness	26.4
Strategic Partnerships	78.5
Support Services	10.8
Vulnerable Persons	2.2
Commissioned Services Expenditure	15.2
Total Revenue Programme	161.6

Breakdown of Regional Services Revenue Programme



*See Note 3 in Part 2 of Accounts (excludes AME and income)

Key points to note are as follows:

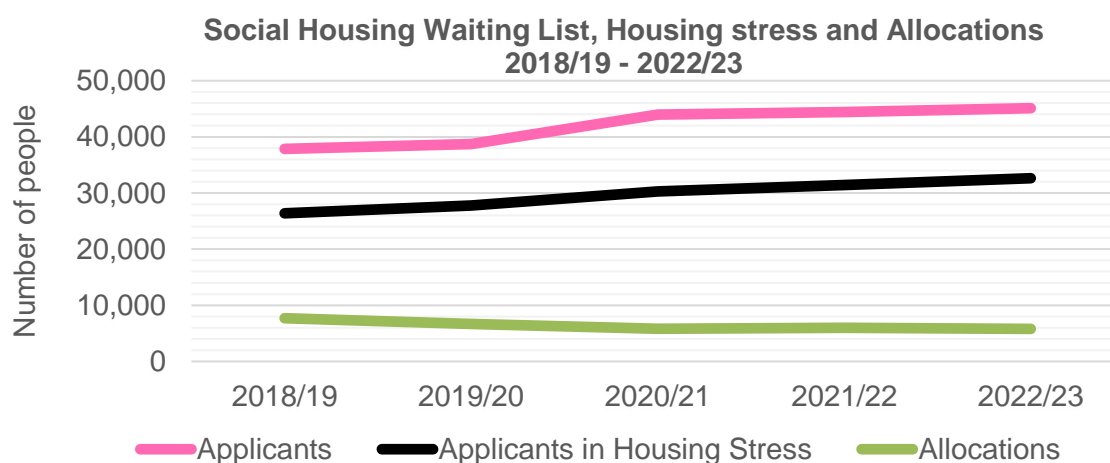
- **Employee & Admin Expenses** – This includes circa £25.9m in relation to employee salary costs.
- **Homelessness** – Circa £21m was incurred in the provision of temporary accommodation and related services, with the balance mostly comprising a range of operational and strategic preventative measures aimed at providing support to those at risk of homelessness and reducing homeless programme demands and costs.
- **Strategic Partnerships** – This includes Supporting People programme expenditure of £78.5m. The expenditure includes an inflationary uplift of circa 5.86% on baseline Supporting People rates to provide greater financial stability to providers as a result of sustained levels of high inflation.
- **Vulnerable Persons Relocations Programmes** – NIHE administered a range of housing assistance for Syrian, Afghan and Ukrainian Refugee Programmes accommodating circa 3,000 individuals in 2022/23.

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. Our Regional Services Division 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 2023, 45,105 households were on the waiting list for social housing (compared to 44,426 at 31 March 2022) of whom 32,633 (compared to 31,407 at 31 March 2022) are considered to be in Housing Stress. Of those in Housing Stress, 26,305 are Full Duty Applicants, households that meet the statutory definition of homelessness (compared to 23,973 at 31 March 2022).



Supporting People

The Housing Executive, as the strategic housing authority for Northern Ireland, has the responsibility for securing the provision of housing-related support services and takes administrative responsibility for delivering the Supporting People Programme (introduced in April 2003). The Programme is delivered on behalf of the Department for Communities, in partnership with the Department of Health and the Department of Justice. The Programme awards grant-funding to Provider Organisations to enable them to deliver services that provide housing-related support and assistance to service users, thus enabling them to live more independently. Housing-related support enables vulnerable people to develop and maintain the skills necessary to live as independently as possible in their own home.

In 2022/23, there were 82 providers providing 824 services to almost 20,000 Service Users within 15 Primary Client Groups and across four key thematic areas:

- Young People;
- Older People;
- Disability and Mental Health; and
- Homelessness.

The principles of the SP Programme are in line with the Draft Programme for Government (PfG) Outcomes, Informing five high level Supporting People Programme Outcomes, which in turn links into the 11 Supporting People Outcome Indicators (SPOIs) at service level. In the 2022/23 year, the following Outcomes were reported against the 11 SPOIs for the four key thematic groups:

- Disability & Mental Health Thematic Group – average 95% overall success rate against the indicators across 34 Providers, delivering 280 Services;
- Older People Thematic Group –average 95% overall success rate against the indicators across 27 Providers, delivering 395 Services;
- Young People Thematic Group – average 90% overall success rate against the indicators across 13 Providers, delivering 34 Services; and
- Homelessness Thematic Group – average 87% overall success rate against the indicators across 38 Providers, delivering 115 Services.

There are a few services, known as crisis accommodation services or ‘crash services’ who work primarily to support vulnerable people who have been rough sleeping. In the 2022/23 year, the Crisis accommodation services showed an overall average success rate of 76% against the Outcomes Indicators across three providers delivering three services.

Throughout 2022/23 provider organisations continued to work effectively in partnership with the Supporting People team across the sector to address the challenges following the COVID-19 pandemic. Providers continued to supply information regarding the effects of COVID-19 on their services to the Supporting People Team, highlighting emerging issues and facilitating oversight of the sector pressures.

With approval from the Department for Communities, the Supporting People team responded to COVID-19 by meeting Provider spend on COVID-related expenditure. From April 2020 until March 2023, Supporting People transacted £12.1 million in relation to COVID-19 Emergency Funding.

Supporting People also developed a framework to administer a £500 Special Recognition Payment to service staff employed through the Supporting People Programme, to acknowledge their part in delivering critical services during the COVID-19 pandemic.

Phase two payments which include claims for agency workers, leavers, those eligible but not included in phase one and Homeless providers funded by the Housing Executive's Housing Services, launched in April 2022. The scheme closed to all claims in December 2022 and a total of £434,062 was paid to eligible providers for onward payment to staff. The overall total that Supporting People administered for both phase one and two of the Special Recognition Payment scheme from March 2020 to March 2023 was £2,919,559.

Supporting People Finance

Over £1.2 billion has been spent on the Supporting People Programme since its inception in April 2003. In 2022/23 a total of £78.519m was made available to Providers, composed of Supporting People Programme Expenditure, COVID-19-related expenditure and the Provider Innovation (PIF) Fund. Expenditure on Floating Support from 1st April 2022 to 31 March 2023 was £13.675m, which is 17.7% of Supporting People Programme expenditure.

During the 2022/23 year, Supporting People worked to secure additional funding for providers to enable them to continue providing services for the most vulnerable people in our society, and were successful. There was an uplift paid in respect of all Supporting People services in the 2022/23 year (excluding SNMA Providers), which covered the period from 1 November 2021. 4.6% was paid from 1 November 2021 and a further 1.2% from April 2022.

Supporting People performance

Despite a challenging environment, Supporting People continued to perform well and the following KPIs were met:

- RSKPI 4.10: By 31st March 2023 ensure a minimum spend of 17.5% to floating support;
- RSKPI 4.13: Deliver year one Supporting People Strategy Action Plan; and
- RSKPI 4.15: 1% increase in number of clients supported.

The Supporting People Contract Management Teams (CMTs) are the main contact for Providers, delivering guidance and support on an ongoing basis as well as monitoring performance and quality of Supporting People providers at service level.

In 2022/23 the Contract Management Teams adopted a blended approach to contract management. There was a return to site visits to services to implement the Quality Monitoring Tool (QMT), whilst, in the main, Contract Management Meetings continued to be held online.

During the year 65 Quality Assessments and 111 Contract Management Meetings were carried out and a number of mergers, business cases, composite contracts and service reconfigurations were also implemented achieving greater administrative efficiencies.

Providers inform Supporting People of incidents arising within the parameters of the Major Adverse Incident (MAI) Framework. Where necessary, the Supporting People Team undertake follow up actions and report to the Department for Communities. In 2022/23, Providers reported a total of 186 MAIs across the four themes, compared with 191 reported in 2021/22. The reduction may be largely attributed to the continued easing of COVID-19 lockdown restrictions, and the subsequent reduction in loneliness and isolation that had been affecting many service users. Supporting People continue to support Provider staff in their effort to keep service users safe.

During the year, Supporting People carried out a Review of Joint Commissioned Supported Accommodation Projects for Young People (JCSA), in partnership with colleagues from the Health sector. The review will help funders and commissioners make decisions on the most appropriate use of funding. The review also produced 23 recommendations and a Draft Action Plan, the aim of which is to help to ensure that accommodation sits within an appropriate continuum of support for young people. The Draft Action Plan requires all agencies and stakeholders to provide input and commitment of resources, to ensure that the recommendations are delivered.

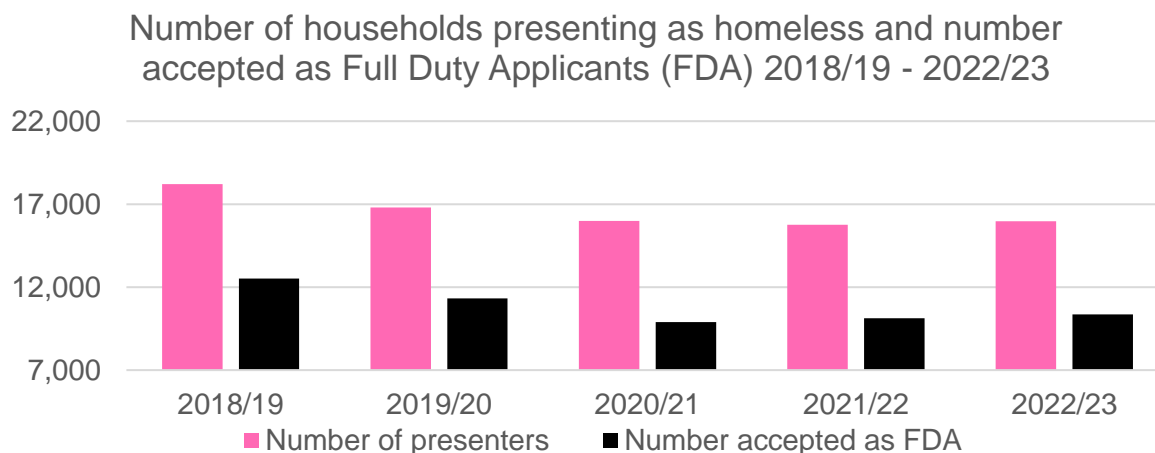
The Public Consultation on the Supporting People Three Year Strategic Plan and COVID-19 Recovery Plan 2022-2025 (Strategic Plan) was launched on 31st January 2022 and closed on 25th April 2022. In total Supporting People received feedback from 45 respondents. The Strategic Plan was subsequently amended to reflect feedback from the consultation, and approved by the Housing Executive Board on 6th July 2022.

In turn a Draft Strategic Action Plan, and a reporting framework for the effective monitoring and reporting of the delivery of the strategic actions (Progress and Monitoring Report) was developed in November 2022, in order to achieve the actions proposed under the four strategic priorities of the Strategic Plan, namely: COVID-19 recovery; working towards closing the 14% gap between need and supply; innovation; and strengthening relationships and collaboration with Providers. The Strategic Plan Delivery Project Board (SPDPB) was established to provide strategic direction and appropriate governance and oversight, and to support the effective delivery, monitoring and reporting of the strategic commitments.

Homelessness Services

The Housing Services Division delivers the homelessness function on behalf of Regional Services. In 2022/23 the number of households presenting as homeless marginally increased from 15,758 to 15,965. Those accepted as Full Duty Applicants (FDA) increased from 10,135 in 2021/22 to 10,349 in 2022/23. Single people, at 42% of the total awarded FDA, remain the highest overall presenter household category grouping.

As was the case with data for 2021/22 the continued impact of the pandemic on a number of homelessness trends should be noted in any analysis of the data for 2022/23 with this particularly applicable for temporary accommodation demand.



The top three reasons for homeless presentations in 2022/23 were: sharing accommodation not reasonable; sharing breakdown/family dispute; and loss of rented accommodation. Overall, approximately 63% of presenters are in these categories.

Over the course of 2022/23 there were eight KPIs aligned to the delivery of homelessness services with six of these KPIs having been met. Key achievements aligned to the delivery of homelessness KPIs included the delivery of a Homelessness Prevention Fund and work to guide the future delivery of a Lived Experience Programme. In respect of a KPI to ‘*Transform the model of homelessness provision towards prevention*’ (LLHS KPI 7.06) the Housing Executive has supported 35 projects during 2022/23 as part of the Homelessness Prevention Fund while the Housing Executive has also implemented an agreed definition for homelessness prevention which will be reported on from 2023/24. This work will be vital in identifying the most effective means of preventing homelessness and targeting additional support at those types of homelessness prevention which are most effective.

A further KPI includes a commitment to *Develop and deliver a customer engagement programme for Homelessness: Appoint a ‘Lived Experience’ Strategic Partner and develop a Lived Experience Programme* (LLHS KPI 7.07). Housing Rights and Homeless Connect were appointed as strategic partners to support the development of a Lived Experience Programme in 2022/23. Housing Right and Homeless Connect facilitated 2-half day events as part of our Lived Experience Programme commitments in Year 1. The purpose of these workshops was to gather views and insights from experts by experience as to what a continued delivery of a Lived Experience Programme should look like. The ‘Experts by Experience’ took place in Belfast on 7th March and 29th March 2023 in Derry/Londonderry.

Two KPIs were assessed to have not been fully met. These were to increase the Housing First Model by 15% from the baseline (LLHS KPI 7.12) and to reduce by 70% from the 2021/22 baseline, the use of B&B and hotel accommodation as temporary housing for children for more than two weeks (LLHS KPI 7.13).

In relation to Housing First, while additional units of Housing First were not delivered during 2022/23, there has been significant work that has been carried out to establish the foundations for a broader expansion of Housing First in the coming years. This approach has been developed in collaboration with DfC, DoJ and DoH through the DfC chaired Task and Finish Group. All stakeholders are committed to a broader expansion of Housing First and over the course of 2022/23 the approach to delivering this KPI was realigned to reflect the ambition for a larger scale expansion of Housing First in Northern Ireland.

In relation to the use of B&B and hotels as temporary accommodation for children, performance against this KPI is a reflection of wider challenges in accessing temporary accommodation in the context of a significantly increased demand post-pandemic with temporary accommodation placements having increased by 126% from 4,527 in 2019/20 to 10,253 in 2022/23.

The delivery of homelessness services in 2023/24 will continued to be guided by our key strategic documents, the Homelessness Strategy 2022-27 and Strategic Action Plan for Temporary Accommodation with updates on these documents noted below.

COVID-19 Homelessness Reset Plan

The COVID-19 Homelessness response and associated Reset Plan have now been formally concluded. All actions within the Reset Plan were deemed to have been implemented with the exception of a few longer-term actions which require further work or development to implement or fully implement, and these will be progressed as business as usual activity, for example through the delivery of the Homelessness Strategy or the Strategic Action Plan for Temporary Accommodation.

Homelessness Strategy 2022-27

The [Homelessness Strategy 2022-27](#) was published on the 23rd March 2022 together with the Year 1 Action Plan. The 44 actions were developed around the three objectives of the Homelessness Strategy:

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

Key actions delivered over 2022/23 included listening to those with lived experience of homelessness through our Lived Experience Groups, delivery of the Homelessness Prevention Fund which supported 34 projects, events organised by our Homelessness Local Area Groups during Homelessness Awareness Week to raise awareness of homelessness and the support available in rural and urban areas across Northern Ireland, research development including Housing First. We have also commenced significant work together with Queens University, Belfast and Business Services Organisation (BSO) on Health and Homelessness Research. A Year 1 Annual Progress Report is expected to be published in Q3 of 2023/24 and work over the course of 2023/24 will be guided by a Year 2 Action Plan which will be developed in partnership with our key partners.

Ukraine Resettlement Scheme

The ongoing humanitarian crisis in Ukraine continues to compel Ukrainian nationals to seek refuge in other countries and the UK Government has established three schemes through which they can obtain visas to enter the UK.

It is estimated that in excess of 2,400 Ukrainian nationals have arrived in Northern Ireland through a recognised visa process since March 2022. The Housing Executive played a key role during 2022/23 in the Executive Office led, cross departmental, response to the delivery of accommodation and support for Ukrainian nationals that arrived in Northern Ireland as part of the UK Governments humanitarian response to the Russian invasion of Ukraine.

The Housing Executive continues to deliver on key responsibilities under the programme including:

- Provision of temporary accommodation solutions;
- Co-ordination of home visits under the Homes for Ukraine Scheme;
- Responding to breakdowns in sponsorship under the Homes for Ukraine scheme including re-matching of guests to alternative hosts;
- Delivery of advice and assistance at the Ukraine Assistance Centres; and
- Homelessness assistance under statutory homelessness duties

The outlook for 2023/24 remains uncertain, with planning assumptions being based on a continued increase in arrivals under the various visa schemes. The Housing Executive closely monitors the number of arrivals to inform a contingency planning response to manage the risks linked to significant increases in arrival numbers.

Strategic Action Plan for Temporary Accommodation

The [Strategic Action Plan for Temporary Accommodation](#), has been published on the Housing Executive website. The action plan works back from four criteria for success:

- 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 temporary accommodation which is safe, warm and well-managed.

Throughout 2022/23 we delivered the year one actions and a new steering group has been established to oversee the implementation of these.

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.

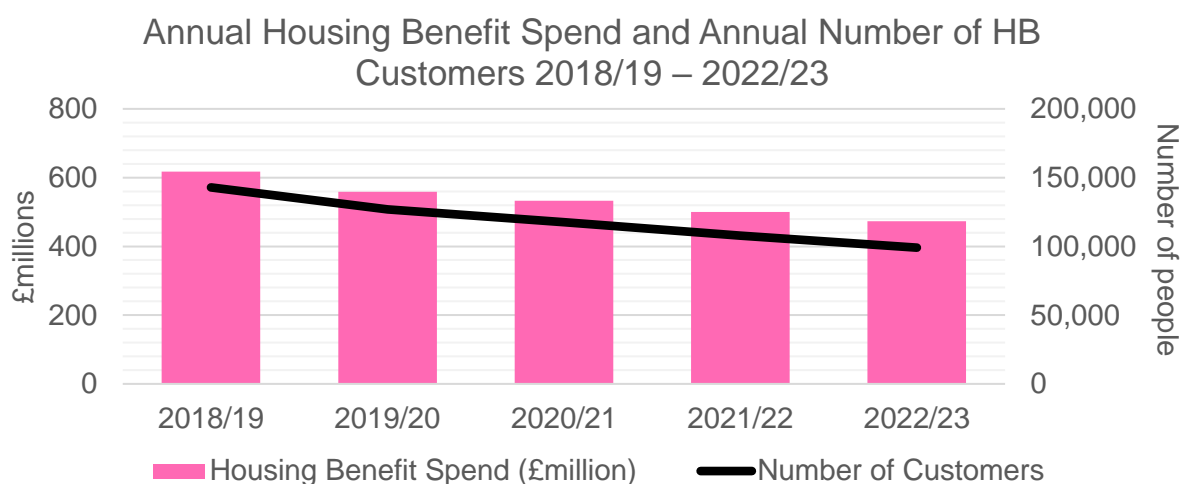
Housing Benefit KPI Performance for 2022/23 is shown below.

Total KPIs/PIs	Green	Amber	Red	Blue
6	6	0	0	0

At the end of March 2023 there were 99,077 customers claiming Housing Benefit (HB) broken down as follows:

Tenure	Number of Customers
Housing Executive tenants	42,832
Housing association tenants	24,083
Hostel claims	2,591
Private rented sector tenants	29,571

Over the course of the year we paid out £473.29m in Housing Benefit (excludes Discretionary Housing Payments), assessed 14,088 new claims for Housing Benefit and dealt with 186,985 changes to existing claims notified by claimants, and 2,755,607 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).



There were six PIs for Housing Benefit in 2022/23. Housing Benefit exceeded their targets for all KPIs. Overall KPI performance for 2022/23 is shown below:

Housing Benefit KPI Target and Performance 2022/23: KPI Title and Code	2022/23 Target	2022/23 Performance
SS PI 5.1: Process new HB claims within an average of 15 days	15 days (average)	7.82 days
SS PI 5.2: Process change of circumstances claims within an average of 5 days	5 days (average)	1.75 days
SS PI 5.3: Ensure an accuracy rate of 97% for HB award assessments	97%	99.61%
SS PI 5.4: Recover Overpayments to the value of £9.5 million	£9.5 million	£10.27 million
SS PI 5.8: 97% of new claims decided within 14 days of having all information	97%	99.35%
SS PI 5.9: Process 60% of new claims within 10 days of receipt of the claim	60%	79.30%

Additional financial assistance was delivered to 11,164 customers through the Discretionary Housing Payment Scheme, with awards totalling £6.44m being made over the course of the year. Distribution under Housing Benefit and the Discretionary Housing Payment scheme for the financial year totalled, £479.7m compared with £504.6m for 2021/22.

Further help with rates charges was also provided through the Rate Relief and Lone Pensioner Allowance (LPA) Schemes. During 2022/23 a total of £2.11m was paid in Rate Relief to Housing Executive and Housing Association tenants. Total Caseload including Private Rented Sector is recorded as 9,951 at the end of March 2023. A further £139k in LPA was paid to Housing Executive and Housing Association tenants. Total Caseload including Private Rented Sector is recorded as 5,260 at the end of March 2023.

We have also maintained our focus on the prevention and detection of fraud and error in the HB system. During 2022/23 sanctions were taken against 25 claimants for benefit fraud, and we recovered around £10.27 million of overpaid HB, of which £0.57m was recovered directly from Housing Executive tenants through Housing Benefit payments in year.

Transfer of the administration of Housing Benefit (Rates) and Low Income Rate Relief for Owner-Occupiers

On 1 June 2022, the Housing Executive became responsible for the administration of Housing Benefit (Rates) and Low Income Rate Relief for owner-occupiers, successfully achieving the associated KPI (SSFAA KPI 1.8). At the end of March 2023 there were 37,122 owner-occupiers claiming Housing Benefit (Rates) and Low Income Rate Relief (LIRR).

Between 1st June and 31st March 2023 we paid out £29.6m in Housing Benefit (Rates), assessing 1,036 new claims for Housing Benefit (Rates) and dealing with 11,035 changes to existing claims notified by claimants and 103,592 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).

There were four KPIs in 2022/23 and performance is reported directly to Land & Property Service. Housing Benefit exceeded their targets for all KPIs. Overall KPI performance for 2022/23 is shown below.

Welfare Reform and Housing Benefit Projects

The Finance, Audit and Assurance Division administer the Welfare Reform function on behalf of Regional Services. The Housing Benefit Projects team oversees Welfare Reform changes through two initiatives: the Move to Universal Credit Project and Digital Transformation Programme.

The natural migration of Housing Benefit customers to Universal Credit continued throughout the year via the Move to Universal Credit Project and by the end of the 2024/25 financial year, DfC plans to complete the migration to Universal Credit for those people in receipt of: Working Tax Credits/Child Tax Credits (including those on both ESA and tax credits), Income Support, Jobseeker's Allowance; and Housing Benefit only. DfC will maintain parity with Department for Work and Pensions plans, commencing with Tax Credit customers followed by the remaining benefits.

The Digital Transformation Programme incorporates a number of projects which will increase digital inclusion and improve customer awareness and accessibility to available financial support within Housing Benefit.

Private Sector Improvement Services

Our Grants Team administers grants on behalf of DfC for properties in the private sector. During 2022/23 expenditure across a range of grants was £28.9m. The team continued to process more applications electronically in 2022/23 and introduced an electronic reporting dashboard to improve monitoring of grant processes, timelines and application status to improve overall customer experience.

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 August 2022, 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. New legislation (The Housing Renovation etc. Grants (Grant Limit) (Amendment) Order (Northern Ireland) 2023) was introduced in February 2023, uplifting both the mandatory and discretionary grant elements of Disabled Facility Grants from £25,000 to £35,000, thereby increasing the maximum grant available per project from £50,000 to £70,000.

Home Improvement Grants

Through Home Improvement Grants we committed a total of £13.8m through 1,127 approved grant applications and paid £11.9m for work completed in 2022/23.

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 and are critical in helping improve the quality of life for people with disabilities and helping support independent living. During 2022/23 we approved 822 referrals for grant aid (RS PI 3.2) with a commitment value of £12.8m, and 619 projects completed at a value of £10.2m.

For 2022/23, we set a target to improve service delivery times for DFG's that were inside the Housing Executive's control (RSKPI 3.9). We looked at our performance in 2021/22 over four key stages in the DFG process that we control and agreed a baseline of 318 calendar days for those four stages. A target of saving 5% against that baseline gave us a benchmark of 302 days. At the end of 2022/2023 we were greatly exceeding this target, achieving 244 calendar days.

We paid out £456k for mandatory Repair Grants following the issue of statutory notices by local councils. This resulted in vital improvements to 259 properties in the private rented sector.

Currently discretionary grants (renovation, replacement and home repair assistance) are only available in exceptional circumstances. In 2022/23 we were able to pay £1.3m in grant-aid for completed work and approved work to start in 46 properties with a commitment value of £510k.

Affordable Warmth Scheme

During 2022/23, we approved 3,300 referrals made to us by Councils at a value of £16m. During the year, 3,308 homes completed work and benefited from 5,591 efficiency measures, exceeding our target of 4,705 measures in 3,137 homes (RS KPI 3.5.1). 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 £16.3m invested into the economy. There is an additional £5.3m already approved and waiting for applicants to start work in 2023/24.

Since September 2014, there have been:

- Over 28,500 approvals to start work;
- £123m of approvals issued;
- 46,766 measures completed;
- 25,830 homes improved; and
- £113.8m spent on energy efficiency improvements.

Boiler Replacement Scheme

During 2022/23 energy price increases and the cost of living crisis continued to impact Boiler Replacement Scheme uptake and completions, with supply and fit costs to install boilers and controls (and other components) at an all-time high. Therefore, following discussions between the Housing Executive and DfC, in October 2022 the annual target was re-baselined from 2,000 to 1,000 boiler replacements.

Despite these challenging conditions we approved 1,039 applications to the scheme in 2022/23, with a value of £686k. Meanwhile, against a target of 1,000 completions, (RSKPI 3.5.3) we saw 1,013 owner occupiers replace central heating boilers which were over 15 years old with a new high efficiency 'A' rated condensing type boiler.

Housing & Health and Accessible Housing Register (AHR)

The primary role of the Housing and Health team is to promote collaborative working between agencies in the delivery of housing for people with disabilities. This involves working with a wide range of stakeholders including Trusts and service users. The team lead is a jointly funded post with the Department of Health. Key achievements during 2022/23 include:

- Coordinating the Interdepartmental Housing and Health Adaptations Programme Board, comprised of DfC, DoH and the Housing Executive;
- Introducing a regional escalation process to support the management of complex cases between Trusts and the Housing Executive;
- The delivery of interagency training for complex case management with Trust occupational therapy services and Housing Executive staff;
- The introduction of training for frontline Housing Executive staff regarding Autism Spectrum Disorder; and
- The Relaunch and implementation of the revised Interdepartmental Adaptations Design Communications Toolkit.

Looking forward, the team's plans for 2023/24 include:

- Completion of an Inclusive Design Guide for people with cognitive and sensory impairment;
- The development of service level agreements between Trusts and the Housing Executive;
- Building the evidence base regarding the benefits of accessible housing; and
- Development of regional and local partnership forums involving the Trust's occupational therapy services and Housing Executive staff.

Housing Research

During 2022/23, research carried out and commissioned by the Housing Executive again played an important role in supporting the development of housing policy and strategy. Despite challenges associated with funding and the complexity of some projects, and with the support and input of stakeholders including DfC, we successfully delivered our annual research programme (RSKPI 1.1).

The 2022/23 research programme comprised a total of 41 projects, 23 of which were carried forward from the previous year, with a further 18 new projects requested by internal and external clients. This was in addition to other ongoing support and analysis activities carried out by the Research Unit. Seven key projects, including the work associated with the Housing Executive's statutory responsibility to carry out a cross-tenure house condition survey, were identified.

Commencement of the House Condition Survey (HCS) pilot project was impacted by the long duration of the Supervisor recruitment process and a delay in receiving surveyor ID badges (an essential requirement). Delays were also experienced in the wider HCS surveyor recruitment process, and the surveyor training was moved back to April 2023, rather than March 2023 as originally planned. However, the pilot survey was completed by the end of the financial year, yielding an encouraging response rate and providing valuable learning in advance of moving forward with the full survey. The House Condition Survey is a key strand of the forthcoming 2023/24 Research Programme, and will provide much-needed evidence to inform the work of the Housing Executive and a wide range of other stakeholders, guiding investment in the stock, particularly where energy efficiency is concerned.

Work commenced, as planned, on modelled Northern Ireland level fuel poverty estimates, which had been agreed with HCS data users in light of the postponement of the full survey due to coronavirus restrictions.

Key outputs during the year included the second and final suite of Strategic Housing Market Analysis reports; an analysis of the standards and costs of developing social housing in Northern Ireland; a report commissioned for DfC to support policy development in relation to the provision of an intermediate rent product for Northern Ireland; and findings of surveys to improve understanding of the experiences of Housing Executive tenants in relation to Universal Credit, and measure the satisfaction of tenants living in social housing completed during 2017/18. Preparations also continued throughout the year for House Condition Survey fieldwork, which is planned for spring/summer 2023.

An “Insight” research engagement event took place in March 2023, the first in person Insight event since the start of the pandemic. This focus of the event was “The economy, the housing market and housing delivery in challenging times”, and featured findings from the Strategic Housing Market Analysis reports, as well as from the suite of projects which fall under “House prices, rents and affordability” research stream.

Work commenced or progressed on a range of other projects throughout the year. This includes a report examining Move-on Accommodation for Probation Board NI clients, an Evaluation of the Community Cohesion Strategy 2015-2020 and an Evaluation of the Homelessness Strategy. Findings from projects are made available on our website: www.nihe.gov.uk/Working-With-Us/Research.

Irish Traveller Accommodation Strategy

The Housing Executive achieved the KPI (RSKPI 2.11) to ensure the availability of culturally sensitive accommodation for Travellers (subject to planning) and continued to work in partnership to commence two new sites by 2024/25. The [Irish Travellers Accommodation Strategy 2021-2026](#) was published on the Housing Executive website in July 2021. The Strategy aims to “provide Irish Travellers with access to good quality, culturally appropriate housing accommodation which fosters a sustainable, vibrant Traveller community and promotes inclusion, a sense of belonging and security”. Year 1 of the Strategy has completed with progress made across all achievable actions including:

- A full review of all Housing Executive owned Irish Traveller sites;
- Research into the development of a new Irish Travellers needs assessment model initiated; and
- The inaugural Irish Travellers Forum took place in October 2022.

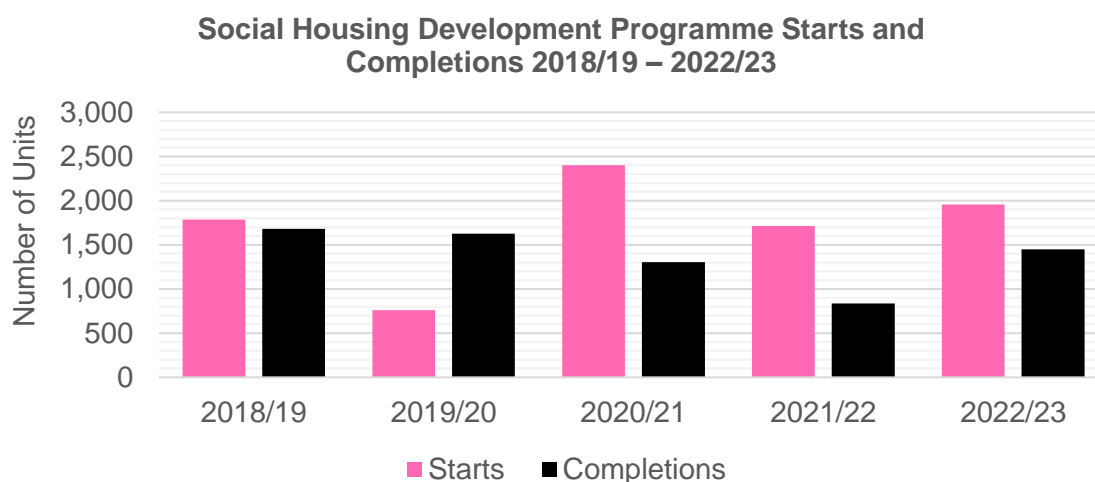
Work will take place over the coming years to both redevelop two existing sites, and bring to planning two new sites for culturally sensitive accommodation for Travellers.

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 Department for Communities. All new social housing is developed and delivered by housing associations. For the 2023/23 year, a final budget of £184.3m 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).

In 2022/23, housing associations delivered Starts on 1,956 new social homes (across 84 schemes) against a target of 1,950 (RSKPI 2.1). There were 1,449 completions against a target of 1,400 (RSSKPI 2.2). These new social homes will address a range of housing needs across Northern Ireland for client groups including singles, families, older people and Applicants with Complex Needs.



The Housing Executive also monitors the delivery of new homes constructed to Wheelchair Design 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 Design Standards (RSKPI 2.5). Of the 1,956 Starts confirmed in 2022/23, a total of 1,722 were New Build units, 150 of which have been designed to Wheelchair Design Standards (representing 9% against the 10% target). Whilst we didn’t meet the target, the output of 9% is the highest we have achieved since reporting commenced on this KPI in 2017/18.; and
- The target for 2022/23 was to secure 12.9% of the overall SHDP Starts, in rural locations. A total of 71 units across 10 schemes started on-site in rural locations last year (4%).

There were ten schemes with the potential to deliver 166 units which slipped to the 2023/24 programme year for a variety of reasons relating to site acquisition and the Planning Approval process. Work is on-going between DPG, the Housing Executive's Rural Unit and housing associations to improve levels of new social housing provision in rural locations.

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 2022/23, a total of 757 adaptation claims were assessed, resulting in total expenditure of £3.1m to facilitate these works (including 16 major adaptations).

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, DPG also continued to process claims 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 77 claims of this type during the last financial year, with associated expenditure of approximately £7.4m.

DPG is also working closely with DfC and housing associations to bring forward Pilot Schemes in areas including Energy Efficiency, designs for older people and City Centre living.

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; for ensuring that sustainable development is achieved; and for ensuring 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 services and facilities, supports health and wellbeing, and is important for the delivery of sustainable communities.

Local Development Plans (LDP) will be critical to the provision of land for affordable housing. The LDPs will provide a 15 year framework to guide development and growth within the Council area. 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. 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).

Our Land and Regeneration Department continues to actively work with all 11 Councils to aid the preparation of new LDPs (RSKPI 2.13). The Housing Executive attended Independent Examinations into published draft Plan Strategies (dPS) for Lisburn and Castlereagh in April 2022, Antrim and Newtownabbey in June 2022 and Mid and East Antrim in August 2022. We acted as a witness, on behalf of Belfast City Council, Fermanagh and Omagh District Council and Mid and East Antrim Borough Council to support their housing

policies, in particular their affordable housing policies.

We therefore welcome the adoption of the first LDP Plan Strategy for Fermanagh and Omagh District Council on 16th March 2023 and look forward to the adoption of the Belfast City Council Plan Strategy in Spring 2023. Both Plan Strategies will allow affordable housing policy for those Council areas to be enacted, facilitating the delivery of additional affordable housing in areas of high housing need.

During 2023/24 we will be formally responding to published dPS and will be attending the scheduled Independent Examinations for Derry City and Strabane District Council and any other forthcoming Independent Examinations.

Land and Regeneration continues to work with DfC, Department for Infrastructure and Councils to promote mixed tenure development as a housing and planning policy, which is included in LDPs. We will build on the already successful inclusion of affordable housing policies that support mixed tenure development in seven published dPS by continuing to influence the remaining four councils yet to publish their dPS 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.

Throughout 2022/23 the Housing Executive worked closely with DfC 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). This culminated in DfC publishing their Intermediate Rent Policy and 'Homes for Intermediate Rent Design Standards' documents in March 2023. Increased affordable housing, as an integral element within residential developments, will support a place-making approach which allows people from different backgrounds and with different incomes to live together in mixed tenure developments with shared access to services and facilities, thereby encouraging the creation of inclusive, balanced, and sustainable communities.

Strategic Housing Market Analysis

The Housing Executive is responsible for the assessment of need under the 1981 Housing Order which requires the Housing Executive to regularly examine housing need.

The Strategic Housing Market Analysis (SHMA) provides a 15 year assessment of housing needs at a local level. The main purpose of the SHMA is to assist policymakers in their understanding of the dynamics of these Housing Market Areas (HMAs) and to inform Local Development Plans (LDPs).

Following the publication of SHMA Reports for Belfast and Derry and Strabane in 2021/22, in October 2022 the Housing Executive published its remaining SHMA reports covering the Northern (Causeway and Ballymena HMAs), Mid-Western (Fermanagh and Omagh, Cookstown and Dungannon HMAs) and South Eastern Areas (Craigavon Urban Area and Newry HMAs). In addition, a composite Northern Ireland report was published which

provides the housing requirement at Northern Ireland level.

The SHMAs provide LDPs with an evidence-based rationale to allocate land for affordable housing. This will also enable access to land for Housing Associations and will contribute to a supply of social housing units to meet Programme for Government social housing new build targets, thereby helping to tackle increasing housing stress.

House and Land Sales

Whilst delivered by Regional Services, House Sales are a Landlord Services function. 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 554 homes under the scheme (444 in 2021/22), realising net capital receipts of £32.2m. This includes six properties purchased through equity sharing and the disposal of four vacant dwellings valued at £232k. In line with overall market conditions, the average valuation of sold houses increased slightly on the previous year, from £76.3k to £80.8k. One property was purchased /by the Housing Executive under the Scheme for the Purchase of Evacuated Dwellings (SPED) at a cost of £165k. No properties were sold under SPED.



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. As a community planning partner in each Council area, NIHE continues to seek 20% affordable housing on larger development sites through Council Local Development Plans (RSKPI 2.13). A number of housing supply initiatives have commenced this year as part of our contribution to Community Planning and include:

- The Community Planning Belfast Housing Led Delivery Group continues to work to assess and identify public sector lands suitable for housing. Key barriers have been identified and the group intends to work through and consider solutions to unlock development potential. Tullycarnet has been identified as a pilot for a place making approach to co-design regeneration of the area along with the community and other partners. Place Shaping teams will continue to work with Belfast City Council and developers to ensure 20% affordable housing in developments, following the adoption of the Belfast Local Development Plan - Plan Strategy.
- In South Region, co-designed Place Shaping plans reflecting the needs and priorities of communities identified through the Community Planning Partnerships are being advanced for Armagh City, Omagh & Enniskillen. The Place Shaping plans have been consulted on extensively and 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. The Armagh Place Plan, became the first community planning led Place Shaping Plan in Northern Ireland, on 19th May 2022.
- In Mid Ulster District, the Housing Executive is currently working in partnership with Mid Ulster Community Planning team to develop a set of principles to guide the development of social housing in Dungannon town centre. The purpose of this is to identify opportunities for the development of quality, affordable and sustainable housing which will address identified need and also complement the character and building forms of the historic market town.
- South Place Shaping take the lead on the housing action included in Mid Ulster Community Plan which is aimed at supporting the provision of social and affordable homes in Mid Ulster. A Housing Conference planned for 2023/24 will provide a forum for key stakeholders to discuss the challenges and opportunities facing the increase of housing supply in this council area and it is hoped that this will inform and support future partnership led initiatives.
- This year our North Place Shaping have continued to lead 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 Working in partnership with DC&SDC we have jointly commissioned research into the challenges and benefits of living in Derry City Centre. The final research report including recommendation is expected to be presented to the Community Planning Partnership in the summer of 2023. The report along with a series of partner led stakeholder workshops which have taken place to explore housing issues across the city will assist in informing wider regeneration strategies and will seek to align with the Department for Communities Housing Supply Strategy the Housing Executive's Housing Investment Plan for the area and the emerging plans for the city.
- In collaboration with Antrim & Newtownabbey Community Planning Team, this year, we have initiated a review of our Place Shaping pilots in the New Mossley and Monkstown areas. The aim of both pilots which have been in place since 2016 has been to initiate housing led regeneration utilising the assets of partner organisations. As a result of the partnership approach both locations have seen the development of new social housing schemes on former derelict and vacant sites. These new family homes will support sustainable development, address negative perceptions of the area and complement existing quality open space. Again, working in partnership with the Antrim & Newtownabbey Community Planning Team, North Place Shaping will this year jointly commission a new Place Shaping pilot for the Central Glengormley

area. Following a planned series of consultations with partners and the community it is hoped that the report with recommendations for action will be available by the end of 2023-2024.

Through the partnerships we also have the opportunity to utilise 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.

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.

Reaching Rural

We have long recognised the important role that our housing and housing services play in supporting and sustaining rural communities. The 'Reaching Rural: Rural Strategy 2021-2025' sets out our commitment to tailor our programmes and services to ensure that we meet the needs of people living in rural areas in an equitable way. It is based around the following three themes, which encompass the tailored approach we have 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 affordable rural homes; and
3. Securing the future of our rural communities.

In 2022/23, the Year 2 Rural Action Plan was successfully delivered, with progress being made against all the actions (RSKPI 2.8). Key achievements during 2022/23 included:

- 71 new social housing units were started in rural areas, supporting the sustainability of these communities. This represented 3.6% of the overall SHDP out-turn of 1,956 starts, against the strategic rural target of 12.9%. The continued shortfall emphasises the ongoing challenges of delivering new housing in rural communities.
- A Rural Housing Steering Group was established to explore the barriers to rural housing development and create a plan to address them. The Steering Group includes representatives from Department for Communities, Department of Agriculture, Environment and Rural Affairs, the Housing Executive, and Land & Property Services. The Housing Executive continues to review all rural public land that may be suitable for social housing, and research will be commissioned during 2023/24 to consider the barriers to rural development.

- We completed 11 Housing Need Tests during 2022/23 to uncover hidden housing need in rural areas. Engaging with Community Planning, we piloted a rural housing health check service as part of housing need test events in the Causeway Coast and Glens area, providing advice on a range of services related to tenancy sustainment and homelessness prevention.
- At an awards networking event in Dungannon, the Chair of the Housing Executive presented prizes to the winning community groups and individuals of the 2022 Rural Community Awards, to recognise their achievements and contribution to rural communities. The winners were from Carnlough, Moneydarragh, Cullybackey, Trillick, Ahoghill and Donaghmore.
- In 2022/23, as part of the Village Catalyst Grant Scheme with DFC, DAERA and the Architectural Heritage Fund, the Housing Executive provided funding support towards a pilot project in Rathfriland, which restored a former bank into a community facility and provided four units of rented accommodation on upper floors, helping to support this rural community. New projects are being sought for the Village Catalyst programme, and the Housing Executive will seek to continue to contribute to the programme over the next four years.

An annual report detailing progress during Year 2 of the Rural Action Plan will be published in 2023/24.

The Rural Needs Act (NI) 2016 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 2022/23, the Housing Executive considered 31 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 29 policies determined to have no differential impact on people in rural areas. The two following policies were identified as having a differential impact, with mitigating actions being included within the Reasonable Adjustments Policy:

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.
Rural Needs Policy and Procedure	Internal	The policy is designed to positively impact on rural households as it seeks to ensure that all policies, Strategies, Plans and services pay ‘due regard’ to rural needs.
Reasonable Adjustments Policy	Internal	<p>Whilst the policy will be applied consistently and processes will be the same for employees that live in rural areas as urban, it is possible that there may be different considerations based on where an employee lives.</p> <p>Whilst this may mean circumstances and considerations are different for employees in rural areas, the policy does not alter the Housing Executive’s duty to consider reasonable adjustments for employees with a disability. The policy provides a consistent process for reasonable adjustments to be considered on a case by case basis. Mitigations can include:</p> <ul style="list-style-type: none"> • Consult/seek assistance from organisations who can assist disabled employees in rural areas; • The issue around redeployment can potentially be mitigated by the facility to work from home; • Where a reasonable adjustment involves redeployment to an alternative role, the Reasonable Adjustment Panel will first seek to identify a suitable role at the same substantive grade as the employees’ role. If it is not possible to identify a role at the same grade and the employee is redeployed to a role at a lower grade the Housing Executive will apply pay protection. Pay protection will be for a period of 3 years in line with the Organisational Change Policy; • An appeal mechanism is offered.

Heritage in Housing

The Housing Executive recognises that empty homes and properties 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. Heritage in Housing (HIH) is a match funding programme from the Housing Executive, developed to support the Heritage Lottery Fund (HLF) Townscape Heritage Initiative (THI), by reinstating empty upper floors of landmark buildings within conservation areas for affordable private rent. In 2022/23, the HIH match funding programme contributed £96,100 towards the restoration of seven empty properties in the THI areas of Carrickfergus and Armagh, providing accommodation for private rent within these centres. Between 2015 and 2023 the Housing Executive has provided funding totalling £588,425 for the HIH programme which has contributed to the restoration of 25 empty properties and the provision of rental accommodation within five designated townscape conservation areas.

Small Pockets of Deprivation Programme

The Small Pockets of Deprivation (SPOD) Programme provides an invaluable source of support to communities in need, and has made a discernible difference to the lives of people in the communities and estates it was designed to serve. It was introduced by the then Department for Social Development in April 2006, in response to an identified need to target a number of isolated pockets of deprivation, with very small populations, not large enough to allow an effective integrated regeneration strategy to be developed under the Neighbourhood Renewal Strategy. The programme mirrors the larger Neighbourhood Renewal Programme in terms of its criterion, targeting initiatives under one or more of the four Neighbourhood Renewal Strategy strategic objectives of Community, Economic, Social and Physical renewal. With a budget of £466,000 in 2022/23, the SPOD Programme provided funding support to 13 areas for activities including 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 residents; environmental equipment and programmes; and 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 personal protective equipment. In 2023/24 the budget will also include additional support to tackle the cost of living crisis.

Sustainable Development

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. Following the introduction of The Climate Change Act (Northern Ireland) 2022 in June 2022, the Housing Executive is contributing to the Climate Action Plan for residential

and public buildings through its role on the Residential Sector Climate Working Group. The Sustainable Development Unit supports the organisation to fulfil its role as Home Energy Conservation Authority (HECA) and successfully produced the annual HECA progress report for 2022 (RS KPI 3.7).

In November 2022, the Sustainable Development Strategy and Action Plan was launched, demonstrating our commitment to both embed sustainability in all that we do and contribute to addressing the climate emergency. The strategy 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 Northern Ireland's largest landlord, 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.

An Energy Symposium was held on 30th March 2023 (RS KPI 3.19), where we considered 'Sustainable Homes and Communities' with over 70 stakeholders. We shared information and lessons learned through our pilot projects and a panel of experts discussed a range of topics including fuel poverty, retrofits across tenures, private sector skill requirements and passive building design. The keynote speeches were provided by Andy Gouldson, Professor of Environmental Policy in Leeds University, in addition to Dr Jane McCullough, Climate NI Manager, addressing the strategic context of Climate Change and Adaptation, with a particular focus on housing. Kevin Hegarty, Director of Green Growth and Climate Action in DAERA highlighted Northern Ireland's future Climate Action Plan.

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 exceeded our targets of providing energy efficiency and grant availability advice to 5,000 customer enquiries (RSKPI 3.15) and of providing 2,500 onward referrals to the existing available energy efficiency schemes (RSKPI 3.17), achieving 6,820 unique enquiries and making 3,617 referrals. We also continued the successful NI Oil Buying Club Network, actively growing its membership across all householders, with the key objective of tackling fuel poverty.

During 2022/23, sustainable development was incorporated into the organisations Competency Framework, and a total of 326 staff undertook carbon literacy training against a target of 350 staff (RS KPI 2.34). Whilst the numbers undertaking the training were just below the target set, additional staff had registered in March, and subsequently attended carbon literacy training in early April 2023.

The Housing Executive achieved Platinum status for the Business in the Community Environmental Benchmarking Survey during 2022/23. 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.

The Sustainable Development Unit continued to support the rollout of, and monitor the effectiveness of, retrofit projects during 2022/23, including RULET (Rural Leading the Energy Transition, a joint Ulster University 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). Under this pilot, 10 homes initially underwent a deep retrofit through improved insulation of walls and windows and the installation of an Air Source Heat Pump or hybrid heating systems. Currently the second phase of this pilot to trial the utility of curtailed renewable wind energy to provide very low cost hot water across an additional 50 homes through the 'EnergyCloud' model is underway. The Unit will continue to support pilot retrofit projects in Housing Executive stock during 2023/24 and will commence work with at least two local Councils to review energy plans and explore heat networks and other innovative ways to reduce the carbon cost of energy.

Finance, Audit and Assurance

Finance, Audit and Assurance KPI Performance for 2022/23 is shown below.

Total KPIs/PIs	Green	Amber	Red	Blue
13	10	0	0	3

The core function of the Finance, Audit and Assurance Division is to develop a robust corporate governance framework within which we support strong, effective decisions across NIHE. The following sections make contributions as follows:

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 and in 2022/23 the Corporate and Technical Investigation teams investigated 14 corporate fraud cases and 16 whistleblowing cases. The Tenancy Fraud team dealt with 199 cases and recovered 34 dwellings, for reallocation to those in need of social housing. The team also continued 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.

During 2022/23 the team continued to participate in several Northern Ireland Civil Service counter fraud groups and regularly share best practice and information with other Departmental or Arm's Length Bodies' counter fraud and investigative units.

The unit has demonstrated significant value for money for the Housing Executive, and through its investigative activities have: provided homes for reallocation to tenants on the waiting list; prevented loss of public money to those who are not entitled to it; prevented and detected cyber-enabled crime; and investigated any evidence which suggests false information has been provided as part of a housing assessment.

IT

The 2022/23 year was another very busy and challenging year for the IT Department, with the increasing expectation from both our internal and external customers for new IT solutions, including digital services which are available on a 24/7 basis. The IT Service team worked collaboratively with the suppliers of our IT services to successfully handle over 26,000 service requests and over 24,500 incidents in 2022/23.

The following solutions were implemented in 2022/23:

- Technology to facilitate the flexible working arrangements including video conferencing, with 3,500+ per month meetings over the last year;
- Records NI rollout with the migration of 20m records from our existing records management system to a new system;
- People Portal rollout which provides access for managers to key information from a single source;
- The Data Analytics, GIS and application development teams rolled out a number of applications and dashboards to provide data insight to enable managers to make informed and timely decisions;
- A number of enhancements to the Telephony system including a facility to automatically route calls to the relevant Customer Service Unit thus improving the efficiency of the service for our customers, with over 90k calls per month;
- Text messaging service Via BT Smart messaging encompassing two way messaging for Repairs, Energy Advice, Oil Buying and Emergency Planning. This has enabled 1,000s of texts to be delivered since its implementation;

The IT Department worked in collaboration with the Business teams within Housing Services to rollout:

- An Income Analytics solution for Rent arrears recovery which provides facilities to reduce actions for front line Housing Staff;
- Phase 1 key system enhancements relating to the Fundamental review of Allocations (FRA);
- Enhancements to the digital tenant portal which is now used by 18k NIHE Tenants. An ongoing body of work is being undertaken through the local officers to encourage our tenants to use the portal, whilst acknowledging that it will not be the preferred option for all of our customers, and we continue to focus on other channels of communication and engagement.

Our KPI to complete the delivery of the IT Futures Phase 2 (SSFAA 3.3.2) was achieved setting the Housing Executive up to develop and implement a new IT Strategy, which will be an enabler for change and transformation.

IT Strategy Review

The IT Strategy is grounded in the needs of our customers and is focussed on improving the lives of our tenants and wider community. The 2017 Digital Strategy, (IT Futures), provided the groundwork for stable and secure IT services, and acted as the solid foundations for the recently developed draft Digital and IT Strategy 2022 – 25. This strategy together with the new Housing Executive Corporate Strategy now need to be enabled by a credible and realistic Architecture Blueprint for the future alongside a delivery plan. The IT department are currently working in collaboration with the Society for Innovation, Technology & Modernisation (SOCITM) to develop the Architecture Blueprint roadmap.

Looking forward, during 2023/24 the IT Department will be rolling out further hardware and software solutions to facilitate hot desking and team collaboration as part of the Accommodation review.

The IT Department will continue to work in collaboration with key business teams to procure/rollout a number of IT solutions and major system enhancements including:

- The new HR & Payroll system;
- The replacement Supporting People system;
- New asset management system;
- Grounds Maintenance system;
- Corporate Case Management;
- Replacement Intranet;
- Phases 2-5 of the FRA and Housing & Homeless projects;
- Greater integration between the Housing Repairs system and Contractor systems to facilitate timely exchange of key job information;
- enhancements to People Portal on baseline, requests, IT support pages and Finance Pages; and
- Continued development of data analytics solutions to provide insight for managers to enable informed decision making

The IT Department are also developing Business Cases for a number of contract extensions including the Housing Management system and the Telephony system.

Financial Support Services

The delivery of key services by Financial Support Services continued successfully in year – such as the delivery of a draft budget to Board, monitoring and strategic management of that budget and, most importantly, integrating finance into every key decision for NIHE through our business partners. As a support department, we provide services that support our customer facing colleagues and continually strive to improve the services being delivered whilst complying with accounting and statutory requirements. We are integral to developing the robust governance framework within which NIHE works including continuing to build a strong, effective working relationship with DfC.

Payments

Total payments of £742m were processed by the team. Approximately 482,000 invoices, grants, allowance and other payments were processed. Of the invoices paid to suppliers, service providers and contractors, 90% were paid within 10 days and 98.4% within 30 days.

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 £473.29m (excluding Discretionary Housing Payments), funded by DfC was paid to tenants in both the public and private sectors. In addition, Low Income Rates Relief and Lone Pensioner Allowances of £2.2m was paid out on behalf of Land and Property Services.

Payroll

Payroll Services were provided to 3,223 employees and former employees. Late settlement of pay awards resulted in three retrospective pay awards being processed. A contract was awarded for a replacement HR/Payroll system with significant and critical contribution required by the payroll team to test and implement. Again, it is hoped that advances in technology will offer opportunities to streamline processes and improve service to our internal customers.

Finance Systems Development and Compliance

The Finance Systems and Compliance team maintain and support the key finance systems. The team processes all interfaces, manage system upgrades, implement business improvement projects, provide reporting/dashboards and support end users.

Focus this year has been on the expansion of paperless processing of payments, through the development of integrated finance forms. Input was also given to a range of organisation system projects facilitating critical interfaces into the finance system.

Several dashboards have been delivered including the Chart of Accounts, Accounts Receivable and Finance Compliance. Additionally, several new products have been implemented for the Employee Benefits platform.

The team supported the divisional risk management processes, progression of audit recommendations and compliance activities for the wider Finance, Audit and Assurance Division. 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. A new compliance system has been developed by IT, tested and will go live in 2023/24.

Insurance & Claims

During the year focus has been on increasing the level of expertise within the section, with the aim of continuing to develop and improve our services. This journey started with the recruitment of a professionally qualified section head with experience in the insurance and claims industry, and has continued as posts have become vacant.

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.

The team provided training and advice in relation to claim prevention to the wider business and ensured that “lessons learned” are communicated. Trips and falls are the cause of a high volume of claims, and a workgroup was established to review the process of regular inspections to identify potential hazards.

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.

During 2022/23 Internal Audit continued to embed a revised staffing model for the unit, this has provided a more stable team and will allow NIHE to transition to a more balanced co-sourcing model. The team continues to identify opportunities to improve performance and will be rolling out a pilot control risk self-assessment process for Housing Benefit; this is a new and more efficient approach to assurance provision within NIHE and will result in a significant reduction of the audit days required for this business area and budget spend overall.

Economics Services Unit (ESU)

During the year the ESU contributed to helping the Housing Executive make robust investment decisions, and assisted clients to meet their obligations regarding expenditure approval on around 75 proposals, including capital investments for maintenance,

regeneration and new build schemes helping to meet the Social Housing Development Programme target.

Across the reporting year, the economists within the unit mobilised quickly to ensure business cases were robust and ultimately approved, particularly those that enabled the delivery of key services or strategic priorities and as a result 100% of assessment responses were provided within 10 working days of receipt, achieving the team target set of over 95%. The economists continued to embed the Department of Finance, 'Better Business Cases NI' guidance by making the appropriate business case resources and business case training accessible to all staff along with keeping NIHE Business Case and Post Project Evaluation policy, procedures and guidance updated. Furthermore the unit continues to assist the NIHE in meeting its audit responsibility by producing and circulating quarterly Post Project Evaluation Compliance reports to NIHE Management, and additionally by reporting yearly and half-yearly Business Case and Post Project Evaluation reports for the NIHE to the Department for Communities.

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.

More recently the remit of the team has expanded to increase its input into ad hoc policy analysis and review; research and economic briefing. ESU began production and circulation of a NIHE Economic Bulletin, first published in November 2022, which is now a quarterly publication. The Bulletin covers a range of Northern Ireland household and macroeconomic indicators to provide a broad overview of the state of play within the economy and to inform NIHE users of statistical publications that could be used as an evidence basis in order to provide support NIHE policy decisions. Engagement with the team has increased, owing to the Economic Bulletin, and led to ESU input and economic data requests by NIHE staff/business areas.

Additionally this year ESU, working in collaboration with NIHE IT, has initiated the development of a refreshed NIHE Business Case Management System, to rework and streamline the current system, add practical functionality and make a faster, more efficient, user friendly system. Although originally anticipated to be rolled out during the 2022/23 reporting period, early ESU testing of the system identified areas for refinement and additionally functionality to be added to the new system which has resulted in the completion date for the project being revised into the 2023/24 reporting year.

Risk and Governance

The Risk and Governance team is responsible for ensuring the ongoing implementation and development of the organisation's governance framework and risk management framework. The team provide support to a range of key internal and external customers notably the

Housing Executive Board, its Committees and the Executive Team. During 2022/23 the Risk and Governance Team moved from the Corporate Services Division to the Finance, Audit and Assurance Division.

During 2022/23 the Risk and Governance team established and supported the new Tenant and Customer Services Committee (SSCS KPI 1.15), including the appointment of two independent committee advisers, and initiated an induction programme. The team supported the new Chair of the Housing Executive, Nicole Lappin, following her appointment in November 2022, with an in-depth induction programme delivered over the first six months following appointment. During 2022/23 the Team, on behalf of the Board, commissioned Business Consultancy Services (BCS) to undertake an independent, externally facilitated, assessment of the Board's effectiveness. The review concluded that overall the Board is performing well, and identified areas for minor improvements to further enhance its governance, with supporting recommendations, agreed by the Board.

The Team continued to engage in preparations for the implementation of the new Arm's Length Bodies Partnership Agreement (SSCS KPI 1.30), which has now been signed off formally by the DfC Permanent Secretary and the Chair of the Board. Plans will now be taken forward to implement a number of revised delegations for some categories of expenditure. Additionally during the year, ahead of formal approval of the Arm's Length Bodies Partnership Agreement, progress was made towards streamlining Executive Team business, with increases in delegated expenditure authority for officers, and changes to Standing Orders and Board Scheme of Delegations.

The risk management framework continued to be implemented and further developed during 2022/23 (SSCS PI 1.13). The Risk management team continued to develop risk assessment and risk reporting framework with key customers, and initiated a review of corporate risks during 2022/23 to ensure alignment with strategic objectives from the corporate plan. A review of risk appetite was undertaken and completed during the year, resulting in changes to the risk appetite levels for a number of corporate risks.

In addition to the delivery of the KPIs, the Team delivered on a range of business as usual outcomes, including secretariat support to the Board and its Committees, co-ordination and production of key assurance framework related outputs, including the Governance Statement and quarterly assurance statements, to provide assurance to internal and external stakeholders as to the Housing Executive's governance and control environment. In September 2022 the management responsibility for the Risk and Governance Team transferred from Corporate Services to Finance Audit and Assurance Division, under the Head of Internal Audit. This change was implemented with due regard to the Public Sector Internal Audit Standards (PSIAS), and as required by PSIAS 1112 safeguards have been put in place to limit impairments to the independence or objectivity of the Head of Internal Audit.

As a result of the Team's actions and performance through the year, the Housing Executive Board, its Committees, the Chief Executive in her role as Accounting Officer and Executive Team were supported. Future plans for 2023/24, subject to resource and capacity, are to continue to work with DfC colleagues to effectively embed the new accountability arrangements, to implement the recommendations from the effectiveness review, support and assess the robustness of the strategic governance structure in relation to the operation of the Board's committees, and to develop the risk and governance frameworks for the Housing Executive through planned cyclical reviews.

Corporate Services

Corporate services KPI Performance for 2022/23 is shown below.

Total KPIs/PIs	Green	Amber	Red	Blue
24	20	2	2	0

Our Human Resources Team is based within the Corporate Services Directorate and 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, Diversity, Safeguarding and Inclusion, Planning and Performance and the Programme Management Office.

There was significant progress made in year, both in fully achieving the vast majority of our objectives, but also in developing and delivering a range of new services and initiatives for our staff, as well as for our external customers. Further details of this work is detailed below:

Human Resources Advisory

Our Human Resources Advisory Team is based within the Corporate Services Directorate and provides people orientated services for employees across the Housing Executive. During the year the work of the Human Resources Advisory team concentrated on the delivery of our People Strategy. Further information on Human Resources Advisory can be found in our staff and remuneration section later in this report on page 137.

The key priorities and achievements of the team were:

- We delivered a significantly increased programme of resourcing work this year to achieve our workforce plan. The total number of exercises increased to **231** (a **12.5%** increase compared to last year) with **251** appointments (increase of approx. **10%**). **3,266** applications were received across these recruitment exercises (**47% increase**) which included large scale processes for CSU Advisors, Housing Advisors/Patch Managers and Apprentice Joiners. We also successfully reduced the percentage of agency workers from 17% to 14.4%, contributing towards our goal to increase the stability of our workforce.
- We completed our review of the core HR policies and we have a new up-to-date suite of these policies including Attendance Management, Discipline, Grievance and Capability. We also launched new on line awareness sessions to enable everyone to complete these at a time which suits them.
- We developed a number of other new policies including an innovative flexible working policy to improve the working lives of our people while enabling us to continue to meet customer needs, a new Health & Wellbeing Policy and a Reasonable Adjustment Policy.

- We also delivered a significant programme of health & wellbeing training, webinars, awareness sessions and e-learning covering our five Health and Wellbeing work streams i.e. Physical Health, Healthy Mind, Financial Wellbeing, Personal Growth & Development and Be Connected. We also completed a health and wellbeing survey and the Public Health Agency produced a report which will guide our future plans.

Our HR Advisory team had six KPIs, including a KPI shared with the Learning and Organisational Development Team (SSCS KPI 6.2) regarding compliance with section 75 of the Northern Ireland Act 1998. Whilst the team successfully delivered three of their KPI, there were two KPIs which were not achieved. The HR Advisory team aimed to reduce absence to be no more than 6.1% (SSCS KPI 1.6) and by the year-end the Housing Executive's absence figure was 6.37%. The team secured a number of improvements in attendance during the year, including an **18% reduction** in the number of colleagues who were absent due to long term sickness and a **25% reduction** in the number absent due to short term sickness. This was achieved through the implementation of our new attendance policy, creation of new wellbeing action planning processes, improved case management and significant developments in terms of health and wellbeing support overall. Unfortunately, as year-end absence figure was 6.37%, we did not meet our target and the KPI was scored Amber. We will continue to ensure robust policy implementation, monthly case conference, training and other measures to maximise attendance in the year ahead.

During 2022/23 the team were unable to implement a new pay and grading structure across the Housing Executive, to ensure our people are remunerated appropriately and fairly (SSCS KPI 1.16) and the KPI was scored Red. This was outside the Housing Executive's control, as any progress was contingent on Departmental approval before we could implement our pay and grading review. While we had no confirmation of timescales, we continued to engage and update colleagues and our Trade Union partners throughout the year.

During 2023/24 we will focus on implementing the third and final year of our People Strategy and our Health & Wellbeing Strategy. This will include implementing a new pay and grading structure across the Housing Executive (subject to departmental approval), embedding our new flexible working practices policy and culture, implementing a comprehensive workforce plan to continue to populate stabilise our structures and further embedding our core people policies.

Learning and Organisational Development.

The Learning and Organisational Development team supports the Housing Executive in relation to learning provision, including; leadership development, entry-level programmes and professional skills initiatives; as well as, employee performance and engagement, and a suite of e-learning and associated systems.

The Learning and Organisational team were responsible for the delivery of eleven KPIs, including one KPI (SSCS KPI 6.2) that was shared with colleagues in HR Advisory.

The Learning and Organisational Development team delivered 26 days of leadership skills training (SSCS KPI 1.27) to 99 participants, throughout all levels of management, this included the development of an internally delivered 'Aspiring Leaders' Programme, complimented by a further four levels of leadership development for our established managers and senior leaders. This is supported by the development of our leadership charter and competence framework clearly outlining our leadership culture.

In addition to this, 12 team development events were completed across various divisions and regions (ranging in size from eight to 70 participants), with 297 people involved in total. Throughout 2022/23 the team partnered with the Sustainable Development Team to deliver carbon literacy training (SSCS KPI 1.12) to 326 participants (this includes 183 enhanced course completions and 143 eLearning completions). Whilst this marginally missed the target of 350 completions, the target was fully met by the first week in April 2023. The team also fundamentally redeveloped the Housing Executive's Performance-Management System with the introduction of GROW conversations, this has been successfully piloted and makes clear links with our competence framework and talent review approach to ensure improved ability to succession plan and support behavioural and technical development needs (SSCS KPI 1.22).

Throughout the year, a joint working group (made up of colleagues from Communications; Resourcing; Equality, Diversity, Inclusion and Safeguarding; and Learning and Organisational Development) worked together to review and develop our approach to recruitment. This led to the development of our Employer Brand and clear Employee Value Proposition (EVP) messaging to ensure we continue to attract a diverse and talented pool of talent both now and in the future.

Further to this, the team worked to expand the Housing Executive's social media presence, launch new radio adverts, video testimonials by our people and support our attendance at a number of open days and job fairs. Key EVP messaging was included in all activities and the corresponding KPI (SSCS KPI 1.19) was successfully achieved. A targeted campaign was launched during National Apprenticeship Week, including a 'mythbusters' article, videos, and news articles. Ultimately this created 90,000 engagements online with would-be candidates and led to a significant increase in the numbers of applicants for posts within the Housing Executive (over 3,200).

A planned Employee Engagement survey (SSCS KPI 1.18) was delayed due to budget and procurement requirements and not fully delivered in year although it was subsequently rolled-out in May 2023 with an added 'Equality, Diversity and Inclusion Demographics' section (to explore diversity representation within the Housing Executive). This ensures that we take full cognisance of the range of needs of our people and develop policies and practices to best fulfil those requirements.

Looking forward, a new Engagement Plan is due to be presented to the Executive Team in 2023/24. A new Reward and Recognition subcommittee was established and, whilst the initial focus was the Trade Union cost of living claim, the role of the subcommittee was also

to consider wider reward and recognition matters. A draft Reward and Recognition Strategy was developed (SSCS KPI 1.17), however a decision was taken to delay the launch of the strategy and await results from an Employee Engagement Survey in 2023/24, to ensure the outputs and learning from the survey, and the specific requirements of our people, are fully integrated into the strategy, and therefore the KPI was not fully achieved.

Throughout 2022/23 the L&OD team was able to identify opportunities for 140+ apprentices within the organisation and our supply chain of contractors (SSCS KPI 2.24). A number of apprenticeships have already commenced and are being supported with a structured development programme commencing with induction and being rolled out over a 24 month period. This includes our 'Foundations for Success' programme, which is delivered to new talent entering the organisation via one of our entry-level programmes, a key objective being the establishment of a firm foundation of personal development, from which to progress into the organisation. In addition to apprentices, the team identified key opportunities for the use of university placement students, higher-level apprentices and graduates, particularly where current or future skills gaps exist. The L&OD team will continue to support recruitment of remaining entry level roles over the three year period from 2022/23 to 2024/25

The Learning and Organisational Development team and the Equality, Diversity, Inclusion and Safeguarding team have developed links with organisations including a number of local Further Education colleges, the Chartered Institute of Housing and Business in the Community and Catalyst to deliver a work experience programme and work inspiration event (SSCS KPI 1.28), which will commence in June 2023, with 30 students from local schools invited to take part in the event. The Learning and Organisational Development team have developed an informative and interactive programme for students to both develop their understanding of housing as a career option and embed foundational skills through delivery personal effectiveness training and interview skills as part of the programme.

Equality, Diversity, Inclusion and Safeguarding

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 Corporate Strategy includes clear objectives addressing housing inequalities experienced by our customers and we are committed to building a diverse and inclusive workforce.

The Equality, Diversity, Inclusion & Safeguarding (EDIS) Unit, established in 2022, is responsible for:

- Compliance with Section 75 Duties and the implementation of the Housing Executive's Equality Scheme (SSCS KPI 6.2);
- The delivery of the Affirmative Action Plan and associated actions including developing and maintaining the EDI Steering Group and Work Streams (SSCS KPI 1.20);
- Fair Treatment Recruitment and Workforce Reporting (Article 55 and the annual return to the Equality Commission);
- Communication support;
- Maintaining a safeguarding Service;

During the year we implemented our Affirmative Action Plan. The plan covers the period 2021-2026 and details a number of objectives and actions to address areas where staff with protected characteristics are underrepresented. We set this out under three broad areas: advertising and outreach; culture and working environment; and specific actions for protected characteristics. In 2022/23 we developed an EDI Steering Group (SSCS KPI 1.21), comprised of senior managers from across the organisation. This group met four times during the year, providing insight and direction, and supported the effective delivery of the Affirmative Action Plan. The EDI Steering Group has received regular reports on activities to meet AAP objectives, including statistical reports on recruitment activities, outreach activities (e.g. attendance at local jobs and career fairs), the review of advertising strategy and the development of new partnerships with local colleges, community groups and social enterprises (egg. Women's Tec). In 2022/23 the EDI Steering Group also piloted and launched a new Autism Awareness Training programme in partnership with the Department of Health and the Cedar Foundation. In 2023/24 training will continue to be rolled out across the organisation, with opportunities for at least 600 staff to attend.

In January 2023 the EDI Steering Group also established a series of work streams to provide staff with the opportunity to identify and influence activities to promote equality and develop a more inclusive culture. The work streams cover the following protected groups: Age, Disability, Community Background, Sexual Orientation (LGBTQ+), Gender/Sex and Race. The work streams have outlined key priority areas for their respected groups, and have been involved in shaping the annual EDI awareness calendar and in delivering activities to raise awareness of our EDI commitments. This has included networking events as part of International Women's Day and the launch of a new Learn at Lunch programme (sessions have been delivered on LGBTQ+ Awareness and a series of disability focused sessions delivered by Employers for Disability). Work streams have also been consulted on key policy reviews including post pandemic flexible working arrangements.

During the 2022/23 the EDIS team completed the following:

- The Annual Monitoring Return was completed and submitted to the Equality Commission for Northern Ireland;
- Completed an Article 55 Review;
- Over 20 Interview Panel Skills Training sessions were delivered in partnership with the Resourcing Team;
- The Bronze level Diversity Charter Mark was retained;
- Produced a range of ad-hoc reports to support the Workforce Plan, Resourcing, Communications and EDI;
- Actioned 12 Freedom of Information requests and eight Data Subject Access requests, as well as investigating and responding to a number of Broad Subject Access Requests;

The EDIS team is responsible for implementing the Housing Executive's Equality Scheme, and during 2022/23 the team:

- Screened 26 Policies;
- Held 16 Equality Awareness Training Sessions with 303 staff attending;
- Held a Full meeting of the Consultative Forum on Equality;

- Completed four Quarterly Reports on the Implementation of the Equality Scheme;
- Developed two Equality Monitoring Reports;
- Provided consultation guidance on three consultations (Affirmative Action Plan, Draft Corporate Plan and the Supporting People Three Year Draft Strategic Plan & Covid-19 Recovery Plan 2022 – 23);
- Responded to 24 Information Requests, including Freedom of Information requests; and
- Provided a range of Communication Support Services including: 6,388 Telephone Interpreting Calls; 243 Requests for Document Translations; 36 Requests for Alternative Formats; 60 Face to Face Interpreting Requests; 63 Sign Language Interpreting Requests; and 315 Video Relay Service (VRS) Calls

In relation to safeguarding and managing suicide risk, the EDIS team managed 110 safeguarding cases and 37 suicide risk reports. Further to this, 14 Safeguarding and Managing Suicide Risk Awareness training sessions were held, with 319 staff in attendance. The EDIS team also represented the Housing Executive on Local Adult Safeguarding Partnerships (LASPs) across all Health Trusts, the Safeguarding Board for Northern Ireland/PSNI Child Sexual Exploitation Safe Spaces Forum and the Local Government Staff Networks Safeguarding Forum.

Corporate Business Planning & Performance

The Planning and Performance Team is part of the Learning and Organisational Development team and is responsible for a wide range of functions including the development of and reporting against the Corporate Strategy and associated annual business plans to the Department for Communities, the Housing Executive's Board, the Resources and Performance Committee and our Executive 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 2 of the Older People's Housing Strategy (SSKPI 3.7). We will publish a progress report on the actions in Year 2 later in the 2023/24 year.

We also undertook a significant public consultation on our new 2022/23 Corporate Strategy – Energising Communities, and as a result of feedback we were able to further shape and refine our plans. Our strategy and accompanying was formally approved by our Board and DfC in year and Part 1 of this Annual Report details performance against many of our objectives.

Health and Safety Services

The Health and Safety Services Department provides organisational assurance that compliance with statutory requirements is coordinated and centrally monitored. The department transferred to the Corporate Services directorate in April 2022, having previously been part of the Asset Management directorate.

Health and Safety Services consists of a number of different teams:

- Corporate Health and Safety
- Construction Health and Safety
- DLO Health and Safety
- Contracted Safety Services
- Emergency Planning and Business Continuity Planning

Despite unprecedented challenges in terms of absence and vacancies, the Health and Safety Services Department successfully delivered against KPI 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), as demonstrated through key targets implemented throughout 2022/23 including:

- To ensure that incident investigations are completed within six weeks, for all incidents received through the Health & Safety Incident Reporting System;
- To undertake Health & Safety Inspections within 36 NIHE offices;
- To undertake Health, Safety and Welfare inspections of each Principal Contractor for Response Maintenance Projects at least once a month, per contract;
- To undertake Health, Safety and Welfare inspections of each Principal Contractor, each month, per region, for all planned schemes;
- Improve organisational capacity and capability to prepare for, respond to, and recover from, disruption. This was achieved by developing and implementing a business continuity management system, including a business continuity policy demonstrating commitment from management.

Key successes during 2022/23 included:

- The Health and Safety Services Teams provided a range of safety services, training, competence advice and support across the Housing Executive, and continued the review and development of Organisational Health and Safety Policies, and the Health and Safety Legal Register;
- Launch of the Business Continuity Policy (BCP) and an accompanying e-learning module for staff;
- Externally accredited awareness and health and safety training programmes;
- The programme of Health, Safety and Welfare Inspections in a range of Housing Executive properties, identifying serious and imminent dangers, and learning and sharing lessons from incident investigations;
- The introduction of over 1,700 lone working devices issued to Housing Executive staff;
- Approval to create a more resilient structure to support the organisation's Emergency Planning and Business Continuity Planning function;
- Maintaining 'Safe-T-Cert' – an accredited health and safety scheme, co-ordinated by

- the DLO Health and Safety Team;
- The creation of Construction Safety videos, to raise awareness of common health and safety issues seen on Housing Executive construction sites. Also a tenant information leaflet on construction safety ('Keeping you safe while we work in your home').

In March 2023 the Construction Health and Safety Team organised and presented a Contractor Health and Safety Awareness event for 140 delegates, including contractors working for the Housing Executive. This event focused on current issues in the construction industry such as mental health in construction, electrical safety (underground and overhead cables), gas safety, health and safety file requirements, asbestos training, communicating key health and safety messages and HSENI (Health and Safety Executive Northern Ireland) initiatives. The '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 the previous 12 month period with no serious or imminent dangers, RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) Reportable Dangerous Occurrences, or major injury accidents.

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 alert notices and internal awareness courses, all of which are accessible through the dedicated Health and Safety Services section of the Housing Executive's intranet.

Plans for 2023/24 include:

- Improve organisational capacity and capability to prepare for, respond to and recover from disruptions by developing a business continuity management system;
- To improve organisational capacity and capability to prevent and manage work related ill-health;
- Continue to seek improvement on contractors safety standards;
- New Occupational Exposure Monitoring and Fit Testing arrangements;
- Continue to share learning from workplace inspections and incident investigations;
- Seek IOSH (Institution of Occupational Safety and Health) accreditation for internally delivered awareness training;
- Enter the 2024 all Ireland NISG (Northern Ireland Safety Group)/NISO (Northern Ireland Safety Organisation) Safety Awards, which provides independent adjudication of the Housing Executive's health and safety management systems;
- Developing competency in new and emerging areas, such as demolition projects and incident investigations;
- Develop electronic systems for incident reporting and construction site safety inspections.

Legal Services

The Legal Services team continued to support and assist officers across the organisation (both by way of legal advice and conduct of legal proceedings) in connection with a broad range of key issues, including:

- The implementation of Phase 1 of the Fundamental Review of Allocations;

- Implementation of the new Leasehold Extension Scheme;
- Review of the Caravan Act (NI) 2011 and development of a Traveller's Allocation/ Selection Scheme – Policies and Procedures;
- The redesign of the successions and complaints process and procedure;
- The Department of Justice review on Anti-Social Behaviour remedies;
- The Department of Justice consultation and workshop in respect of the proposed Hate Crime legislation;
- Defence of judicial review pre-action claims in relation to Rule 23 (Intimidation) and judicial review litigation (SPED and Rule 23);
- Obtaining court orders for the possession of dwellings on grounds of Anti-Social Behaviour, non-occupation and failed succession claims;
- Injunctions to secure the removal of unauthorised structures from Housing Executive land;
- Continuing advice and representation in Employment Tribunal claims and industrial relations matters;
- The ongoing fundamental review of Land and Regeneration policies and procedures;
- The Ukrainian Schemes; and
- Payment of Supporting People Covid-19 uplifts to providers.

Looking forward, the work of Legal Services during 2023/24 will include:

- Ongoing advice and assistance in connection with the implementation of the Fundamental Review of Allocations;
- The use of Temporary Accommodation by the Housing Executive in relation to the discharge of its statutory housing duties under homelessness;
- The development of an updated housing policy relating to acquisition of dwellings in connection with redevelopment, demolition and leasehold issues;
- The review of the Land and Regeneration policies and procedures;
- Defence of two judicial reviews on Rule 23 (Intimidation);
- Delivery of a seminar to the legal profession on the Leasehold Extension scheme; and
- Legal representation in relation to two class actions one in relation to pensions and holiday pay reflecting wider challenges cross the public sector.

Information Governance

Throughout 2022/23 the Information Governance team continued to provide advice and guidance across the range of data protection, freedom of information and records management issues. This includes advice on data subject and Freedom of Information requests, personal data breaches, data sharing agreements, data protection impact assessments, Publication Scheme, Freedom of Information Disclosure Log, RecordsNI file plan and the Retention and Disposal Schedule. Key outcomes during the year include:

- Significant improvement in FOI timelines has been achieved during 2022/23 with 88% of requests being completed on time;
- A new FOI tracker application has been developed which will aid the streamlined provision of FOI responses;

- The introduction of a disclosure log of FOI responses published monthly on the NIHE website. This promotes greater public awareness aligned to the principles of openness and transparency in relation to NIHE activities and information;
- The Data Protection Policy was reviewed and updated. This policy is the primary framework for meeting the organisation’s statutory data protection obligations in processing the personal data about customers, staff, and those who work and interact with us;
- A Personal Data Breach Management Plan has been developed to provide a clear and standardised guidance for staff on incident reporting; and
- An organisational Record of Processing Activities (ROPA) has been completed replacing the Information Asset Register which enables effective information governance and compliance with data protection legislation and in particular the principle of accountability.

The future work of the Information Governance team remains largely reactive, but ongoing work is progressing to complete the rollout of the organisational Electronic Document Record Management System (EDRMS). The new system will enable the organisation to manage information assets efficiently and assist in the provision of adequate responses to requests for information.

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. They are also responsible for coordinating the Housing Executive’s Corporate Social Responsibility (CSR) function. The team’s main objectives are to provide an understanding of the work we do and to provide accurate and timely information to the media, tenants, customers, stakeholders and elected representatives. Key highlights of the 2022/23 year include coordinating the first staff conference for three years, which incorporated an awards ceremony, and had 350 colleagues from across the organisation attending; providing support to promote the Energy Symposium and launch of the annual HECA report; the delivery of our tenant magazine “Streets Ahead” in December.



Grainia Long
Chief Executive

Date: 20 September 2023

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 2022/23 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: 20 September 2023

ACCOUNTABILITY REPORT

Overview

The purpose of the Accountability section of the Annual Report is to meet key accountability requirements of the Assembly. The Accountability Report comprises 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.

CORPORATE GOVERNANCE REPORT

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 2023.

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 2022/23, 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 were presented to the Board in October 2022.

During 2022/23 the Housing Executive Board convened a total of 12 times including: 8 formal Board Meetings, 2 Away Days and 2 other commitments, with special or ad-hoc meetings called as necessary.

Board Appointments

Board Members for the period 1 April 2022 - 31 March 2023

Chair – Nicole Lappin (5 November 2022 to 4 November 2027)

- Nicole Lappin was appointed for a first term by the Minister for Communities on 5 November 2022 for a 5 year term.

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

- Professor Roberts was formally appointed to the role of Chair by the Secretary of State on 1 April 2019. Professor Roberts' term of appointment expired on 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.

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).

Board Members:

- Alderman Allan Bresland (appointed from 1 January 2020 to 17 May 2023);
- Councillor Catherine Elattar (re-appointed for a second term from 1 January 2020 to 17 May 2023);
- Alderman Amanda Grehan (appointed from 1 January 2020 to 17 May 2023);
- Councillor Michael Ruane (appointed from 1 January 2020 to 17 May 2023).

Following the reconstitution of the Northern Ireland Housing Council (NIHC) in June 2023, preparatory steps have been taken in partnership with the Department for Communities to commence the appointment process for members to the Northern Ireland Housing Executive Board. This appointment process remains to be concluded.

Independent Committee Advisers for the period 1 April 2022 - 31 March 2023

Audit & Risk Assurance Committee (ARAC):

- Sharon Hetherington (appointed for a second term from 1 December 2022 - 30 November 2027);
- 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);
- David Thompson (appointed for a first term from 1 September 2022 to 31 August 2027).

Four Board Members will change during the 2023/24 financial year due to the Local Government Election on 17 May 2023 and expiry of the term of appointment of Housing Executive Board members appointed through the Northern Ireland Housing Council.

At 31 March 2023, the gender breakdown of Board Members was:

- Female: 4
- Male: 6

As at 31 March 2023, the gender breakdown of Independent Committee Advisers is:

- Female: 3
- Male: 5

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 Advisers' 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 2023, 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 **£415.8 million** (2021/22: £372.4 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".

Negligible early retirement costs of **£13k** (2021/22: (£11k) were incurred from an approved NILGOSC early retirement scheme. These costs are accounted for in the Statement of Comprehensive Net Expenditure, in accordance with "International Accounting Standard 1 - Presentation of Financial Statements".

The annual pension report, which is provided by the appointed independent actuary for the purpose of the financial statements, for the first time shows an asset in the pension fund, where the fair value of employer assets exceeded the defined benefit obligation by **£15.6 million** for 2022/23. Previously, the pension fund in 2021/22 was valued at a deficit of **£165.9 million**. The change from a deficit reported in 2021/22

to a surplus in 2022/23 has resulted from a large increase in the discount rate from 2.8% per annum to 4.8% per annum, which along with the decrease in inflation from 3.2% p.a. to 2.7% p.a. resulted in an overall gain of circa £420m. This overall gain though was partially offset by a decrease in the actual return on the pension assets over the year, which was lower than the expected rate of return of 2.8% (based on the discount rate at the start of the year), leading to the lower than expected return on the assets of around £100m. Note 22 provides further pension disclosures.

Property, plant & equipment

For year ending 31 March 2023 annual accounts, the Housing Executive's operational land, housing stock and non-operational assets have been revalued by an independent external valuer as at 31 March 2023. The operational 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 operational property estate was also revalued during 2022/23 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 quinquennial (five year) valuation exercise.

The 'Other Assets' category was revalued using appropriate March 2023 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 2023 resulted in a decrease in value of £99.2 million which has been transferred to the Revaluation Reserve Account. Of this amount, £106.8 million represented a decrease in the housing stock valuation, which is reflective of a change in the Adjustment Factors used in the valuation process to arrive at the existing use value for social housing.

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 £4.7 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 £16.9 million has been transferred to the Revenue Reserve Account from the Revaluation Reserve Account. During the financial year, the Housing Executive sold 560 dwellings, which includes 4 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 2022/23 year, no personal data breaches were notified to the Information Commissioner's Office (ICO).

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 569 Formal complaints across all divisions. There were 430 First Stage complaints and 139 complaints were then dealt with at Second/ Final Stage, with staff carrying out detailed investigations and addressing issues raised. In 2022/23 The Northern Ireland Public Services Ombudsman opened investigations into 9 complaints raised against the Housing Executive at assessment stage and 5 complaints at detailed investigation stage.

The Housing Executive's complaints policy was revised to take into account recommendations made by the Northern Ireland Public Services Ombudsman in relation to Model Complaints Handling Procedures. This streamlined the complaints policy into a two tier system across all divisions and removed the informal complaints stage from the 1st July 2022; First Stage complaints are now handled by the local office, and Final Stage complaints are handled by central teams. As a result of the removal of the informal stage, the number of formally recorded complaints has increased, but due to the change in process this was expected and direct comparisons cannot therefore be made between figures for 2021/22 and 2022/23.

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 2022/23, a total of **445,911** (2021/22: 431,926) payments were processed with **438,661 (98.37%)** (2021/22: 424,516 (98.28%)) 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 **401,450 (90.03%)** (2021/22: 388,906 (90.04%)) 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 current Northern Ireland Assembly, the 2023/24 annual budget (the NI block grant), including the budget allocations to the Northern Ireland Departments was approved by the Secretary of State for Northern Ireland on 27 April 2023. The Permanent Secretary for the Department for Communities is responsible for subsequently determining the funding allocation to the Housing Executive. With the reduction to the allocated capital and revenue budget approved by the Secretary of State for 2023/24, the funding position for the Housing Executive is expected to be challenging, especially in light of the additional pressures being faced due to inflation, rising costs, increasing demands and pay pressures. However, the Housing Executive remains confident the financing of its liabilities will continue be serviced by funding grants from the Department for Communities, the application of self-

generating rental income, and funding received from other bodies for the purpose of delivering specific services. 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 she and her staff are wholly independent of the Northern Ireland Housing Executive. She reports her findings to the Northern Ireland Assembly.

During 2022/23, 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. As this exercise is carried out biannually, there was no similar cost for 2021/22. The cost of this exercise is disclosed in Note 6 to the financial statements.

Committees of the Board

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 Advisers, 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.

Other committees of the board structure includes the following committees:

- Resources and Performance Committee
- Asset Management and Maintenance Committee
- Tenant and Customer Services Committee

Each Committee operates under its own Terms of Reference, meets at least four times per year, and comprises two Independent Advisers 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. Further details on each of the committee, including the remit can be found in the Governance Statement.

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 2023:

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 2022 to 31 March 2023. 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 is based on legislative requirements, principles of good governance, an effective system of internal controls and robust management arrangements and processes.

The Housing Executive maintained an effective system of internal control for the year ended 31 March 2023 in accordance with Department of Finance (DoF) guidance.

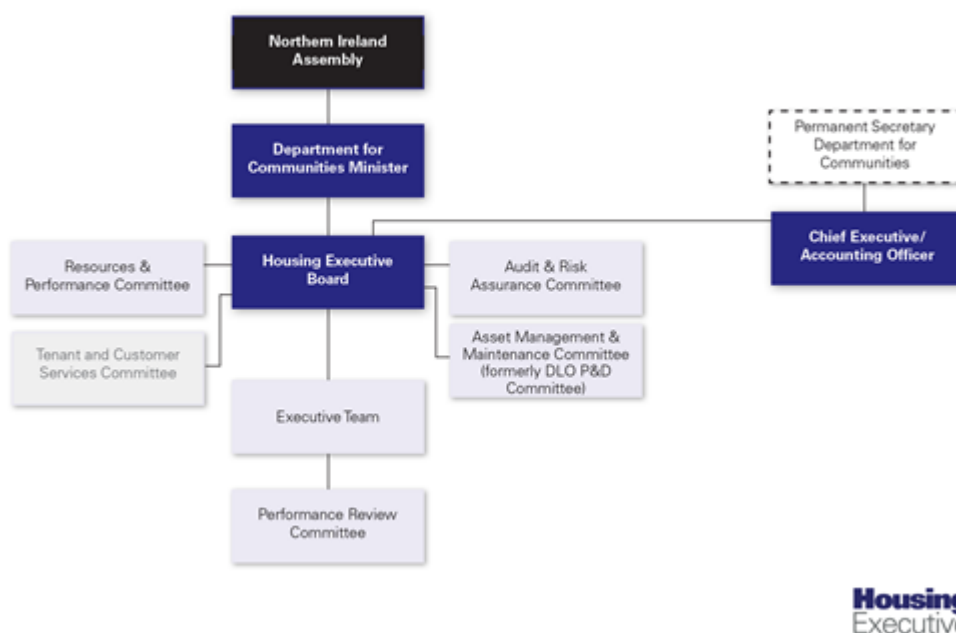
The Head of Internal Audit Annual Audit Opinion for the 2022/23 financial year provides a formal opinion on the governance, risk management and control arrangements in place within the Housing Executive (see Section 3B for opinion).

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 2022/23

Board/Committee Structure 2022-2023

August 2023



The Board

The Board consists of ten non-executive members (including chair and vice-chair) appointed by DfC minister, with four members selected from the membership of the Housing Council. Appointments are made in line with the Code of Practice issued by the Commissioner for Public Appointments.

The Board has corporate responsibility for ensuring that the Housing Executive fulfils the aims and objectives agreed in the Corporate and Business Plans and for promoting the efficient, economic and effective use of staff and other resources by the Housing Executive.

In line with best practice, the Board has an established Board Operating Framework and Standing Orders which regulate the proceedings and business of the Housing Executive.

In November 2022 Nicole Lappin was appointed to the position of Chair of the Housing Executive Board for a five year term, following appointment by the Minister for Communities, Deirdre Hargey.

During the accounting period the Board enhanced its governance architecture both to provide greater capacity to focus on strategic issues and to enhance capacity for scrutiny to meet the demands of dealing with new issues and the increasing complexity of Housing Executive operations. The structure now comprises four Committees and one Board Member in the role of Senior Independent Director (SID). The Board continued to work in partnership with the Department for Communities, during the accounting period, to develop the ALB Partnership Agreement. The agreement was approved in August 2023

In addition to the above, the Board has participated in the Boardroom Apprentice initiative (DoF), this being its fifth consecutive year as a Host Board.

Board Committees

Each Board Committee operates under its own Terms of Reference, meets at least four times per year, and has two Independent Committee Advisers to further 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. All ten Board Members have access to all Committee documentation thereby ensuring full disclosure / transparency.

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's primary function is to support the Board in carrying out the oversight function and constructive challenge 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 the value 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's primary function is to support the Board in carrying out the oversight function and constructive challenge 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

The Tenant and Customer Services Committee's primary function is to support the Board in carrying out the oversight function and constructive challenge 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. The Committee also has a £5m delegated authority for Private Sector Improvement Scheme grants.

Board and Committee Record of Attendance for 2022/23

Between April 2022 and March 2023, the Housing Executive Board convened a total of twelve times. Eight were formal board meetings, two were Board away days and there were two other commitments. Board and Committee advisers / attendance is outlined in the below table. The Chief Executive and Executive Team attend Board and Committee meetings, along with other officers as required. The table below summarises the attendance of Board and Committee Advisers' record of attendance for 2022/23.

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

¹ Professor Peter Roberts second term of office expired on 4 November 2022;

² Nicole Lappin replaced Peter Roberts as Chair, effective from 5 November 2022

³ Linda Watson took up position on 25 April 2022

⁴ David Thompson took up position on 1 September 2022

* In attendance as observer

Performance of the Housing Executive Board 2022/23

The Board's annual work programme incorporated 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 Advisers are also invited to attend Board away days and workshops to ensure a broad awareness of key issues.

The Chair completes annual appraisals for all Board Members during May/June. The completed appraisals are subsequently shared with the Department. These appraisals also include the special responsibilities for the Board Committees each Member serves on, and individual training needs. Collective workshops to enhance Board Members' knowledge and skills are arranged as necessary. The Chair's annual appraisal is completed by a DfC Senior official in line with the current ALB Chair.

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

In line with best practice, the Board periodically undertakes an internal or external self-effectiveness evaluation. During 2022/23 the Board commissioned Business Consultancy Services (BCS) to undertake an independent, externally facilitated, assessment of the Board's effectiveness. The review concluded that overall the Board is performing well, and identified areas for minor improvements to further enhance its governance, with supporting recommendations. The Board has discussed and has agreed the recommendations, and an action plan to implement the recommendations was presented to the Board in April 2023.

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 enhancements to 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. Paper templates will be updated further to ensure they meet the needs of Board and Committee Advisers, and to take account of the recommendations associated with the external Board effectiveness review, to streamline Board information and KPIs.

Annual Declaration of Interests / Management of Conflicts of Interest / Gifts & Hospitality Declarations

The Board Member conflicts of interest are dealt with separately to conflicts of interest by made by the Accounting Officer and Executive Team members/attendees. Board member conflicts of interest are dealt with in accordance with best practice and are recorded both in the relevant minute(s), and also within the electronic register of interests. Quarterly updates to Annual Declarations are presented to the ARAC and also published on the website. Should a conflict arise due to declared interests, the Member may be asked to withdraw from the meeting (not participate in any discussion or decision-making).

In this accounting period, there were nine instances identified of potential conflicts of interest during meetings. On six of these instances, a recurring potential conflict was declared by the same committee adviser which was noted as a standing declaration by the chair, with an assurance that there was no conflict of interest arising. In another two instances a potential conflict was declared by a committee adviser who was also assured by the committee chair that there was no conflict of interest and no further action required. The remaining other instance identified was managed in accordance with best practice, with a member withdrawing for the item under discussion.

Board / Committee Advisers and the Executive Team are required to declare any gifts or hospitality received / offered and these are presented quarterly to each ARAC Committee 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 that integrates risk management across the organisation.

The Board has 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 our corporate objectives and targets.

The Audit Risk and Assurance Committee (ARAC) is briefed quarterly and the Board is briefed at each meeting by the ARAC Chair on all risks identified and action plans in place to effectively manage current risk scores.

The Housing Executive adopts best practice of risk management, based on the 'three lines of defence' model outlined in HM Treasury Orange Book. The dedicated risk management function supports the Directors in effectively managing risk - this is supported by divisional risk champions from each Division who work with Divisional staff to maintain risk registers. The risk team assist the Divisions with identifying new and emerging risks and horizon scanning. This is carried out on an ongoing basis and regularly reported to the appropriate Board and management-level committees. During 2022/23 the risk management function transferred to the Internal Audit Department within the Finance, Audit and Assurance Directorate as a result of restructuring. Appropriate safeguards have been put in place to ensure the independence of the Internal Audit function that maintains the three lines of defence for the organisation.

The Performance Review Committee (PRC) is chaired by the CEO and meets monthly to review performance and risk. Risks are monitored and the committee facilitates the identification of new, emerging or changing risks so that appropriate action is taken. Risk and Audit work together 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 is 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.

A review of risk appetite was conducted during the accounting period, and assessed the organisation's overall risk appetite 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.

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.

During the accounting period, 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 cost of living crisis, ongoing risks in relation to asylum seekers and refugees, 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 twelve 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 in areas of acute housing 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.

- **Health and safety:** Failure to protect the Health and Safety of tenants, employees and others and ensure compliance with Health and Safety regulations.
- **Staffing:** Failure to attract and retain sufficient staffing resources to enable NIHE to meet its objectives.
- **Finance:** Failure to maintain Financial Stability and manage within allocated funding.
- **Fraud:** Failure to prevent an intentional act whether by employees, third parties, or tenants involving the use of deception to obtain an unjust or illegal advantage, leading to financial or reputational loss to NIHE.
- **Governance:** Lack of effective governance arrangements within the NIHE leading to NIHE not fulfilling its statutory duties.
- **Technology:** IT systems are not fit for purpose to deliver organisational objectives.

During the accounting period, the Housing Executive faced unprecedented challenges to the delivery of our vital public services to our customers, tenants, partners and wider society. The Board and Executive Team responded to a range of emerging risks and issues during the year, highlighted below.

Cost of living crisis

The Housing Executive recognised the profound effects that the increased cost of living has had on its tenants and customers during 2022/23. In response, a range of steps were taken to positively mitigate and alleviate the effects of increased cost of living pressures, building upon the broad range of existing services and support by the Housing Executive. For instance, the financial inclusion support service was enhanced and expanded to provide practical financial support and assistance to tenants and customers, alongside actions to support tenancy sustainment. Another key area was the provision of energy advice and support through the Housing Executive's role as the Home Energy Conservation Authority. The Housing Executive continues to engage with its tenants and customers to provide support to assist with the cost of living challenges.

Industrial relations

Between September 2022 and March 2023, the UNITE union undertook a period of strike action relating to a trade dispute over the 2021/22 pay award. The Housing Executive implemented contingency arrangements to minimise, as far as possible, disruption to its tenants during this prolonged period of industrial action. The organisation proactively engaged with trade unions in an attempt to find a resolution

to both the joint local pay claim and UNITE's industrial action. In March 2023 both UNITE and NIPSA trades unions accepted a revised pay offer, which brought an end to the industrial action and enabled the recommencement of a number of critical services in the interests of Housing Executive tenants and customers.

Contract management

During 2022/23 the Housing Executive continued to work closely with contractors to provide maintenance, and improvement services for tenants. This was in the context of an extremely challenging economic climate, with significant inflationary pressures impacting on the construction industry caused by rising material and fuel costs as well as labour and skills shortages. Due to the market volatility, industry trade bodies sought flexibility from contracting authorities in their approach to fixed price and fixed terms contracts.

In response, the Housing Executive sought to strike a balance between delivering for tenants and preventing job losses and companies failing.

Following guidance from the Department of Finance in August 2021 in the form of a Procurement Advice Note (PAN 01/21) the Housing Executive considered requests for uplifts were supported if evidence was provided to alleviate cost pressures that were being experienced. However due to the issues above, the model developed by the Housing Executive was more generous than just the material element as outlined within PAN 01/21 as it also contained an element of labour.

In October 2022, agreement was reached with ten contractors to release them from planned maintenance contracts, as a result of escalating construction costs which could not be accommodated within the relevant procurement legislation. This decision was taken by the NIHE Board to ensure that the Housing Executive had access in the future to a vibrant and prosperous construction industry when delivering future works.

Following a change within the Northern Ireland public procurement policy a number of tenders were stood down in December 2022 to allow the reintroduction of a quality criteria as part of an assessment. As a result of this, contingency arrangements were implemented to mitigate against any delay or disruption to tenants with new procurements being released to the market in early 2023. Where applicable, Direct Award Contracts (DACs) were utilised to ensure service continuity where there were statutory obligations to undertake the works.

Following on from this, significant work was carried out by the NIHE procurement and contracts teams and as a result of this work seven contracts both Planned and Response Maintenance have been awarded with a cumulative value in excess of 250million over the next two years. The contracts will commence during September 2023.

Ukrainian refugees and asylum seekers

During 2022/23 the Housing Executive played a key strategic and operational role in assisting with the delivery of The Executive Office's (TEO) programme to accommodate and support Ukrainian refugees arriving in Northern Ireland. The Housing Executive was involved in a range of key strands of work, including: assistance with the implementation of the sponsorship schemes and the required home visit process; delivery of a re-matching process; fulfilment of statutory homelessness duties for Ukrainian nationals as required; provision of temporary accommodation solutions, and direct support and advice to refugees and sponsors through the Ukraine Assistance Centres. Key risks for 2023/24 relate to the uncertainty of funding, potential for breakdown of sponsorship arrangements, as well as potential for arrival in advance of visa approval.

Separately, following an announcement by the Home Office of plans to address the backlog of asylum seekers cases, projections for increased demand on homelessness services in Northern Ireland suggested that the issue will have a significant impact on services and amount to a significant and material risk to the organisation. The potential increased financial liability arising from the Home Office's plans also materially impact on the Housing Executive's funding requirements for the 2023/24 budget. The Executive Office (TEO) continue to work with the Home Office and the Department for Levelling Up, Housing and Communities (DLUHC) to find a practical solution including the required funding to maintain sponsorship arrangements.

Budgetary uncertainty

NIHE has been working closely with DfC to identify funding requirements for 2023/24 as reflected within our Budget Submission approved by Board in February 2023.

In light of public services funding constraints across NI Departments, there have been real-term funding reductions in 2023/24. This was reflected in a letter received from the DfC Permanent Secretary on 30th March outlining indicative budget allocations which fell considerably short of the requirements identified within the NIHE Budget Submission. Budget allocations were subsequently received in June 2023 which, although more favourable, still fell short of the funding required to fully deliver key services.

Discussions remain ongoing with DfC regarding the implications of the budget allocations on service delivery and the potential for further funding allocations to protect key services.

Absence of Executive

The ongoing absence of an Executive and Assembly in Northern Ireland during 2022/23 had some impact on the Housing Executive, notably in relation to the late allocation of the budget for 2022/23; a risk-based approach to committing programme expenditure was adopted, along with close collaboration with DfC officials to highlight significant budgetary pressures. In the short to medium term, the ongoing absence of the Executive and Assembly may constrain decision-making in relation to the revitalisation of the Housing Executive to address the challenges associated with investment over the long term.

Damp and mould review

Following the tragic death of 2 year old toddler in Rochdale an inquest reported on 15th November 2022 that the toddler died from prolonged exposure to mould in his family's one bedroom Housing Association flat in what the Coroner said should be a 'defining moment' for the housing sector in terms of increasing knowledge, increasing awareness and a deepening of understanding surrounding the issue of damp and mould.

The Housing Executive undertook a review of its current practices for dealing with mould and damp in order to provide assurances the organisation is dealing appropriately with mould in its own properties. As the Strategic Housing Authority for Northern Ireland, the review also looked at how the Housing Executive assists private tenants/homeowners.

Recommendations and an action plan from the review were presented to the Board in February 2023. The Board accepted the findings of the review and agreed the series of next steps; the Board welcomed the early insights from the review, and resolved to seek due diligence and assurances from officers, with ongoing scrutiny and oversight through the Tenant & Customer Services Committee to ensure implementation of the recommendations and action plan.

Ministerial Directions

There were no ministerial directions during the accounting period 2022/23.

Personal Data Breaches

During the accounting period 2022/23, no personal data breaches were notified to the Information Commissioner's Office (ICO).

3. Overview of Significant Reports/Issues

3a. External Reports

Departmental Inspections

DfC Housing Inspection Team completed an inspection of NIHE Compliance with Health and Safety Statutory Obligations providing a final report in August 2022. The Inspection Team provided a Satisfactory opinion and made 2 Priority 2 recommendations. Management has accepted the recommendations and progress towards their implementation is monitored by ARAC.

3b. Internal Reports

Head of Internal Audit Opinion

Throughout the 2022/23 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 framework for risk management, control and governance.

The Head of Internal Audit, on the basis of work carried out in 2022/23 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

Internal Audit progressed thirty four internal audit assignments from the 2022/23 Internal Audit Plan. This includes twenty six assurance assignments, four advisory assignments and four assignments in respect of the recommendations monitor process.

As detailed below one of the twenty six assurance assignments was 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.’

House Sales

The audit identified that there is a need for the urgent sourcing and implementation of a new house sales IT system. Additionally the audit identified two isolated incidents relating to compliance with the House Sales Policy and information security. The recommendations contained within the report have been accepted and management actions have been agreed, Internal Audit and ARAC will continue to monitor the implementation of the recommendations.

Head of Internal Audit Opinion (Housing Benefit)

The Head of Internal Audit, on the basis of work carried out in 2022/23 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 risk management, control and governance arrangements.

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. NIHE currently have fifteen outstanding recommendations, two of which are Priority 1 recommendations and thirteen Priority 2 recommendations.

	Opening Balance 1 Apr 2022	Added	Closed	Closing Balance 31 Mar 2023
NIHE Internal Audit	19	27	35	11
NIAO	4	1	3	2
DfC	6	2	6	2
Total	29	30	44	15

Technical Inspection Unit (TIU) Reports

Since September 2022, TIU reported on sixteen inspections:

- 12 Compliant
- 2 Partially Compliant
- 2 Health check (no opinion - one from 2021/22)

The Partially Compliant reports were as follows:

Heating Servicing Compliance (All Regions)

- **Disparity between HMS figures and those held by Regions with regard to numbers of systems and appliances to be serviced, therefore, all systems may not be included for servicing as per contract.**

Building Safety team has established a process and developed a report where, on a monthly basis, the number of heating systems per Region is identified on HMS and checked for a service. This report is being developed with Data Analytics to report on whether the number of NIHE properties and the number of primary heating systems tally in each Lot.

- **Required servicing not carried out for all systems / appliances, or landlord safety certificates were missing.**

There is no statutory requirement to service open fired back boilers and open fires, however the Building Safety team has liaised with HMS Support to establish a process to have an annual safety check carried out.

This will be tested by 30th June 2023, and once complete, the new inspection cycle will commence in July 2023.

There is no statutory requirement to service electric storage heaters. However, these are maintained at change of tenancy (COT) and through the heating response repair contract. A check is also carried out on the electric circuits to the system as part of the Periodic Electrical Inspection & Testing programme.

Once the Heating Audit Unit is established within the Building Safety team, a programme of assessment of Heating Service Compliance will be carried out.

Vertical Through Floor Lifts (All Regions)

- **Necessary asbestos survey was not in place prior to works carried out.**

VTFL team has raised with the Contractor highlighting the need to comply with Contractual and H&S requirements/legislation, and check with Keystone to ensure the appropriate asbestos survey is carried out and recorded before installing VTFLs.

It has been arranged for VTFL team to attend refresher asbestos training in regards to Asbestos processes.

- **Fire doors not fitted to the required standard.**

Contractor has now rectified the issues regarding fitting of fire doors.

- **Appropriate certification not in place regarding fire detection, fire doors and building control**

Outstanding Building Control certificate has been received, Contractor has been asked to upload missing fire detection and fire door certificates to HMS

There were nineteen inspection reviews on the 2022/23 approved TIU plan. Details on their status is set out below:

- 15 issued as final reports; (included in figures above)
- 4 to be carried forward to 2023/24

Monitoring of TIU Recommendations

Technical Inspection Unit (TIU) carries out an annual programme of inspections of planned and response maintenance work, and makes recommendations for improvement, arising from inspection findings. The implementation of these recommendations will result in improved service delivery and contract management across future maintenance works. TIU monitors the implementation of agreed priority 1 and 2 recommendations through the recommendation monitor process. Progress on implementation is reported on a monthly basis through PRG and quarterly through ARAC.

	Opening Balance 1 Apr 2022	Added	Closed	Closing Balance 31 Mar 2023
TIU	17	114	113	18

Update on Internal Investigations including potential Fraud Investigations reported in 2021/22 Annual Governance Statement

Of the cases reported in 2021/22, one case relating to a fraud perpetrated by an employee in HB has resulted in a conviction following referral to the PSNI and PPS. The organisation has requested via the PSNI an order seeking recovery of monies in relation to this fraud. The second case involved a grant awarded under the Affordable Warmth Scheme and has been referred to the PSNI for a full criminal investigation.

Internal Investigations 2022/23 (including Potential Fraud)

In 2022/23, fourteen new cases of suspected fraud were investigated by the Corporate Investigation and Security Unit. Five cases related to unsuccessful phishing attempts by email or telephone, all have been reported to Action Fraud. There were 6 grant-related alleged frauds. Four were Affordable Warmth grants, one was a renovation grant and one was a disabled facilities grant. Only one of the affordable warmth grant frauds was successful however the applicant is now deceased. The disabled facilities-related grant was closed with no evidence of fraud found and the matter referred to the Contractors Insurance Guarantee Service. One fraud case involved allegations of travel and subsistence fraud involving a number of members of staff and is still under active investigation. The final two cases relate to alleged fraud on separate housing applications, one involves a member of staff and one involves a relative of a member of staff, this second case has been closed with no evidence of fraud found.

Tenancy Fraud Unit Investigations (TFU)

From 01 April 2022 – 31 March 2023, 199 tenancy fraud cases were referred to the TFU for investigation:

- 34 dwellings have been recovered;
- 3 fraudulent tenancy recovered;

- 11 fraudulent housing applications were withdrawn or cancelled;
- 1 false bedroom need removed;
- 1 fraudulent Housing Selection Scheme Points removed;
- 9 fraudulent succession\assignments\Joint Tenancy applications denied; and
- 1 property is subject to tenancy fraud, a termination has been received after tenancy fraud unit investigation and the property is pending the 4 week notice period.

Whistle-blowing Cases

During the accounting period 2022/23, sixteen new whistleblowing cases were referred to the Head of Corporate Investigation and Security. Fourteen of these cases have been closed and two remain under active investigation. One of the cases under active investigation involves a fraud and will be transferred to the fraud register. The other open case relates to a staffing issue in a Regional office. Of the cases that were closed, three related to allegations involving Asset Management. The content of these whistleblowing letters was rigorously investigated by CISU and HR, and found to be without foundation. The three cases were closed with no further action required. Eight cases referred to HR matters and were closed with no evidence found to substantiate the allegations. One case related to an ongoing fraud investigation and was incorporated into that investigation and closed on the whistleblowing register. Two cases referred to issues in organisations outside of NIHE and were passed on to the relevant oversight bodies.

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.

4. Declaration of Significant Governance Issues for 2022/23

I can confirm that the significant governance issues raised in the Governance Statement for the accounting period 2022/23 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

Housing Benefit Fraud and Error

Housing Benefit overpayments arise from customer fraud, customer error and official error. An example of customer fraud is failing to disclose income or savings or failing to report a change in circumstances knowing that in doing so they are committing fraud and it would result in a reduced or no entitlement to Housing Benefit.

Defining Customer error and Official Error

The official DWP definition of customer error is:

“Where the claimant has provided inaccurate or incomplete information, failed to report a change in their circumstances, failed to provide requested evidence but there is no fraudulent intent on the claimants part.”

The official DWP definition of official error is:

“Benefit has been paid incorrectly due to inaction, delay, or a mistaken assessment by a decision maker to which nobody outside the department materially contributed regardless of whether the business unit has processed the information.”

The following note sets out the activities and outcomes of work undertaken under the HB Fraud and Error and HB Overpayment strategies during 2022/23.

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 for Communities from 1 April 2017 and is managed by the Benefit Security Division (BSD formerly known as SIS) within the Department.

Assessing the Level of Fraud and Error

Standards Assurance Unit has produced their estimates for calendar year 2022 and the table below shows comparisons with 2021.

% of Annual Expenditure	Customer Fraud	Customer Error	Official Error	Total Error
Jan 2022-Dec 2022	2.0%	0.5%	0.4%	2.9%
Jan 2021- Dec 2021	2.2%	1.6%	0.4%	4.2%

The monetary value of the customer fraud estimate of 2.0% comes to £9.5m while the total estimate of fraud and error of 2.9% amounts to £14.1m of which £2.1m is underpaid HB due to customer error and official error. These results represent a decrease of £5.3m on the 2021 figures recorded as £19.4m (Note HB expenditure has reduced from £506.4m in year 2021 to £474.8m in year 2022). 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 maximising detection of fraud. Specifically, we have implemented mandatory annual HB fraud awareness training for all HB staff, we also carry out a range of data matching and VEP (Verification of Earnings and Pension) exercises each month. In addition to this we encourage all our staff to make fraud referrals to DfC Benefit Security Division for investigation where they suspect fraud. In 2023/24 we will continue with these exercises and to work in partnership with DfC Benefit Security Division on tackling fraud and error in the benefits system.

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 600 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 for all social security benefits in 2022/23. The Housing Executive carries out reviews of cases 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 2022- Mar 2023	Claims Reviewed	Error/Cases	% with Overpayment	Overpayments Raised	Forward Savings
VEP Alerts	5,809	1,136	20%	£416,753	£1,334,050
Invest to Save Review of Earned Income Sample Cases	8,707	2,192	25%	£256,362	£1,168,230
Data Cleanse/HBMS/NFI	1,979	140	7%	£219,265	£345,688
Total Compliance	16,495	3,468	21%	£892,380	£2,847,968

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 2022 – Mar 2023	121	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
April 2022 – March 2023	467	£2,500,072	19	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.

The year to date outturn figure at the end of March 2023 was £10.3m of Housing Benefit overpayments recovered during the 2022/23 financial year. This was against an agreed KPI target of £9.5m. We therefore exceeded our KPI target.

The total amount of Housing Benefit overpayments raised for the period 1 April 2022 to 31 March 2023 was £10.6m.

HB Overpayments	B/F from start of year (exc. court costs)	Value of Overpayments raised	Value of overpayments recovered	Written Off	Outstanding at 31 March 2023
Apr 2022 - Mar 2023	£42.7m	£10.6m	£10.3m	£1.1m	£42m

The main causes for overpayments are attributed to claimants not reporting changes of circumstances, including changes to income and their 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 2.75m (2,755,607) ATLAS transactions between 1 April 2022 and 31 March 2023. 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.

HB expenditure for 2022/23 is recorded as £470m with a total of £10.3m in overpayments recovered during the period from 1 April 2022 to 31 March 2023.

The outstanding debt greater than 6 years old between £65.00 and £100 as at end of 2022/23 financial year amounts to £8,138. This is debt with no current method of recovery available. The write-off criteria for HB overpayments is 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 2023/24.

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 2022/23 was approved in November 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 2023.

REMUNERATION REPORT (continued)

Directors' Emoluments continued – Audited Information

		2023 Salary	2023 Bonus Payments	2023 Benefits In Kind	2023 Pension Benefits*	2023 Total	2022 Salary	2022 Bonus Payments	2022 Benefits In Kind	2022 Pension Benefits*	2022 Total
		£'000	£'000	£	£'000	£'000	£'000	£'000	£	£'000	£'000
G. Long Chief Executive	1 February 2021	135-140	-	-	38	175 - 180	125-130	-	-	38	165 - 170
C. McFarland Director of Finance, Audit and Assurance	1 July 2016	100-105	-	-	(29)	70 - 75	95 - 100	-	-	(2)	95 - 100

REMUNERATION REPORT (continued)

Directors' Emoluments continued – Audited Information

		2023 Salary	2023 Bonus Payments	2023 Benefits In Kind	2023 Pension Benefits*	2023 Total	2022 Salary	2022 Bonus Payments	2022 Benefits In Kind	2022 Pension Benefits*	2022 Total
		£'000	£'000	£	£'000	£'000	£'000	£'000	£	£'000	£'000
C. McQuillan Director of Housing Services <small>(Retired 30 April 2022)</small>	1 April 2017	10 – 15 ** 90 - 95	-	-	-	10 – 15 ** 90 - 95	90-95	-	-	-	90 - 95
S. McCauley Director of Regional Services	1 April 2012	95-100	-	-	(6)	90 - 95	90-95	-	-	20	110 - 115
P. Isherwood Director of Asset Management	1 June 2015	100-105	-	-	(1)	100 - 105	90-95	-	-	20	110 - 115

REMUNERATION REPORT (continued)

Directors' Emoluments continued – Audited Information

		2023 Salary	2023 Bonus Payments	2023 Benefits In Kind	2023 Pension Benefits*	2023 Total	2022 Salary	2022 Bonus Payments	2022 Benefits In Kind	2022 Pension Benefits*	2022 Total
		£'000	£'000	£	£'000	£'000	£'000	£'000	£	£'000	£'000
E.Newberry	26 Sep 2022	40 – 45 ** 75 - 80	-	-	13	50 - 55 **85 - 90	-	-	-	-	-
J. Hawthorne	1 April 2022	85 - 90	-	-	242	330 - 335	-	-	-	-	-
D. Moore	1 May 2019	95-100	-	-	3	100 - 105	90 - 95	-	-	21	110 - 115

* 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

This report is based on accrued payments made by the Housing Executive and thus recorded in these accounts. '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 2022/23 was **£135,000 - £140,000** (2021/22: £125,000 – £130,000).

The remuneration for the lowest paid staff member was **£20,200** (2021/22: £17,800).

No employee received remuneration in excess of the highest paid director in 2022/23 or 2021/22.

Remuneration ranged from **£20,000 to £137,000** (2021/22: £18,000 to £128,000).

REMUNERATION REPORT (continued)

The decrease in the pay multiple ratio between 2021/22 and 2022/23 in the 25th percentile is due to a higher percentage increase in the 25th percentile remuneration of the workforce than the highest paid director. This is mainly due to higher relative payments made as part of the pay remit process to the lowest paid staff. The increase in the pay multiple ratio in the 75th percentile is due to a lower percentage increase in the 75th percentile remuneration of the workforce than the highest paid director.

Pay disclosure for the highest paid director is calculated using the full-time equivalent of the salary paid at the 31 March 2023 on an annualised basis. This may differ from the reported amount in the directors' emoluments table.

No performance pay or bonuses have been paid to employees or directors in the current or prior year.

Pay Ratios

2022/23	25th Percentile	Median	75th Percentile
Total remuneration (£)	22,400	28,400	32,900
Pay Ratio	6.1	4.8	4.2
2021/22	25th Percentile	Median	75th Percentile
Total remuneration (£)	20,400	26,500	31,200
Pay Ratio	6.2	4.8	4.1

For 2022/23, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments (inclusive of overtime).

REMUNERATION REPORT (continued)

Percentage change in remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the salary and allowances of the highest paid directors and of their employees as a whole.

The percentage changes in respect of the Housing Executive are shown in the following table.

Percentage Change for:	2022/23 v 2021/22	2021/22 v 2020/21
Average employee salary and allowances	5.7%	2.1%
Highest paid director's salary and allowances	7.2%	(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

Name and Title	Total Accrued Pension at Pension Age as at 31 Mar 2023 & Related Lump Sum	Real Incr. (Decr) In Pension & Related Lump Sum At Pension Age	CETV at 31 Mar 2022 (or date of joining)	CETV at 31 Mar 2023 (or date of leaving)	Real Incr. (Decr) in CETV after adj.
	£'000	£'000	£'000	£'000	£'000
G. Long Chief Executive	5 – 10 *	2.5 – 5 *	30	59	12
S. McCauley Director of Regional Services	35 – 40 Plus 45 – 50 Lump Sum	0 – 2.5 Minus 0 – 2.5 Lump Sum	561	627	2
J Hawthorne Director of Housing Services	45 – 50 Plus 90 – 95 lump sum	10 – 12.5 Plus 22.5 – 25 Lump Sum	715	1,033	239

REMUNERATION REPORT (continued)

Directors' Pensions – Audited Information

Name and Title	Total Accrued Pension at Pension Age as at 31 Mar 2023 & Related Lump Sum	Real Incr. (Decr) In Pension & Related Lump Sum At Pension Age	CETV at 31 Mar 2022 (or date of joining)	CETV at 31 Mar 2023 (or date of leaving)	Real Incr. (Decr) in CETV after adj.
	£'000	£'000	£'000	£'000	£'000
P. Isherwood Director of Asset Management	40 – 45 Plus 55 – 60 Lump Sum	0 – 2.5 Minus 0 – 2.5 Lump Sum	488	557	11
C. McFarland Director of Finance and Assurance	50 – 55 Plus 90 – 95 Lump Sum	(0 – 2.5) Minus 2.5 – 5 Lump Sum	977	1,076	(10)

REMUNERATION REPORT (continued)

Directors' Pensions – Audited Information

Name and Title	Total Accrued Pension at Pension Age as at 31 Mar 2023 & Related Lump Sum	Real Incr. (Decr) In Pension & Related Lump Sum At Pension Age	CETV at 31 Mar 2022 (or date of joining)	CETV at 31 Mar 2023 (or date of leaving)	Real Incr. (Decr) in CETV after adj.
	£'000	£'000	£'000	£'000	£'000
D. Moore Director of Corporate Services	35 – 40 *	0 - 2.5 *	427	486	8
E. Newberry Director of Regional Services (acting)	40 – 45 Plus 65 – 70 Lump sum	0 – 2.5 Plus 0 – 2.5 Lump Sum	774	838	21

* Due to the members 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 Chair 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. For 2022/23, employee contribution rates paid were in the 5.5% to 10.5% range and employer contribution rates were 19.5%.

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	2023 Salary £'000	2023 Benefits In Kind (to the nearest £100)	2022 Salary £'000	2022 Benefits In Kind (to the nearest £100)
Professor P. Roberts Chair (Term expired 4 Nov 2022)	1 April 2019	4 Nov 2022	20 - 25 **30 - 35	15,100	30 - 35	19,000
N Lappin Chair ** (from 5 Nov 2022)	5 Nov 2022	4 Nov 2027	10 – 15 **30 - 35	-	-	-
J McMullan Vice-Chair	1 April 2019	31 March 2024	15 - 20	-	15 - 20	-

Emoluments for Professor P. Roberts and N Lappin disclosed above reflect their position as Chair for the Housing Executive during this period.

REMUNERATION REPORT (continued)

Board Members' Emoluments – Audited Information

Name and Title	Date of Appointment	Expiry of Term of Office	2023 Salary £'000	2023 Benefits in Kind £ (to the nearest 100)	2022 Salary £'000	2022 Benefits in Kind £ (to the 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	3,100	5 – 10	1,100
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	-
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 2020	31 October 2025	5 - 10	-	5 – 10	-

Independent Committee Advisers

Name and Title	Date of Appointment	Expiry of Term of Office	2023 Salary £'000	2023 Benefits in Kind £ (to the nearest 100)	2022 Salary £'000	2022 Benefits in Kind £ (to the nearest 100)
S. Hetherington ***	01 December 2017	30 Nov 2027	0 - 5	-	0 - 5	-

REMUNERATION REPORT (continued)

Board Members' Emoluments – Audited Information

Name and Title	Date of Appointment	Expiry of Term of Office	2023 Salary £'000	2023 Benefits in Kind £ (to the nearest 100)	2022 Salary £'000	2022 Benefits in Kind £ (to the nearest 100)
D. Peacock ***	01 November 2020	31 October 2025	0 - 5	-	0 - 5	-
U. Davey ***	01 November 2020	31 October 2025	0 - 5	-	0 - 5	-
N. Sheridan ***	01 September 2021	31 August 2026	0 - 5	-	0 - 5 **0 - 5	-
M. Lowry ***	01 September 2021	31 August 2026	0 - 5	-	0 - 5 **0 - 5	-
P. Sood ***	01 September 2021	31 August 2026	0 - 5	-	0 - 5 **0 - 5	-
L Watson ** ***	25 April 2022	24 April 2027	0 - 5 **0 - 5	-	-	-
D Thompson ** ***	01 September 2022	31 August 2017	0 - 5 **0 - 5	1,500	-	-

** Full year equivalent salary

*** Committee adviser of Audit and Risk Assurance Committee (ARAC), Asset Management and Maintenance Committee (formerly Direct Labour Organisation [DLO] Performance and Development Committee), Resources & Performance Committee or Tenant & Customer Services (T&CS).

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. The Housing Executive has a PAYE Settlement Agreement in place with HMRC. Consequently, the Housing Executive is liable for income tax and national insurance contributions payable on benefits in kind rather than the individuals who are receiving the benefit in kind.

REMUNERATION REPORT (continued)

Staff Report

Staff Report

This report is based on accrued payments made by the Housing Executive, which are recorded in these accounts.

The following sections in the Staff Report are subject to audit:

Staff Numbers and Costs - Audited Information

	2023			2022	
	Permanent Staff £'000	Others £'000	Board Members £'000	Total £'000	Total £'000
(a) Staff costs comprise					
Wages and Salaries	90,789	-	114	90,903	79,546
Social Security Costs	10,618	-	5	10,623	8,099
Seconded-in Staff	-	245	-	245	208
Agency Costs	-	14,210	-	14,210	13,016
Total Staff costs					
excluding Pension Costs	101,407	14,455	119	115,981	100,869
Other Pension Costs				38,653	35,180
				154,634	136,049
Less staff costs capitalised - IT Software				(442)	(153)
				154,192	135,896

Social security costs include £408k (2021/22: £388k) 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.

	2023 £'000	2022 £'000
Wages and Salaries	207	204
Social Security Costs	24	21
Other Pension Costs	40	39
	<u>271</u>	<u>264</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.

	2023			2022	
	Permanent Staff Number	Others Number	Board Members Number	Total Number	Total Number
Landlord Services	2,029	-	7	2,036	2,003
Regional Services	702	-	3	705	696
Agency Staff	-	539	-	539	534
Seconded In Staff	-	4	-	4	4
	<u>2,731</u>	<u>543</u>	<u>10</u>	<u>3,284</u>	<u>3,237</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 2023 there were 2,933 staff employed within the Housing Executive (including Board Members). Below is a gender breakdown by Directorate:

	Male Number	Female Number	Total Number
Executive	2	4	6
Board Members	6	4	10
Landlord Services	1,252	888	2,140
Regional Services	338	439	777
	<u>1,598</u>	<u>1,335</u>	<u>2,933</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 2022/23 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 2022/23 is 5.2% (2021/22: 5.7%). The turnover percentage for agency staff has been calculated as 43.4% (21/22: 40.7%). 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

	Nos.	2023 £'000	Nos.	2022 £'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;	3	13	2	11
(b) Restructuring compensation paid and accrued by the Housing Executive for the early retirement of staff;	3	61	-	-
		74		11
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;	390	857	415	864

During the year ending 31 March 2023, negligible early departure costs were incurred from staff leaving during the year under an approved early retirement NILGOSC scheme.

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 2022-23 - 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	-	3	3
£10,000 - £25,000	-	2	2
£25,000 - £50,000	-	1	1
£50,000 - £100,000	-	-	-
£100,000 - £150,000	-	-	-

Total Number of Exit Packages

2022-23	-	6	6
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2021-22	-	2	2
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Total Cost £'000

2022-23	-	74	74
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2021-22	-	11	11
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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.

Staff Report continued

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. We now have a new up to date suite of these policies and we were delighted to launch on line awareness sessions during the year to enable everyone to complete these at a time which suits them.

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. Over the last few years we have embedded our professional HR Business Partnering Service and continued to improve case management processes. We were particularly pleased to receive a satisfactory rating following an assurance review of the governance, risk and control frameworks within HR for managing compliance with the Disciplinary, Grievance, and Dignity at Work Policies.

We also developed a number of other new policies including an innovative flexible working policy to improve the working lives of our people while enabling us to continue to meet customer needs, a new Health & Wellbeing Policy and a Reasonable Adjustment Policy.

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. This was a difficult year as we received a local pay claim from NIPSA and UNITE which took some time to reach an agreement on. Following detailed negotiation we were able to reach agreement in March 2023 which also brought an end to UNITE's period of industrial action relating to pay.

Staff Report continued

Health & Well-Being

Our Health & Wellbeing Team has responsibility for the implementation of the Housing Executive's Health & Wellbeing Strategy for 21-26.

A Health & Wellbeing Steering group was established in June 2022 and is comprised of representatives from across the organisation. The group meets on a quarterly basis to lead on the implementation of the H&WB Strategy and action plan. Five Work streams have been identified i.e. Physical Health, Healthy Mind, Financial Wellbeing, Personal Growth & Development and Be Connected. We facilitate a wide range of training, webinars, awareness sessions, signposting and e-learning across all five Health and Wellbeing work streams.

We completed a 'Work Well Live Well' survey this year, provided by Chest, Heart and Stroke and funded by the Public Health Agency. The survey report highlighted the top H&WB priorities that employees felt were most important to them. The H&WB Steering Group and Champions attended a workshop to generate ideas to address the priorities raised by employees and actions have been incorporated into the H&WB action plan. A calendar of events has been created to target specific health & wellbeing topics each month.

A new Health & Wellbeing Policy has been developed along with other guidance to support managers and employees in a range of areas including, a new Wellbeing Action Planning framework, Menopause Guidance and a Reasonable Adjustments Policy. Further documentation will be provided over the next year. The dedicated Health & Wellbeing Gateway page, the Stay Well Hub and an Inspire HUB continue to be used for ease of access to information on health and wellbeing.

We also provided the opportunity for employees to take part in Health Assessments this year and 257 employees have availed of the opportunity. These include Body Fat %, blood pressure, and cholesterol and urine analysis. Appropriate lifestyle advice on living well is also provided which can include losing weight, stopping smoking and tips about exercise. Employees can talk through issues such as dealing with stress, controlling alcohol, cancer concerns, with an overall aim of signposting to help with early intervention of any illness.

We continue to ensure the provision of appropriate and proactive occupational health and counselling services that protect and promote the physical and psychological wellbeing of our people. A new contract for counselling service commenced in November 2022 with Inspire. In addition to the counselling service, Inspire now also provide assistance with early dispute resolution, team interventions, individual behavioural coaching etc.

We are committed to promoting positive mental health in the workplace and we have 32 trained Mental Health First Aiders across the organisation. We also identified 15 Health & Wellbeing Champions who have completed 'Five Steps to Wellbeing Ambassador' training. They meet on a quarterly basis to assist in the implementation of the H&WB action plan.

Attendance Management

Our absence target was to reduce absence to be no more than 6.1% this year and by the year-end our absence was 6.37%.

However, we had secured a number of improvements in attendance including an **18% reduction** in the number of our colleagues who were absent due to long term sickness and a **25% reduction** in the number absent due to short term sickness.

This was achieved through the implementation of our new attendance policy, creation of new wellbeing action planning processes, improved case management and significant developments in terms of health and wellbeing support overall. Our HR Business Partnering Team continued to support line managers to promote good attendance and manage absence cases effectively.

We will continue to ensure robust policy implementation, monthly case conference, training and other measures to maximise attendance in the year ahead.

Employment, training and advancement of disabled persons

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, Disability Action and others, 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.

Staff Report continued

With respect to recruitment and selection, the Housing Executive had already completed a comprehensive review of Resourcing Policies during 2020/21 and further improvements were introduced this year. 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 to achieve our workforce plan. The total number of exercises increased to **231** (a **12.5%** increase compared to last year) with **251** appointments (increase of approx. **10%**). **3,266** were applications received across these recruitment exercises (**47% increase**) which included large scale processes for CSU Advisors, Housing Advisors/Patch Managers and Apprentice Joiners. We also successfully reduced the percentage of agency workers from 17% to 14.4%, contributing towards our goal to increase the stability of our workforce.

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.

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.

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 over 50 years ago. Our Corporate Plan and People Strategy include clear objectives addressing housing inequalities experienced by our customers and to have a workforce which is representative of our community. The Equality, Diversity, Inclusion & Safeguarding (EDIS) Unit in 2022 is responsible for leading on these issues and is specifically responsible for

- Compliance with Section 75 Duties and the implementation of the Housing Executive's Equality Scheme
- The delivery of the Affirmative Action Plan and associated actions including developing and maintaining the EDI Steering Group and Work Streams

- Fair Treatment Reporting (Article 55)
- Maintaining a Safeguarding Service

Affirmative Action Plan and the EDI Steering Group.

During 2021 the organisation consulted on the Housing Executive's Affirmative Action Plan. The plan covers the period 2021-2026 and details a number of objectives and actions to address areas of under-representation under three broad areas:

- Advertising and outreach;
- Culture and working environment;
- Specific actions for protected characteristics.

This was supported by the development of an Equality, Diversity and Inclusion Steering Group that comprises of senior managers from across the organisation. This group met four times during the 2022/23 financial year, providing insight and direction and supported the effective delivery of the Affirmative Action Plan (AAP). The EDI Steering Group has received regular reports on activities to meet AAP objectives, including statistical reports on recruitment activities to review performance in attracting applicants from under-represented groups. Updates on outreach activity have also been presented, including attendance at local jobs and career fairs, the review of advertising strategy and the development of new partnerships with local colleges, community groups and social enterprises such as Women's Tec. In 2022/23 the EDI Steering Group also piloted and launched a new Autism Awareness Training programme in partnership with the Department of Health and the Cedar Foundation. Training is being rolled out across the organisation with opportunities for at least 600 staff to attend.

In January 2023 the EDI Steering Group also established a series of work streams to provide staff with the opportunity to identify and influence activities to promote equality and develop a more inclusive culture. The work streams cover the following protected groups: Age, Disability, Community Background, Sexual Orientation (LGBTQ+), Gender/Sex and Race. The work streams have outlined key priority areas for their respected groups, and have been involved in shaping the annual EDI awareness calendar and in delivering activities to raise awareness of our EDI commitments. This has included networking events as part of International Women's Day and the launch of a new Learn at Lunch programme (sessions have been delivered on LGBTQ+ Awareness and a series of disability focused sessions delivered by Employers for Disability). Work streams have also been consulted on key policy reviews, such as flexible working arrangements.

Employment and Workforce compliance monitoring

During the 2022/2023 year we completed the following:

- The Annual Monitoring Return completed and submitted to ECNI within timescale
- The Article 55 Review completed

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- Over 20 Interview Panel Skills Training sessions have been delivered in partnership with Resourcing
- The Bronze level Diversity Mark Charter was retained
- We produced a range of ad hoc reports to support the Workforce Plan, Resourcing, Communications and EDI.
- We actioned 12 FOI requests and 8 Data Subject Access requests as well as investigating and responding to a number of Broad Subject Access Requests. All processed within the required timescale, with appropriate exemptions applied where applicable.

Compliance with the Equality Scheme

In the year 2022/23 in implementing the organisation's Equality Scheme the EDIS unit:

- Screened 26 Policies
- Held 16 Equality Awareness Training Sessions with 303 staff attending
- Held 1 Full meeting of the Consultative Forum on Equality
- Completed 4 Quarterly Reports on the Implementation of the Equality Scheme
- Developed 2 Equality Monitoring Reports
- Provided consultation guidance on 3 consultations (Affirmative Action Plan, Draft Corporate Plan and the Supporting People Three Year Draft Strategic Plan & Covid-19 Recovery Plan 2022 – 23)
- Responded to 24 Information Requests including FOIs
- Provided a range of Communication Support Services including:
 - 6,388 Telephone Interpreting Calls
 - 243 Requests for Document Translations
 - 36 Requests for Alternative Formats
 - 60 Face to Face Interpreting Requests
 - 63 Sign Language Interpreting Requests
 - 315 Video Relay Service (VRS) Calls

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.

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.

A number of factors delayed the roll out of our engagement survey, therefore formal launch was postponed to 23/24. This has since been completed in May 2023. In place of a formal employee engagement survey, the Communication and L&OD team used the 'Big Chat' format to roll out a number of engagement enquiries to include Net Promoter Score, Employer Brand and Employee Experience measurement.

Learning and Organisational Development (L&OD)

The Learning and Organisational Development (L&OD) function was established in September 2021 and comprises 4 departments: L&OD, Programme Management Office (PMO), Business Planning and Performance (BP&P) and Equality, Diversity, Inclusion and Safeguarding (EDIS).

Throughout the year a number of vacancies have been filled within the L&OD structure to ensure delivery against our KPI's and People Strategy objectives and ensuring an effective support service continues to be provided to the organisation.

This L&OD team ensure the development of our people to reach their goals and the objectives of the organisation now and in the future through learning, team facilitation, performance enablement, engagement, change project support and leadership development. The L&OD team contribute to effective recruitment practices through employer brand development, apprenticeship and entry level support and induction.

A number of significant projects and advances have been made across all areas of Learning and Organisational Development, and are highlighted below:

Leadership Development

In 2022/23 the L&OD team launched a comprehensive leadership development programme across all areas and all levels of the organisation intended to equip new to role managers, long established managers and senior leaders in the organisation. A total of 131 managers have embarked on a leadership development programme or 'Aspiring Leaders' programme which has strengthened and built on already established skills but also equipped our leaders with the skills to manage complex change and disruption and deal with the changing needs of our people and environment.

The programme has been a major success and ensures that we establish a strong leadership culture within the organisation, permitting us to agree our leadership charter and shape the competencies we believe are needed to lead our people to fulfil their potential and meet our corporate objectives.

In January 2023, we extended an invite to partnering organisations to join our internally led 'Aspiring Leaders' (AL) programme and so enable networks of highly skilled housing professionals to share knowledge and build their expertise to support the work that we do. Our AL programme includes peer coaching and strength profiling to allow for reflective space and learning and the opportunity to develop long term supportive relationships across the business and sector.

Apprenticeships

The L&OD team have continued to support the recruitment, training and mentoring of a number of apprenticeships in the organisation to ensure that apprentices, particularly those new to work have an excellent starting experience in the Housing Executive, this includes our 90 Day Kick Start Programme, Strength Profiling assessment and mentoring sessions and delivery of our Foundations of Success Programme.

During this programme we develop personal effectiveness, team building, problem solving and career planning skills for all of our new recruits and share this opportunity with other external housing solution providers linked to our organisation.

Entry Level Plan

In partnership with our recruiting managers throughout the organisation, we have developed an entry level plan to ensure we give consideration to the future skills needs of the organisation and source education sources for the development of tailored apprenticeships, traineeships, year out placements and Graduate opportunities. A number of these opportunities have been successfully trialled this year within quantity surveying, project management, customer service and joinery skill areas. This will now be expanded to other areas of the organisation.

Learning Management System

During this year, we have conducted a number of learning needs analysis surveys and as a result of org wide requests undertook a significant enhancement of our Learning Management System (LMS). This includes a greatly improved User Experience, upload of 40+ personal and business skills development courses, in-house developed knowledge sharing videos by our Subject Matter Experts and roll out of a number of critical learning programmes. A relaunch of our LMS took place during our E-Learning week and enabled significantly enhanced user engagement. Our mandatory learning courses are easily accessed and completed as a result.

Learning and Development Steering Group

Our Learning and Development Steering Group was established during the year to monitor, prioritise and share learning access and opportunities across the organisation, this enables synergies and innovations in learning to be shared across the organisation whilst retaining budget control. As a result of requests and prioritisation discussions within our L&D Steering and Equality, Diversity and Inclusion Steering group, a number of new courses were introduced to the organisation to include 'Compassionate Conversations', 'Customer Service Excellence' and Autism Awareness training.

The L&OD team continue to provide support to our H&S and Asset Management colleagues in the provision of mandatory and building safety courses to ensure compliance and best practice.

Aids to Study

We continue to support a wide range of professional qualifications via our Aid to Study scheme with 114 people being currently supported to complete additional educational qualifications. Notably this includes 8 x Construction and Surveying related qualifications for our Asset Management Apprentices, 17 x CIH Level 5 Diploma for our Housing Services Graduate Trainees and 23 x LV4/5 Management Development Programme (second year Graduate Apprentices) 5 x MA Diploma in HR Management for our HR Graduate Trainees, and 2 x CIH Level 4 (GEM Programme).

Performance Management

During the year the L&OD team launched our pilot GROW conversation programme, intended to replace our traditional performance management programme, this is a strength building conversation based on our model of interdependent leadership, and includes a coaching approach, goal setting and wellbeing discussion. The GROW conversation is supported by our newly developed competence framework and leadership charter which provides clear standards for behaviour, skills and knowledge and opportunity to provide constructive feedback and conduct a gap analysis. It also provides a clear link to our talent management and succession planning initiatives ensuring we are well placed to develop our people to their full potential and ensure future talent needs are considered.

An ongoing pilot is taking place and learning will be fully incorporated when the organisation wide programme is launched in 2023/24.

Investors in People

In preparation for our reaccreditation as an Investor in People in March 2024, we have taken a number of steps to ensure a continuing increase of scores across areas identified for improvement to include the following areas:

Strengthening leadership behaviours – a far reaching tailored leadership development programme rolled out to all levels of leadership (L6, L7, L8, L9 and Executive Team)

Embedding behaviours reflective of our values and strengthening leadership behaviours – development of NIHE Leadership Charter and competency framework, clearly articulating our leadership culture and positive indicators of behaviours. This clearly links and integrates with other important HR processes such as recruitment, selection, performance discussions, development programmes and succession planning.

Building a strong engagement culture – establishment and continuation of ‘The Big Chat’ for informal knowledge sharing and feedback opportunities in relation to new initiatives. Launch of ‘The Big Listen’ engagement survey to gain an up to date view on NIHE employee experience.

Enabling staff to continue to develop and adapt – provision of an improved L&D platform with access to a wide range of personal skills and personal development programmes, coupled with the provision of new face to face learning opportunities such as Autism Awareness, Compassionate Conversations and Customer Service training.

Facilitating engagement, communication and support initiatives aimed at affecting change and service development - the L&OD team has partnered with front line services and other customer facing departments to provide team building and team facilitation opportunities to reflect and build on successes and provide opportunities to problem solve and future proof the organisation in terms of skills needs for effective service delivery.

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.

There were 16 individuals, engaged on-payroll, with significant financial responsibility during 2022/23 (2021/22: 16).

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 **£23k** (2021/22: £45k) on consultancy projects during the year.

The Housing Executive also spent **£14.2m** (2021/22: £13m) 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

	2023		2022	
	Number	£'000	Number	£'000
Claims Waived (Amounts Written Off):				
Rent & Rates	1,979	1,108	2,205	945
Recoverable Charges - Damages	139	86	200	142
Recoverable Charges - Legal	173	87	192	82
Hostels	55	24	53	19
Travellers	1	1	1	-
Rent & Rates - Debt Relief Orders	55	130	60	147
Housing Benefits Overpayments	2,610	1,123	2,869	1,756
	5,012	2,560	5,580	3,091
Special Payments over £250,000	-	-	-	-
Ex Gratia Payments	140	196	99	133
Public Liability Claims	148	1,245	150	1,240
Contractual Claims	1	120	2	298
Other Write Offs and Cash losses - numerous	121	716	70	29
	5,422	4,837	5,901	4,790

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 Information

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: **20 September 2023**

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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 2023 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 2023 and of the Northern Ireland Housing Executive's 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 level of estimated fraud and error in Housing Benefit expenditure as described in the Basis for opinions section below, 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 £479.7 million. The level of estimated fraud and error within Housing Benefit expenditure are overpayments of £12.0 million and underpayments, due to official error, of £0.7 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 payments which do not conform with the relevant authorities.

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law 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 Financial 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;

- ensuring the annual report, which includes the Remuneration and Staff Report is prepared in accordance with the applicable financial reporting framework; and
- 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, overpayments in Housing Benefit expenditure due to customer fraud, additional payments relating to cost of living inflationary uplifts,

expenditure arising from contract uplift variations due to price increases in labour and 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, agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate, and undertaking procedures to allow me to rely on the level of estimated fraud and error in Housing Benefit expenditure provided by the Department for Communities; and
- 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 the level of estimated fraud and error in Housing Benefit expenditure 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

27 September 2023

Annual Report & Accounts

FINANCIAL STATEMENTS

Northern Ireland Housing Executive

Statement of Comprehensive Net Expenditure for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000 RESTATED
Income			
Rental Income	4	302,385	303,438
EU Income	4	1,246	1,377
Other Income	4	59,792	58,014
Total Housing Benefit Income	7	<u>471,784</u>	<u>496,502</u>
Total Income		<u>835,207</u>	<u>859,331</u>
Expenditure			
Staff Costs	5	(154,192)	(135,896)
Other Expenditures	6	(578,894)	(550,108)
Total Housing Benefit Costs	7	(471,784)	(496,502)
Depreciation, Amortisation, Write Offs & Write Down	10(a)	<u>(32,783)</u>	<u>(29,785)</u>
Total Expenditure		<u>(1,237,653)</u>	<u>(1,212,291)</u>
Net Expenditure before Interest		(402,446)	(352,960)
Interest Receivable and Similar Income		4,672	406
Financing Charges	8	(13,218)	(14,610)
Pension Financing Charges	22(d)	(4,934)	(5,397)
Net Expenditure before taxation (C/Fwd)		<u>(415,926)</u>	<u>(372,561)</u>

Northern Ireland Housing Executive

Statement of Comprehensive Net Expenditure (Continued) for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Net Expenditure before taxation (B/Fwd)		(415,926)	(372,561)
Tax on ordinary activities	9(a)	101	160
Net Expenditure after taxation		(415,825)	(372,401)
<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		(99,218)	121,671
Net (loss)/gain on revaluation of Pension Actuarial Gains & Losses	22(e)	207,888	94,719
Other Comprehensive Net Expenditure		108,670	216,390
Total Comprehensive Net Expenditure for the year ended 31 March 2023		(307,155)	(156,011)

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

The notes on pages 171 to 241 form part of the accounts.

Northern Ireland Housing Executive

Statement of Financial Position as at 31 March 2023

	Note	2023 £'000	2022 £'000
Non-current assets			
Property, Plant & Equipment - Operational	10(a)	2,560,797	2,679,713
Property, Plant & Equipment - Non Operational	10(b)	1,061	2,218
Intangible Assets	10(c)	1,866	1,489
Right of Use Assets	10(d)	10,555	-
Defined Pension Asset	22(c)	15,627	-
Trade and other receivables	14 & 15	14,975	32,965
Total non-current assets		2,604,881	2,716,385
Current Assets			
Short Term Investments	11	270,500	250,000
Assets Classified as Held for Sale	12	2,514	6,032
Inventories	13	1,320	1,340
Trade and other receivables	14 & 15	58,844	69,979
Cash and cash equivalents	16	49,050	80,243
Total current assets		382,228	407,594
Total assets		2,987,109	3,123,979
Current Liabilities			
Trade and other payables	17	(245,717)	(245,306)
Provisions	21	(1,683)	(1,340)
Total current liabilities		(247,400)	(246,646)
Net Current Assets		134,828	160,948
Non-current assets less net current liabilities		2,739,709	2,877,333
Non-current liabilities			
Trade and other payables	17	(36,206)	(33,833)
Loans Outstanding	18	(108,276)	(120,733)
Provisions	21	(1,124)	(944)
Defined Pension Liability	22(c)	-	(165,878)
Total Non-current liabilities		(145,606)	(321,388)
Assets less Liabilities (C/Fwd)		2,594,103	2,555,945

Northern Ireland Housing Executive

Statement of Financial Position (Continued) as at 31 March 2023

	2023 £'000	2022 £'000
Assets less Liabilities (B/Fwd)	2,594,103	2,555,945
Taxpayers' Equity		
Statement of Comprehensive Net Expenditure Reserve	1,447,864	1,293,613
Revaluation Reserve	1,146,239	1,262,332
	2,594,103	2,555,945

The financial statements on pages 165 to 241 were approved by the Board Members of the Northern Ireland Housing Executive and signed on their behalf by:



Nicole Lappin
Chair



Grainia Long
Chief Executive

Date: 20 September 2023

The notes on pages 171 to 241 form part of the accounts.

Northern Ireland Housing Executive

Statement of Cash Flows for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000 RESTATED
Net Cash Outflow from Operating Activities	23(a)	(311,639)	(257,119)
Cashflow from Investing Activities	23(b)	(49,908)	(102,252)
Cashflow from Financing Activities	23(c)	341,824	353,730
Increase/(Decrease) in Cash & Cash Equivalents in the period		(19,723)	(5,641)
Cash and Cash Equivalents at beginning of period		54,647	60,288
Cash and Cash Equivalents at end of period	23(d)	34,924	54,647
Cash and Cash Equivalents are represented by:			
Cash and Cash Equivalents	16	49,050	80,243
Bank Overdraft	17	(14,126)	(25,596)
Cash and Cash Equivalents at end of period	23(d)	34,924	54,647

The notes on pages 171 to 241 form part of the accounts.

Northern Ireland Housing Executive
Statement of Changes in Taxpayers' Equity
for the year ended 31 March 2023

	SOCNE Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
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
Changes in reserves 2022/23			
Comprehensive Net Expenditure for year	(207,937)	(99,218)	(307,155)
Grant from Sponsoring Department	345,313	-	345,313
Transfers between reserves	16,875	(16,875)	-
Balance at 31 March 2023	1,447,864	1,146,239	2,594,103

The notes on pages 171 to 241 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 (FRoM) issued by the Department of Finance. The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FRoM 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 2022/23.

- The Housing Executive has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts:
 - **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.
 - **Amendment to IAS 1** Classification of Liabilities as current or Non-Current liabilities clarifies a criterion in IAS 1 Presentation of Financial Statements for classifying a liability as non-current and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, amendments to IAS 12 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2023. It is not anticipated that this will have a significant impact on the Housing Executive's accounts.
 - **Amendment to IAS 8 Definition of Accounting Estimates** distinguishes between accounting policies and accounting estimates by including a definition of accounting estimates and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, amendments to IAS 12 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2023. It is not anticipated that this will have a significant impact on the Housing Executive's accounts.
 - **Amendments to IAS 12** relating to assets and liabilities resulting from a single transactions and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, amendments to IAS 12 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2023. It is not anticipated that this will have a significant impact on the Housing Executive's accounts.

The 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 had been carried out in NI and became applicable in 2022/23, which brings Northern Ireland departments under the same adaptation (after agreement by the Northern Ireland Executive in December 2016). As a result, with effect from 2022/23, the accounting boundary for departments and its arms length bodies (ALBs) in Northern Ireland has changed, with an impact on departments around the disclosure requirements under IFRS 12. Arms Length Bodies apply IFRS in full with its consolidation boundary also changed 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 receivable due from the overpaid claimant and a payable due to the Department when the debt has been recovered. The Department's books will include as a receivable 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 has been 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 2022/23, 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.

l) 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 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 Housing Executive excludes contracts for low-value items, provided they are not highly dependent on or integrated with other items; and contracts with a term shorter than twelve months comprising the non-cancellable period together with any extension options that the Housing Executive is reasonably certain to exercise and any termination options that the Housing Executive is reasonably certain not to exercise.

Accounting for leases under IFRS16 (2022/23)

Housing Executive as a lessee

Initial recognition

At the commencement of a lease (or the IFRS 16 transition date, if later), the Housing Executive recognises a right-of-use asset and a lease liability.

The lease liability is measured at the payments for the remaining lease term (as defined above), net of irrecoverable value added tax, discounted either by the rate implicit in the lease, or, where this cannot be determined, the Housing Executive's incremental cost of borrowing. The payments included in the liability are those that are fixed or in-substance fixed, excluding changes arising, for example, from future rent reviews or changes in an index. The incremental cost of borrowing is the rate advised by HM Treasury which is set on a calendar year basis (0.95% for 2022 and 3.51% for 2023). The lease liability is presented within the Borrowings note to the accounts. The right-of-use asset is measured at the value of the liability, adjusted for: any payments made or amounts accrued before the commencement date; lease

incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease. However, where the lease requires nominal consideration (a type of arrangement often described as a “peppercorn” lease), the asset is measured at its existing use value.

Subsequent Recognition

The asset is subsequently measured using the fair value model. The liability is adjusted for the accrual of interest, repayments, reassessments and modifications. Reassessments and modifications are measured by re-discounting the revised cash flows; the impact is reflected in the liability and either in the asset valuation or expenditure.

Transitional arrangements

The Housing Executive has made the following determinations:

- To adopt IFRS 16 retrospectively, without restatement of comparative balances. Consequently, the Statement of Comprehensive Net Expenditure and the Statement of Financial Position for 2022/23 reflect the requirements of IAS 17;
- Not to reassess the classification of contracts previously classified as leases or service contracts under IAS 17 and IFRIC 4. However, new contracts have been classified using the IFRS 16 criteria.

For leases previously treated as operating leases:

- To measure the liability at the present value of the remaining payments, discounted by the incremental cost of borrowing as at the transition date;
- To measure the asset at an amount equal to the liability, adjusted for any prepayment or accrual balances previously recognised for that lease;
- To exclude leases whose term ends within twelve months of first adoption;
- To use hindsight in assessing remaining lease terms;
- For leases previously identified as onerous and provided for, to use the practical expedient of adjusting the right-of-use asset by the amount of that provision.

For leases previously treated as finance leases:

- To use the carrying amount of the lease asset and liability measured immediately before first adoption under IAS 17 as the carrying value of the right-of-use asset and lease liability as at first adoption.

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 IFRS 16. 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.

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.

Accounting for leases under IAS 17 (2021-22)

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 asset (2021/22 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 Director or Board Member (or a close member of that person's family);
- An entity if any of the following conditions applies:
 - The entity and the Housing Executive are members of the same group i.e. other Government body;
 - The entity is controlled or jointly controlled by a person identified in the above.

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:

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.

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.

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.

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.

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.

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.

Accruals for Dwelling Related Costs and Capital Improvements

The Housing Executive uses estimate techniques to ensure all maintenance and capital improvements accruals are captured at year-end where models are developed to capture expenditure not invoiced. Using previous certificate of works for each planned maintenance and capital improvement schemes, an estimate of the amount is accrued, reflecting work completed by year-end.

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

Accounting for Leases under IFRS 16

There were no material changes in accounting estimates which require separate disclosure in the accounts.

There was one change in accounting policy relating to the adoption of accounting for leases under IFRS 16 (as noted in the accounting policy 1(n)).

IFRS 16 Leases replaces IAS 17 Leases and is implemented, as interpreted and adapted for the public sector, with effect from 1 April 2022, as required under the 2022/23 FReM. The new standard removes the distinction between operating and finance leases for lessees. The main impact of IFRS 16 for the Housing Executive is the recognition of all future lease liabilities on the Statement of Financial Position (unless the lease term is 12 months or less or the underlying asset has a low value). Corresponding right-of-use assets have also been recognised representing the economic benefits of the Housing Executive's right to use the underlying assets.

The Housing Executive has adopted IFRS 16 retrospectively, without restatement of comparative balances. Consequently, the Statement of Comprehensive Net Expenditure and the Statement of Financial Position comparative figures for 2021/22 reflect the requirements of IAS 17.

Further details can be found in note 10(d) and note 19, including a reconciliation between the leases committed to under IAS 17 and the opening Right of Use Asset balance.

Review of notes included in the annual accounts

During 2022/23, the development of a new chart of accounts hierarchy resulted in the structure of the notes included in the financial statements to be reviewed. To facilitate enhanced reporting and the provision of clarity, a revised reporting structure has been adopted for note 4 and note 6 in the 2022/23 accounts. Prior year comparatives have been restated to reflect the new reporting structure. There were also minor amendments made to the classification of some income and expenditure accounts codes between the headings in note 4 and note 6, with prior year comparatives restated to reflect the new structure. All amendments made were minor.

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 (N.D.P.B), 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	2023			2022		
	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	-	28,493	28,493	-	35,487	35,487
Dwelling Related Costs	55,249	163,037	218,286	36,400	160,242	196,641
Misc. Expenditure	-	52,618	52,618	-	50,444	50,444
Employee and Admin Expenses	-	107,132	107,132	-	93,695	93,695
Commissioned Services Expenditure	-	4,025	4,025	-	3,923	3,923
Corporation Tax	-	(101)	(101)	-	(160)	(160)
Other	5,308	-	5,308	2,043	-	2,043
	<u>60,557</u>	<u>355,204</u>	<u>415,761</u>	<u>38,443</u>	<u>343,631</u>	<u>382,074</u>
Less Rental & Miscellaneous income	-	(356,311)	(356,311)	-	(352,825)	(352,825)
Less Commissioned Services Income	-	(15,169)	(15,169)		(12,629)	(12,629)
Less Capital Receipts	(35,201)	-	(35,201)	(25,236)	-	(25,236)
Total Expenditure	<u>25,356</u>	<u>(16,276)</u>	<u>9,080</u>	<u>13,207</u>	<u>(21,824)</u>	<u>(8,617)</u>

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	2023			2022		
	Capital £'000	Revenue £'000	Net Expenditure £'000	Capital £'000	Revenue £'000	Net Expenditure £'000
Regional Services						
Total Net expenditure reported for Operating Segments:						
Supporting People	-	78,519	78,519	-	75,653	75,653
Employee and Admin Expenses	-	37,137	37,137	-	32,178	32,178
Commissioned Services Expenditure	-	15,169	15,169	-	12,629	12,629
Private Sector Grants, & Energy Efficiency	28,834	-	28,834	24,240	-	24,240
Misc. Public / Private Prog		4,360	4,360	-	3,907	3,907
Homelessness	-	26,424	26,424	-	24,695	24,695
Social Housing Development Programme	184,317	-	184,317	171,796	-	171,796
Right of Use Asset	4,074	-				
Other	1,654	8,514	10,168	1,116	6,390	7,507
	<u>218,879</u>	<u>170,123</u>	<u>389,002</u>	<u>197,152</u>	<u>155,454</u>	<u>352,606</u>
Less Rental & Miscellaneous income	(126)	(3,492)	(3,618)	(893)	(2,220)	(3,113)
Less Commissioned Services Income	-	(4,025)	(4,025)	-	(3,923)	(3,923)
Total Expenditure	<u>218,753</u>	<u>162,606</u>	<u>381,359</u>	<u>196,259</u>	<u>149,310</u>	<u>345,570</u>

Included in reportable segments above are:

- 1) 'Other' segment within Regional Services (Revenue) - £1,027k relating to impairment of non-operational property as disclosed in Note 10 (b).
- 2) 'Loan Charges' segment within Landlord Services (Revenue) - £13.12m 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>	2023 £'000	2022 £'000
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	9,080	(8,617)
Regional Services	381,359	345,570
	<u>390,439</u>	<u>336,953</u>
<u>Adjustments in the Budgeted Outturn and not in the Statement of Comprehensive Net Expenditure:</u>		
Redevelopment Land Additions	(1,109)	(611)
Assets held under Construction	(60)	(9)
Other Non Operational Assets	(52)	(79)
Operational Assets Additions	(39,201)	(17,040)
Right of Use Asset	(5,708)	-
Receipts (net of expenses) for Sale of Land & Property	35,334	25,236
Loans Principal Repayments	(16,004)	(21,410)
Other adjustments	-	221
	<u>(26,800)</u>	<u>(13,692)</u>
<u>Adjustments in the Statement of Comprehensive Net Expenditure and not through Budgeted Outturn for Landlord Services:</u>		
Depreciation, Amortisation, Write Offs & Write Down	30,698	29,687
Provisions for Liabilities and Charges movement	405	461
IAS 19 Pension Adjustment - Landlord Services	21,141	19,235
Other adjustments	(58)	(243)
	<u>52,186</u>	<u>49,140</u>
Total net expenditure per the Statement of Comprehensive Net Expenditure	<u>415,825</u>	<u>372,401</u>

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.

	2023 £'000	2022 £'000 RESTATED
Rental Income		
Dwellings	300,818	301,878
Unattached Garages	3,070	2,880
Commercial Properties	2,218	2,243
Lands	302	252
Hostels	898	863
Travellers, Hostels and Req. Properties	147	156
	<hr/>	<hr/>
	307,453	308,272
Less: Abatements		
Dwellings & Garages	(740)	(864)
Commercial Properties	(191)	(231)
Travellers	(2)	-
	<hr/>	<hr/>
	(933)	(1,095)
Less: Voids		
Dwellings & Garages	(3,482)	(3,132)
Unattached Garages	(306)	(256)
Redevelopment	(1)	(3)
Commercial Properties	(192)	(184)
Hostels	(115)	(114)
Traveller Sites	(39)	(46)
Requisitioned Properties	-	(4)
	<hr/>	<hr/>
	(4,135)	(3,739)
Total Rental Income (C/Fwd)	<hr/> 302,385 <hr/>	<hr/> 303,438 <hr/>

Notes to the Accounts

Note	2023 £'000	2022 £'000
4 Income (Continued)		RESTATED
Total Rental Income (B/Fwd)	302,385	303,438
EU Income	1,246	1,377
Other Operating Income		
Income from Housing Associations	-	(2)
Revenue grants	30	43
Capital Grant	-	-
Rates Income from properties	26 39,903	39,643
Income from Land & Property Services:		
Rates Collection	26 4,506	4,477
Low Income Rates Relief Income	26 4,137	3,091
Lone Pensioner Allowance	26 139	157
Recoverable Income	1,066	2,064
SPED Income	-	907
Income from Hostels	732	734
Income from Homelessness	6,055	4,452
Leasehold Income from sold flats	3,179	2,403
Miscellaneous Income	45	45
	<u>59,792</u>	<u>58,014</u>
Total Income (excluding Housing Benefit Income)	<u>363,423</u>	<u>362,829</u>

Notes to the Accounts

Note	2023			2022	
	Permanent Staff £'000	Others £'000	Board Members £'000	Total £'000	Total £'000

5 Staff costs

Staff costs comprise

Wages and Salaries	90,789	-	114	90,903	79,546
Social Security Costs	10,618	-	5	10,623	8,099
Seconded-in Staff	-	245	-	245	208
Agency Costs	-	14,210	-	14,210	13,016
Total Staff costs					
excluding Pension Costs	101,407	14,455	119	115,981	100,869
Other Pension Costs				38,653	35,180
				154,634	136,049
Less staff costs capitalised - IT Software				(442)	(153)
				154,192	135,896

Social security costs include £408K (2021/22: £388k) 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.

	2023 £'000	2022 £'000
Wages and Salaries	207	204
Social Security Costs	24	21
Other Pension Costs	40	39
	271	264

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	2023 £'000	2022 £'000 RESTATED
6	Other Expenditure		
	Direct Employees Costs	1,526	1,172
	Transport Related Costs	1,460	1,368
	Premises Related Costs		
	Leasing Costs	-	1,550
	Other Premises Related Costs	9,813	10,224
	Supplies, Services, Write - Offs & Other Costs	18,386	16,695
	External Audit		
	Auditor's Remuneration	210	179
	National Fraud Initiative	17	-
	Bank Charges	306	283
	Dwelling Related Costs	(a) 186,365	182,747
	Rates paid on properties	40,563	40,331
	Public Liability Charges	1,910	2,276
	Social Housing Development Programme	(b) 184,317	171,796
	Supporting People	78,519	76,133
	Private Sector & Energy Efficiency Grants	(c) 29,588	25,254
	Other Grant funded programmes	(d) 5,860	5,235
	Travellers Expenditure	165	125
	Homelessness & Hostels	(e) 32,193	28,993
	Refugee Programmes	(f) 2,153	1,633
	Low Income Rates Relief Expenditure	4,137	3,091
	Lone Pensioner Allowance (LPA)	139	157
	SPED	(g) 23	849
	Impairment	10 1,027	575
	Restructuring Costs	80	11
		598,757	570,677
	Less:		
	Recharges - salaries & overheads	(h) (19,863)	(20,569)
		578,894	550,108

During 2022/23, an exercise was carried out, reviewing the structure of the notes included in the financial statements. To facilitate enhanced reporting and provide clarity to the users, a revised reporting structure has been adopted for note 4 and note 6. Prior year comparatives have been restated to reflect the new reporting structure.

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 2022/23, Dwelling Relating Costs are analysed as follows:

	2023 £'000	2022 £'000 RESTATED
Planned Maintenance	57,250	54,889
Cyclical Maintenance	45,914	53,519
Response, Void & Disabled Adaptations Maintenance	82,314	73,771
Other Dwelling Related Costs	887	568
	<u>186,365</u>	<u>182,747</u>

- (b) Social Housing Development Programme includes payments to Housing Associations for the following:

	2023 £'000	2022 £'000
HAG* - New Build	126,497	122,878
HAG - ESP	630	1,278
HAG - Off the Shelf	13,599	9,019
HAG - Rehabilitation	4,458	4,110
HAG - Re-Improvement	306	140
HAG - Offset Recoup	-	-
HAG - Covid 19	496	2,731
HAG - Covid 19 Inflationary Uplift	7,450	4,904
HAG - Adaptations	3,033	3,186
HAG - Covid 19 Adaptations	-	12
HAG - Voluntary Purchase Grant	5,529	3,599
HAG - Advance Land Purchase	(1,525)	(940)
Housing for all Incentives	3,095	3,976
HAG - Housing For All	20,749	16,903
Recoupment of SHDP grant	(194)	(332)
Grant recouped & paid to Department	194	332
	<u>184,317</u>	<u>171,796</u>

* HAG - Housing Association Grant

£194k (2021/22: £332k) was recouped from Housing Associations to be repaid to the Department.

Notes to the accounts

Note

6 Other Expenditure (Continued)

(c) Private Sector & Energy Efficiency Grants is analysed as follows:

	2023 £'000	2022 £'000 RESTATED
Affordable Warmth Grants	16,830	12,632
Disabled Facilities Grants	10,173	8,732
Boiler Replacement Grants	628	1,298
Repairs Grants	456	663
Renovation Grants	1,124	1,419
Other Grants	309	458
Group Repairs	(2)	(45)
Grant Administration Costs	70	97
	29,588	25,254

(d) Other Grant funded programmes is analysed as follows

	2023 £'000	2022 £'000
Community Funded Programmes	4,959	4,959
Other Expenditure	901	276
	5,860	5,235

(e) Homelessness & hostel related expenditure is analysed as follows:

	2023 £'000	2022 £'000
Homelessness:		
Temporary Accommodation Costs	25,856	23,886
Community Prevention & Support	5,308	4,404
Strategic Prevention Initiative	71	56
Hostel running costs	958	647
	32,193	28,993

(f) Refugee Programmes is analysed as follows:

	2023 £'000	2022 £'000
Syrian Refugee Programmes	1,469	1,572
Afghan Refugee Programmes	236	61
Ukrainian Refugee Programmes	448	-
	2,153	1,633

(g) There were no SPED stock sold during 2022/23. In 2021/22, a profit of £96k was recognised resulting from SPED housing stock sold during this period.

Notes to the accounts

Note

6 Other Expenditure (Continued)

(h)

	2023 £'000	2022 £'000 RESTATED
Direct Labour Organisation	(16,274)	(16,551)
Homelessness	(503)	(1,795)
Rates Relief & Lone Pensioner Allowance	(2,028)	(740)
Other Programme Cost delivery	(1,058)	(1,483)
	<u>(19,863)</u>	<u>(20,569)</u>

Given the statutory reporting requirement to show salary costs in Note 5 in gross terms (i.e. without deduction of 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.

(i) Provision for liabilities and charges movements are included in the following lines:

	2023 £'000	2022 £'000
Non Operational Assets	-	(413)
Public Liability Charges	1,881	1,550
Dwelling Related Costs	(22)	(7)
Rental Income	18	18
Supplies, Services & Other Costs	234	(72)
	<u>2,111</u>	<u>1,076</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:

	2023 £'000	2022 £'000
Housing Benefit - Public & Private	479,721	504,620
Housing Benefit - Overpayment recoveries	(9,674)	(10,101)
Net Funding from the Department	<u>470,047</u>	<u>494,519</u>
Transfer of Housing Benefit overpayment movement to overpayment debtor account	904	1,919
Increase in HB Overpayment Provision	833	64
Total Housing Benefit Costs / Income	<u><u>471,784</u></u>	<u><u>496,502</u></u>

8 Financing Charges

	2023 £'000	2022 £'000 RESTATED
Loan Interest Charges	13,120	14,610
Leases finance charges	98	-
	<u>13,218</u>	<u>14,610</u>

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	2023 £'000	2022 £'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	(101)	(140)
Interest & penalties	-	(20)
	(101)	(160)

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

	2023 £'000	2022 £'000
Interest Receivable - current year	-	-
Chargeable / Net Rental Income	-	-
Chargeable Gains	-	-
	-	-
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	(101)	(140)
Interest & penalties	-	(20)
Current tax charge	(101)	(160)

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 £101k is recognised in respect of overpayments made in previous financial years. After finalising liabilities and amounts overpaid with HM Revenue & Customs, the Corporation Tax process is now complete.

(c) Deferred tax

No provision for deferred tax has been made as at 31 March 2023 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 2022	2,547,187	55,672	18,096	40,610	16,711	3,340	13,772	2,695,388
Additions	36,879	442	8	122	-	-	930	38,381
Disposals	(14,266)	(757)	(65)	-	-	-	(563)	(15,651)
Demolitions	-	-	(26)	-	-	-	-	(26)
Write off Adapt to Leased Offices	-	-	-	(6)	-	-	-	(6)
Transfer from Housing Stock	-	-	-	-	-	-	-	-
Transfer to Housing Stock	-	-	-	-	-	-	-	-
Transfer from Non-Operational Assets	-	1,315	-	-	-	-	-	1,315
Transfer to Non-Operational Assets	-	(1,620)	-	-	-	-	-	(1,620)
Transfer to / from Land	-	-	-	-	-	-	-	-
Transfer to Non Current Assets Held for Sale	(3,137)	(25)	-	-	-	-	-	(3,162)
Transfer from Non Current Assets Held for Sale	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Revaluation Adjustments - SOCNE	(1,943)	58	-	-	-	-	-	(1,885)
Revaluation on reclassification uplift - SOCITE	-	886	-	-	-	-	-	886
Revaluation Adjustments - SOCITE	(140,651)	4,696	(13)	-	1,261	251	470	(133,986)
At 31 March 2023	2,424,069	60,667	18,000	40,726	17,972	3,591	14,609	2,579,634

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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 2022	-	-	(1,146)	(2,199)	(1,230)	(188)	(10,912)	(15,675)
Charged in year	(33,788)	-	(571)	(1,100)	(665)	(101)	(876)	(37,101)
Written back on Revaluation	33,788	-	6	-	-	-	-	33,794
Backlog Depreciation	-	-	-	-	(102)	(15)	(305)	(422)
Disposals	-	-	4	-	-	-	562	566
Depreciation on demoltions	-	-	1	-	-	-	-	1
Depreciation on transfer to Housing Stock	-	-	-	-	-	-	-	-
Depreciation on transfer to Non Operational Assets	-	-	-	-	-	-	-	-
Written back on Impairment	-	-	-	-	-	-	-	-
At 31 March 2023	-	-	(1,706)	(3,299)	(1,997)	(304)	(11,531)	(18,837)
Carrying amount at 31 March 2022	2,547,187	55,672	16,950	38,411	15,481	3,152	2,860	2,679,713
Carrying amount at 31 March 2023	2,424,069	60,667	16,294	37,427	15,975	3,287	3,078	2,560,797
Asset financing:								
Owned	2,424,069	60,667	16,294	37,427	15,975	3,287	3,078	2,560,797
Finance Leased	-	-	-	-	-	-	-	-
Carrying amount at 31 March 2023	2,424,069	60,667	16,294	37,427	15,975	3,287	3,078	2,560,797

Notes to the Accounts

Note

10 (a) Property, Plant & Equipment

Operational

Cost or Valuation

At 31 March 2021

	Housing Stock £'000	Land £'000	Commercial Property £'000	Office Premises £'000	Hostels £'000	Travellers Sites £'000	Other Assets £'000	Total £'000
	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
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 Land from Commercial Property	(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 on reclassification uplift - SOCITE	-	911	-	-	-	-	-	911
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

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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 (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 2023 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 £0.89m 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 relined 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 2023.

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 £117k for adaptations relating to Offices rented on short leases. Adaptations are written off over the life of the leases

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

Notes to the Accounts

Note

10 (a) Property, Plant & Equipment (continued)

Valuation Methodology

Valuation uncertainty

As previously reported, a novel strain of coronavirus was detected and spread rapidly in November 2019, leading the World Health Organisation to declare a pandemic on 11 March 2020. The ongoing disruption caused by the pandemic has created significant economic uncertainty, which commenced just before the 2019/20 financial year-end. As a result and due to market activity being impacted in many sectors, the valuers noted the valuations provided as at 31 March 2020 for all Property assets (including all land, buildings and sites) were reported on the basis of 'material valuation uncertainty' as per the RICS Global Standards. For the 31 March 2023 year-end valuations, the valuation uncertainty has been lifted for the Housing Stock and Land categories only. This valuation uncertainty however continues at 31 March 2023 for Commercial Properties, Office Premises, Hostels and Travellers' Sites. The uncertainty, which remains for the categories noted, results from the lack of evidence of transactions taking place to assess how property markets are reacting over this period and what the full impact on local, national & global economies & property markets will be in the future. The figures reported are, therefore, more subjective than would be the case in a normal functioning market, however, the LPS valuers involved in the project have used their considerable knowledge, experience & expertise gathered over years of working within the local property market, together with other relevant economic based metrics, to arrive at a set of property valuations based on reasonable assumptions. Due to the continued level of uncertainty for property markets and the potential for market volatility to continue over the next financial year, NIHE will review the evidence available to consider if a full revaluation of property assets, which are not valued annually, should be carried out more frequently than five years.

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 2023 £'000	At 31 March 2022 £'000
Motor Vehicles	1,744	1,362
Plant and Machinery	116	100
Estate Management Equipment	248	271
Office Furniture	188	311
Office Equipment	2	4
Hostels Furniture & Fittings	95	-
Computer Hardware	518	636
Community Centre	167	176
	3,078	2,860

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

	At 31 March 2023 £'000	At 31 March 2022 £'000
Depreciation including adjustment for Backlog Depreciation	37,525	38,950
Amortisation - IT Software	528	576
Depreciation - Right of Use Assets	4,725	-
Revaluation Adjustments - Housing Stock	1,942	730
Revaluation Adjustments - Other Assets	52	-
Revaluation Adjustments - Land	(58)	83
Writeback / writedown in Assets Held for Sale	(95)	-
Losses on Sale of Surplus Land	409	190
(Profit)/Loss on Sale of Land held for sale	(55)	-
(Profit)/Loss on Sale of Housing Stock	(10,137)	(9,012)
(Profit)/Loss on Sale of Housing Stock HFS	(3,530)	(1,763)
(Profit)/Loss on Sale of Other Property Asset	39	-
(Profit)/Loss on Sale of Other Assets	(38)	(7)
Losses on Demolished Property	-	-
Write off Adaptations to Leased Offices	6	38
Loss on Disposal - Housing Association	1,470	-
	32,783	29,785

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
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	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Revaluation Adjustment	-	-	(63)	-	135	-	72
Revaluation - SOCNE	-	-	-	-	-	-	-
Impairment	-	(575)	-	-	-	-	(575)
At 31 March 2022	9	1,243	281	330	355	-	2,218
Expenditure in year	60	1,109	52	-	-	-	1,221
Transfer of Property (to)/from ULS Land	150	310	-	-	(155)	-	305
Transfer to Assets Held for Sale	-	-	-	-	-	-	-
Disposal	-	(1,470)	-	-	(135)	-	(1,605)
Revaluation - SOCNE	-	-	(52)	-	-	-	(52)
Revaluation - SOCITE	-	-	-	-	2	-	2
Impairment	-	(1,028)	-	-	-	-	(1,028)
At 31 March 2023	219	164	281	330	67	-	1,061

Notes to the Accounts

Note

10(b) Non Operational Assets (continued)

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

£328k of the impairment write down in Redevelopment land relates to costs associated with residual purchase and demolition costs for two Building Sustainable Communities Schemes. During 2022/23, demolition costs were incurred for the remaining scheme (demolition of the properties for the other scheme occurred during 2021/22). The brownfield sites relating to both schemes were transferred to housing associations during 2022/23 to facilitate new social housing developments.

The majority of the remaining impairment write down related to the impairment of properties purchased as part of a new redevelopment scheme at Upper New Lodge. Once all properties are acquired, the cleared land site will be transferred to a Housing Association to facilitate a new social housing development scheme. Usually sites transferred to Housing Associations for social housing are transferred 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 2022	9,941
Additions	818
Reclassification Uplift	-
Disposals	-
Revaluation Adjustments	87
At 31 March 2023	<u>10,846</u>
Amortisation	
At 1 April 2022	(8,452)
Charged in year	(483)
Backlog Amortisation	(45)
Disposals	-
At 31 March 2023	<u>(8,980)</u>
Carrying amount at 31 March 2022	<u>1,489</u>
Carrying amount at 31 March 2023	<u><u>1,866</u></u>
Asset Financing:	
Owned	1,866
Carrying amount at 31 March 2023	<u>1,866</u>
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><u>1,489</u></u>
Asset Financing:	
Owned	1,489
Carrying amount at 31 March 2022	<u><u>1,489</u></u>

Notes to the Accounts

Note

10 (d) Right-of-use lease assets

As explained in Note 1.1 (n), the Northern Ireland Housing Executive has adopted IFRS 16 'Leases' from 1 April 2022. As permitted by the FReM, the NIHE has implemented it using the cumulative catch-up method, without restating prior year figures. Most leases recognised as operating leases until 31 March 2022 (as shown in Notes 19) are now recognised as right-of-use lease assets and borrowings in Notes 10 (d) and 19, with the associated costs being recognised in Notes 8 and 10 (a).

The Group's lease contracts comprise leases of office premises, homeless premises and motor vehicles.

	Office Premises £'000	Homeless £'000	Motor Vehicles £'000	Total £'000
Cost or Valuation				
At 31 March 2022	-	-	-	-
Initial Recognition	8,562	5,902	26	14,490
Additions	790	-	-	790
Reclassifications from PPE	-	-	-	-
Revaluations	-	-	-	-
Derecognition	-	-	-	-
Remeasurement	-	-	-	-
At 31 March 2023	9,352	5,902	26	15,280
Depreciation				
At 31 March 2022	-	-	-	-
Charged in year	(2,748)	(1,966)	(11)	(4,725)
Revaluations	-	-	-	-
At 31 March 2023	(2,748)	(1,966)	(11)	(4,725)
Carrying amount at 31 March 2022	-	-	-	-
Carrying amount at 31 March 2023	6,604	3,936	15	10,555

Notes to the Accounts

Note

	2023 £'000	2022 £'000
11 Short Term Investments		
Fixed Term Deposits (greater than 3 months)	270,500	250,000
	<u>270,500</u>	<u>250,000</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)
Transfer from Non-operational Assets	-	-	-
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>
Transfer from Operational Assets	25	3,137	3,162
Transfer to Operational Assets	-	-	-
Transfer from Non-operational Assets	-	-	-
Disposals	(2,630)	(4,145)	(6,775)
Revaluation Increase	95	-	95
At 31 March 2023	<u>25</u>	<u>2,489</u>	<u>2,514</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.

£0.02m 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 increase of £95k, 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.

£3.1m 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.

	2023 £'000	2022 £'000
13 Inventories		
Consumable Stores	945	1,130
SPED (Net of the Allowances at Note 15)	375	210
Total	<u>1,320</u>	<u>1,340</u>

Notes to the Accounts

Note

	2023 £'000	2022 £'000
14 Trade and Other Receivables		
Amounts falling due within one year:		
Trade Receivables (Net of the Allowances at Note 15)	15,246	18,968
Other receivables	90	83
Corporation Tax	-	15,795
VAT	5,443	3,819
Prepayments and accrued income	38,065	31,314
	58,844	69,979
Amounts falling due after more than one year:		
Trade Receivables (Net of the Allowances at Note 15)	14,916	17,154
Prepayments and accrued income	59	15,811
	14,975	32,965
Total	73,819	102,944

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 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
Movement in allowance in year	(202)	1,193	(198)	12	805
Movement in long term debt discount	4	(360)	-	-	(356)
At 31 March 2023	10,322	25,943	567	41	36,872

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

	2023 £'000	2022 £'000
Balance at 1 April	80,243	108,280
Net Change in Cash & Cash Equivalent Balances	(31,193)	(28,037)
Balance at 31 March	49,050	80,243

The following balances at 31 March were held at:

	2023 £'000	2022 £'000
Commercial Banks and Cash in Hand	704	514
Investments in Money Market Funds	31,346	69,729
Short Term Deposits (less than 3 months)	17,000	10,000
Balance at 31 March	49,050	80,243

17 Trade and Other Payables

	Note	2023 £'000	2022 £'000
Amounts falling due within one year:			
Bank Overdraft		(14,126)	(25,596)
Trade Payables		(6,276)	(6,361)
Taxation and social security		(1,946)	(1,829)
Other Payables		(8,077)	(7,598)
Right of Use Asset Liability	19	(3,978)	-
Property, Plant & Equipment accruals		(5,778)	(3,213)
Accruals and deferred income		(193,080)	(184,705)
Loan Repayments		(12,456)	(16,004)
		<u>(245,717)</u>	<u>(245,306)</u>
Amounts falling due after more than one year:			
Other Payables		(10,213)	(12,591)
Right of Use Asset Liability	19	(7,814)	-
Accruals and deferred income		(18,179)	(21,242)
		<u>(36,206)</u>	<u>(33,833)</u>
Total		<u>(281,923)</u>	<u>(279,139)</u>

Notes to the Accounts

Note	2023 £'000	2022 £'000
18 Loans Outstanding		
At 31 March 2022	(136,737)	(158,147)
Loan Principal repayment	16,005	21,410
At 31 March 2023	(120,732)	(136,737)
Loans from the Government Loans Fund & Former Local Authorities maturing:		
<u>Due within one year</u>		
Due within one year (disclosed in note 17)	(12,456)	(16,004)
<u>Due greater than one year</u>		
Later than one year and not later than five years	(45,795)	(46,911)
Later than five years	(62,481)	(73,822)
	(108,276)	(120,733)
Total loans outstanding	(120,732)	(136,737)

- (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 Leased Assets

(a) Commitments under leases

Operating Leases - Premises

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

	2023 £'000	2022 £'000
Obligations under operating leases comprise:		
Property		
Not later than one year	-	(3,254)
Later than one year and not later than five years	-	(1,583)
Later than five years	-	(1,687)
	-	(6,524)

Notes to the Accounts

Note

19 (b) Lease Liabilities

A maturity analysis of contractual undiscounted cash flows relating to lease liabilities is presented below. The cash flows and balances are presented net of irrecoverable VAT.

	2023 £'000	2022 £'000
Obligations under finance leases for the following periods comprise:		
Buildings		
Not later than one year	(4,085)	-
Later than one year and not later than five years	(5,048)	-
Later than five years	(3,225)	-
Less Interest element	582	
Present Value of obligations	<u>(11,776)</u>	<u>-</u>
Other		
Not later than one year	(12)	-
Later than one year and not later than five years	(5)	-
Later than five years	-	-
Less Interest element	1	
Present Value of obligations	<u>(16)</u>	<u>-</u>
Amounts falling due within one year	(3,978)	-
Amounts falling due after more than one year	(7,814)	-
	<u>(11,792)</u>	<u>-</u>

Reconciliation from the IAS 17 operating lease commitment on 31 March 2022 to the IFRS 16 opening lease liability on 1 April 2022

This table reconciles the amount of the Group's operating lease commitments as at 31 March 2022, shown in Note 19 to the lease liabilities as at 1 April 2022, immediately following adoption of IFRS 16. The operating lease commitments figure has been restated for arrangements not previously identified as leases. Thereafter, the material reconciling items are an adjustment for the impact of discounting and for the differing assessments of the lease term (the previous operating lease commitment reflected amounts payable during the non-cancellable lease period, while the IFRS 16 lease term reflects the Group's assessment of the likelihood that it will exercise lease extension or cancellation options)

Opening lease liabilities are greater than opening, right-of-use assets because some properties are sub-let so the asset is classified as a receivable, and operating lease accruals recognised under IAS 17 are de-recognised and deducted from the right-of-use asset upon implementation of IFRS 16.

	£'000
Operating leases disclosed at 31 March 2022	(6,524)
Adjustments to leases IAS 17 basis	(4)
Re-stated operating lease commitments as at 31 March 2022	<u>(6,528)</u>
Adjustments from IAS17 to IFRS 16:	
Impact of discounting	433
Impact of Leases not previously committed	(561)
Assessments of lease extension periods	(5,144)
Impact of Dilapidation costs	(2,661)
Unwind of VAT reported within IAS17	3
Sub-total, reconciling items	<u>(7,930)</u>
IFRS 16 opening balance lease liabilities as at 1 April 2022	<u>(14,458)</u>

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	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Financial assets at amortised cost	14,916	17,155	308,983	299,179
Financial assets at fair value through profit or loss	-	-	31,346	69,729
Total Financial Assets	14,916	17,155	340,329	368,908

	Long Term		Short Term	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Financial Liabilities at amortised cost	144,483	154,566	245,717	245,304

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 2023 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	-	13,120
Interest payable and similar charges	-	13,120
Financial Assets		
	Assets at Amortised Cost £'000	Assets at Fair Value through Profit or Loss £'000
Impairment Loss - Interest payable and similar charges	438	-
Interest and Investment Income	3,296	1,376

(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:

	2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value Restated
	£'000	£'000	£'000	£'000
Financial Liabilities				
Consolidated Loans Fund	117,458	176,199	132,982	200,979
Non Consolidated Loans Fund	3,275	3,966	3,755	4,616
Total Debt	120,733	180,165	136,737	205,595
Loans and receivables				
Total Investments - Long term Debtors	15,934	14,916	18,529	17,154

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 2022/23 the foreign currency gains amounted to £22k (2021/22: Loss of £35k).

Fair Value

The fair value of loans outstanding after one year at 31 March 2023 for the Government Loans Funds is £153m (2022: £173m) and the estimated fair value of Local Authority Loans is £3.3m (2022: £3.9m). The figures have been restated to reflect updated calculations.

Notes to the Accounts

Note

21 Provision for Liabilities and Charges

2022/23	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 2022	(134)	(70)	(60)	(1,725)	-	(295)	(2,284)
Provided in the year	-	(18)	-	(1,881)	-	(435)	(2,334)
Provisions not required written back	-	-	22	-	-	201	223
Provisions utilised in the year	-	-	-	1,588	-	-	1,588
At 31 March 2023	(134)	(88)	(38)	(2,018)	-	(529)	(2,807)
Amount due for settlement:							
Within 12 months	(134)	-	(38)	(982)	-	(529)	(1,683)
After 12 months		(88)	-	(1,036)	-	-	(1,124)
At 31 March 2023	(134)	(88)	(38)	(2,018)	-	(529)	(2,807)

- (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 £88k 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 agreements.
- (c) An amount of £38k has been provided for in respect of 1 contractual claim issued against the Housing Executive.
- (d) Public Liability Claims see Note 24 (Contingent Liabilities).

Notes to the Accounts

Note

21 Provision for Liabilities and Charges (continued)

- (e) During 2021/22, the Housing Executive 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 or 31 March 2023 for covering estimated costs of properties for managing asbestos.
- (f) An amount of £529k (2022: £295k) 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 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)

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 2022, the results of which were released during the 2021/22 financial year. The next formal valuation will be due as at 31 March 2025. In calculating the Housing Executive's assets and liabilities the appointed actuaries have rolled forward the values calculated at the latest valuation (March 2022). 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.

Actuarial Assumptions used at:	31 March 2023	31 March 2022
Rate of Inflation (RPI)	3.10%	3.60%
Rate of Inflation (CPI)	2.70%	3.20%
Rate of Increase in Salaries	4.20%	4.70%
Rate of Increase in Pensions	2.70%	3.20%
Discount Rate	4.80%	2.80%

Breakdown of Life Expectancies

Life expectancy for mortality tables used to determine benefit obligations at:	31 March 2023	31 March 2022
Male member aged 65 (current life expectancy)	22.3	22.0
Female member aged 65 (current life expectancy)	25.0	25.2
Male member aged 45 (life expectancy at age 65)	23.2	23.4
Female member aged 45 (life expectancy at age 65)	26.1	26.6

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 S3 tables (Year of Birth) with CMI 2021 core projections including a period smoothing parameter of 7, with an initial addition of 0.5 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 £'000	Discount Rate -0.25% pa	Salary Increase +0.25%pa	Inflation +0.25%pa	Life Expectancy +1 year
Liabilities	951,298	985,151	958,565	982,683	977,793
Assets	966,925	966,925	966,925	966,925	966,925
Total Scheme shortfall	(15,627)	18,226	(8,360)	15,758	10,868
Funding Level	102%	98%	101%	98%	99%
Increase in Liabilities	-	33,853	7,267	31,385	26,495

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 2023	Assets at 31 March 2022
	£'000	£'000
Equities	386,355	464,684
Bonds	356,746	424,055
Property	108,079	108,587
Cash	63,234	49,046
Other	52,511	37,296
	966,925	1,083,668

The above asset values as at 31 March 2023 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 2023 £'000	31 March 2022 £'000
Fair Value of Employer Assets	966,925	1,083,668
Present value of Funded Liabilities	(943,574)	(1,240,022)
Net Underfunding in Funded Plans	23,351	(156,354)
Present value of Unfunded Liabilities	(7,724)	(9,524)
Unrecognised Actuarial (Gain) / Loss	-	-
Unrecognised Transition (Asset) / Liability	-	-
Net Liability	15,627	(165,878)
Amounts in the Statement of Financial Position		
Liabilities	15,627	(165,878)
Assets	-	-
Net Asset / (Liability)	15,627	(165,878)
Funding Level	102%	87%

Notes to the Accounts

Note

22 Pensions (continued)

(d) Notes to the Statement of Comprehensive Net Expenditure

	Year End 31 March 2023		Year End 31 March 2022	
	£'000	% of Payroll	£'000	% of Payroll
Amount Charged to Employee Costs				
Current Service Cost	(36,554)	(43.7%)	(33,106)	(43.0%)
Past Service Cost	-	-	-	-
Administration Expenses	(418)	(0.5%)	(377)	(0.5%)
Insurance premiums for risk benefits	(1,672)	(2.0%)	(1,510)	(2.0%)
Curtailment and Settlements **	(25)	0.0%	-	-
Decrease in Irrecoverable Surplus	-	-	-	-
Total Operating Charge (A)	(38,669)	(46.2%)	(34,993)	(45.5%)

	Year End 31 March 2023		Year End 31 March 2022	
	£'000	% of Payroll	£'000	% of Payroll
Amount (Debited)/Credited to Other Financing costs				
Interest Income on Scheme Assets	30,053	35.9%	22,470	29.2%
Interest on Pension Scheme Liabilities	(34,987)	(41.8%)	(27,867)	(36.2%)
Net Return (B)	(4,934)	(5.9%)	(5,397)	(7.0%)

Net Revenue Account Cost (A) - (B)	(43,603)	(52.1%)	(40,390)	(52.5%)
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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 2023 £'000	31 Mar 2022 £'000
Actuarial Gains / (Losses) on Plan Assets	(126,935)	47,318
Actuarial (Losses) / Gains on Obligation	334,823	47,401
Actuarial Gain Recognised in Statement of Changes in Taxpayers Equity	207,888	94,719

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 2023	31 March 2022
	£'000	£'000
Opening Defined Benefit Obligation	(1,249,547)	(1,265,726)
Current Service Cost	(36,554)	(33,106)
Past Service Cost	-	-
Interest Expense	(34,987)	(27,867)
Members Contributions	(5,401)	(4,971)
Unfunded Benefits Paid by Employer	891	864
Benefit Payments from Plan	39,503	33,857
Plan Curtailment	(25)	-
<i>Actuarial movements:</i>		
Effect of changes in demographic assumptions	1,198	-
Effect of change in financial assumptions	419,847	47,401
Effect of experience adjustments	8,906	-
Impact of Short term high Inflation	(95,129)	-
Closing Defined Benefit Obligation	(951,298)	(1,249,548)

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 2023	31 March 2022
	£'000	£'000
Opening Fair Value of Employer Assets	1,083,670	1,029,649
Employer Contributions	16,329	15,006
Members Contributions	5,401	4,971
Interest Income	30,053	22,470
Contributions in respect of Unfunded Benefits	891	864
Unfunded Benefits Paid	(891)	(864)
Benefits Paid from Plan	(39,503)	(33,857)
Administrative expenses paid from plan assets	(418)	(377)
Insurance premiums for risk benefits	(1,672)	(1,510)
<i>Actuarial movements:</i>		
Return on Plan Assets	(100,157)	47,318
Rebasing to 2022 Valuation asset data	(26,778)	-
Closing Fair Value of Employer Assets	966,925	1,083,670
Net Pension Asset/(Liability)	15,627	(165,878)

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 £951m (2022: £1,250m) and for 2022/23 financial year, has resulted in a net overall surplus balance of £16m (2022: £166m) which is recorded on the Statement of Financial Position. Employer and Employee contributions to the NILGOSC scheme will continue to fund future liabilities over the remaining working life of employees as assessed by the scheme actuary. Employer contribution rates were 19.5% for 2022/23 (2021/22: 19.5%). Deficit recovery contributions were not due in 2022/23.

- (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				
	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Fair Value of Employer Assets	966,925	1,083,670	1,029,649	877,490	1,007,193
Present Value of Defined Benefit Liability	(951,298)	(1,249,548)	(1,265,726)	(1,108,080)	(1,109,700)
Net Pension Deficit	15,627	(165,878)	(236,077)	(230,590)	(102,507)
Experience Gains/(Losses) on Assets	(100,157)	47,318	147,162	(55,550)	64,354
Experience Gains on Liabilities	8,906	-	-	1,738	
Actuarial Gains/(Losses) on Employer Assets	(100,157)	47,318	147,162	(55,550)	64,354
Actuarial (Losses)/Gains on Obligation	334,823	47,401	(134,557)	34,693	(17,496)
Rebalancing due to Valuation Actuarial (Losses)/Gains recognised in Statement of changes in Taxpayers' Equity	(26,778)	-	-	(85,126)	-
	207,888	94,719	12,605	(105,983)	46,858

Notes to the Accounts

Note	2023 £'000	2022 £'000 RESTATED
23 Notes to the Statement of Cash Flows		
23(a) Reconciliation of Net Expenditure before interest to Operating Cash Flows		
Net Expenditure before Interest	(402,447)	(352,960)
Taxation paid	15,895	-
Depreciation of Property, Plant & Equipment	37,524	38,950
Amortisation of Software	528	576
Depreciation - ROU Assets	4,725	-
Impairment	1,027	575
(Increase)/Decrease in Inventories	19	1,081
(Increase)/Decrease in Receivables	15,613	7,624
Increase in Payables and Provisions	25,471	56,776
(Profit)/Loss on Disposals, Write Offs & Revaluation Movements	(9,994)	(9,741)
Net Cash Outflow from Operating Activities	<u>(311,639)</u>	<u>(257,119)</u>
23(b) Cashflow from Investing Activities	2023 £'000	2022 £'000 RESTATED
Payments to Acquire Non-Current Assets		
Land and Buildings	(34,484)	(15,667)
Other Operational Assets	(819)	(202)
IT Hardware and Software	(985)	(277)
Non Operational Assets	(1,627)	(68)
Total Expenditure	<u>(37,915)</u>	<u>(16,214)</u>
Income from Sale of Non-Current Assets and Grants		
House Sales (Inc. Land & Buildings)	35,413	25,498
Commercial Properties & Travellers Sites	184	-
Plant & Equipment	39	7
Total Income and Grants	<u>35,636</u>	<u>25,505</u>
Repayment of Loans		
Repayment of Loan Debt	(16,004)	(21,410)
Short Term Investments		
Investment in Fixed Term Deposits (greater than three months)	(20,500)	(76,000)
Financing Charges		
Loan Interest charges	(13,168)	(14,658)
Right of Use Asset Finance Charge	(98)	-
	<u>(13,266)</u>	<u>(14,658)</u>
Interest Receivable	<u>2,141</u>	<u>525</u>
Net Cash Outflow from Investing Activities	<u>(49,908)</u>	<u>(102,252)</u>

Notes to the Accounts

Notes to the Statement of Cash Flows			
Note		2023	2022
		£'000	£'000
23(c) Cashflow from Financing Activities			
Right of Use Leased Asset - Repayment		(3,489)	-
Grant from Sponsoring Department		345,313	353,730
		<u>341,824</u>	<u>353,730</u>

23(d) Analysis of Change in Cash and Cash Equivalents

	At 1 April	Cash	Other	At 31 March
	2022	Flows	Changes	2023
	£'000	£'000	£'000	£'000
Cash at Bank and in Hand	80,243	(31,193)	-	49,050
Overdrafts	<u>(25,596)</u>	<u>11,470</u>	<u>-</u>	<u>(14,126)</u>
Total	<u>54,647</u>	<u>(19,723)</u>	<u>-</u>	<u>34,924</u>

	At 1 April	Cash	Other	At 31 March
	2021	Flows	Changes	2022
	£'000	£'000	£'000	£'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>

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

	2023	2022
	£'000	£'000
Net increase/(decrease) in Cash & Cash Equivalents in		
Cash & Cash Equivalents in	(19,723)	(5,641)
Cash & Cash Equivalents at 1 April 2022	<u>54,647</u>	<u>60,288</u>
Cash & Cash Equivalents at 31 March 2023	<u>34,924</u>	<u>54,647</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. The case was listed for hearing in the Supreme Court in December 2022 with the decision expected some time in 2023. This decision could then result in a reduction to the period of liability or confirm 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, together with the decision from the Supreme Court 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 2021/22 has been previously accounted for in the Statement of Comprehensive Net Expenditure. Amounts due for 2022/23 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 2021/22 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.

Notes to the Accounts

Note

24 Contingent Liabilities and Assets (continued)

Liabilities

Contractual Claims

At 31 March 2023, 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.

Public Liability Claims

At 31 March 2023, there is a contingent liability of £8.5m (2022: £5.3m) 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 2023, a contingent liability of £0.7m (2022: £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.

Pension liability - Goodwin judgement

The Housing Executive has recognised a Pension Asset of £15.6m (2022: Pension Liability £165.9m) 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 2023 is £969m.

Notes to the Accounts

Note

25 Commitments

The Housing Executive has to plan its Capital and Revenue in advance of work proceeding. At 31 March 2023 the Housing Executive has entered into contracts which will incur expenditure of £193m (2021/22: £165.1m) in future years. Of this, capital commitments represent £164.3m (2021/22: £134.4m) and revenue commitments represent £28.7m (2021/22: £30.7m). Capital commitments include private sector grant & energy efficiency grant approvals up to 31 March 2023 of £23.3m (2021/22: £23.9m) which have been committed by the Housing Executive, but not yet paid.

26 Related Party Transactions

The Housing Executive is a Non Departmental Public Body (for accounting purposes) sponsored by the Department, who are 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(b). Additionally, the Housing Executive paid rent, rates and service charges of £530k 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 £2,101k 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 2022/23 to LPS amounted to £40.6m. An allowance of £4.5m is received from LPS which resulted in Rates collected during 2022/23 of £45.1m. 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 £4.1m and £139k 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 year.

27 Third Party Assets

The Housing Executive did not hold any Third Party Assets as at 31 March 2023 (2022: £Nil).

Notes to the Accounts

Note

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 2022 to 31 December 2022, these reports highlighted an estimated amount of £12.0m overpaid (customer fraud £9.5m customer error £1.2m and official error of £1.3m) and £2.1m underpaid (customer error £1.4m and official error £0.7m) through fraud and error in Housing Benefit for tenants. This represents approximately 2.6% of the related expenditure for the calendar year.

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 £474.8m.

Notes to the Accounts

Note

28 Fraud and Error (continued)

	Monetary value of error £m		22-23 Lower confidence interval (£m)		22-23 Upper confidence interval (£m)		Monetary value of error as a percentage of HB expenditure		Upper confidence interval as a percentage of HB expenditure	
	22-23	21-22	22-23	21-22	22-23	21-22	22-23	21-22	22-23	21-22
Overpayments										
Customer - fraud	9.5	11.3	5.2	5.8	14.6	17.4	2.0	2.2	3.1	3.4
Customer - error	1.2	4.7	0.5	1.3	2.1	9.2	0.3	0.9	0.4	1.8
Official error	1.3	0.9	0.2	0.1	3.0	2.0	0.3	0.2	0.8	0.4
Total	12.0	16.9	5.9	7.2	19.7	28.6	2.6	3.3	4.3	5.6
Underpayments										
Customer underpayments	1.4	3.4	0.5	1.3	2.5	6.1	0.3	0.7	0.5	1.2
Official Underpayments	0.7	0.9	0.3	0.3	1.2	1.7	0.2	0.2	0.3	0.3
Total	2.1	4.3	0.8	1.6	3.7	7.8	0.5	0.9	0.8	1.5

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 2022-23 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 27 September 2023 by the Chair 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 2023 - Unaudited**

	Landlord 2023 £'000	Regional 2023 £'000	Total 2023 £'000	Landlord 2022 £'000	Regional 2022 £'000	Total 2022 £'000
				RESTATED	RESTATED	RESTATED
Income						
Rental Income	302,360	25	302,385	303,414	24	303,438
EU Income	1,169	77	1,246	1,047	330	1,377
Other Income	49,151	10,641	59,792	48,451	9,563	58,014
Total Housing Benefit Income	-	471,784	471,784	-	496,502	496,502
Capital Grant Income	1,845	1,470	3,315	68	963	1,031
Commissioned Services Income	15,169	4,025	19,194	12,629	3,923	16,553
Total Income	369,694	488,022	857,716	365,609	511,305	876,914
Expenditure						
Staff Costs	119,715	34,477	154,192	106,939	28,957	135,896
Other Expenditures	240,753	338,141	578,894	234,086	316,022	550,108
Total Housing Benefit Costs	-	471,784	471,784	-	496,502	496,502
Depreciation, Amortisation, Write Offs & Write Down	30,698	2,085	32,783	29,687	98	29,785
Commissioned Services Charge	4,025	15,169	19,194	3,923	12,629	16,553
Capital Grant Charge	-	530	530	963	68	1,031
Capital Grant in Kind	-	2,785	2,785	-	-	-
Total Expenditure	395,191	864,971	1,260,162	375,599	854,276	1,229,875
Net Expenditure before Interest (c/fwd)	(25,497)	(376,949)	(402,446)	(9,989)	(342,971)	(352,961)

Northern Ireland Housing Executive

Annex: Statement of Comprehensive Net Expenditure - split by service (cont'd) for the year ended 31 March 2023 - Unaudited

	Landlord 2023 £'000	Regional 2023 £'000	Total 2023 £'000	Landlord 2022 £'000 RESTATED	Regional 2022 £'000 RESTATED	Total 2022 £'000 RESTATED
Net Expenditure before Interest (b/fwd)	(25,497)	(376,949)	(402,446)	(9,989)	(342,971)	(352,961)
Interest Receivable	4,244	428	4,672	363	43	406
Financing Charges	(13,174)	(44)	(13,218)	(14,610)	-	(14,610)
Pension Financing Charges	(3,872)	(1,062)	(4,934)	(4,215)	(1,182)	(5,397)
Net Expenditure before taxation	(38,299)	(377,627)	(415,926)	(28,451)	(344,110)	(372,561)
Tax on ordinary activities	101	-	101	160	-	160
Net Expenditure after taxation	(38,198)	(377,627)	(415,825)	(28,291)	(344,110)	(372,401)

Northern Ireland Housing Executive
Statement of Financial Position split by service - Unaudited
as at 31 March 2023

	Landlord Services	Regional Services	Total	Landlord Services	Regional Services	Total
	2023	2023	2023	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets						
Property, Plant & Equipment						
- Operational	2,557,510	3,287	2,560,797	2,676,560	3,154	2,679,714
Property, Plant & Equipment						
- Non Operational	831	231	1,061	621	1,597	2,218
Intangible Assets	1,866	-	1,866	1,489	-	1,489
Right of Use Assets	6,619	3,936	10,555	-	-	-
Defined Pension Asset	12,265	3,362	15,627	-	-	-
Trade and other receivables	4,704	10,271	14,975	4,562	28,403	32,965
Total non-current assets	2,583,795	21,086	2,604,881	2,683,232	33,154	2,716,386
Current Assets						
Short Term Investments	270,500	-	270,500	250,000	-	250,000
Assets Classified as Held for Sale	2,514	-	2,514	6,032	-	6,032
Inventories	945	375	1,320	1,129	210	1,339
Trade and other receivables	20,117	38,727	58,844	35,795	34,184	69,979
Cash and cash equivalents	49,050	14,091	63,141	80,243	1,640	81,883
Intercompany balance	10,541	-	10,541	11,105	-	11,105
Total current assets	353,667	53,193	406,860	384,304	36,034	420,338
Total assets	2,937,462	74,279	3,011,741	3,067,536	69,188	3,136,724
Current Liabilities						
Trade and other payables	(118,392)	(141,416)	(259,808)	(124,133)	(122,813)	(246,946)
Provisions	(1,467)	(216)	(1,683)	(1,100)	(241)	(1,341)
Intercompany balance	-	(10,541)	(10,541)	-	(11,105)	(11,105)
Total current liabilities	(119,859)	(152,174)	(272,033)	(125,233)	(134,159)	(259,392)
Net Current Assets/(Liabilities)	233,808	(98,981)	134,828	259,071	(98,125)	160,946
Non-current assets less net current liabilities	2,817,603	(77,894)	2,739,709	2,942,303	(64,971)	2,877,332
Non-current liabilities						
Trade & other payables	(5,780)	(30,426)	(36,206)	-	(33,833)	(33,833)
Loans Outstanding	(108,276)	-	(108,276)	(120,732)	-	(120,732)
Provisions	(1,124)	-	(1,124)	(944)	-	(944)
Pension Liability	-	-	-	(129,536)	(36,342)	(165,878)
Total Non-current liabilities	(115,180)	(30,426)	(145,606)	(251,212)	(70,175)	(321,387)
Assets less Liabilities (C/Fwd)	2,702,423	(108,320)	2,594,103	2,691,091	(135,146)	2,555,945

Northern Ireland Housing Executive

Statement of Financial Position split by service (Continued) - Unaudited
as at 31 March 2023

	Landlord Services 2023 £'000	Regional Services 2023 £'000	Total 2023 £'000	Landlord Services 2022 £'000	Regional Services 2022 £'000	Total 2022 £'000
Assets less Liabilities (B/Fwd)	2,702,423	(108,320)	2,594,103	2,691,091	(135,146)	2,555,945
Taxpayers' Equity						
Statement of Comprehensive Net Expenditure Reserve	1,557,494	(109,630)	1,447,864	1,429,952	(136,339)	1,293,613
Revaluation Reserve	1,144,929	1,310	1,146,239	1,261,139	1,193	1,262,332
	2,702,423	(108,320)	2,594,103	2,691,091	(135,146)	2,555,945

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 over 83,000 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 2022-23 audit of the Housing Executive and sets out the reasons why I have qualified my regularity audit opinion due to material amounts of irregular expenditure.
4. The Housing Executive spent £479.7 million on Housing Benefit during 2022-23. The estimated fraud and error, deemed to be irregular, within this expenditure has been estimated to be £12.7 million. I consider this level of estimated fraud and error within public monies to be material by its nature and have qualified my audit opinion on regularity on this basis. Fraud and error in

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.

Housing Benefit expenditure has been a long-standing issue and 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. The Housing Executive administers this benefit on behalf of the Department which funds customer payments and the majority of administrative costs. While non-working age claimants can continue to avail of Housing Benefit, Housing Benefit is no longer open to new claimants of working age unless they reside in temporary or exempt supported accommodation. In the main, working 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 migrate across. Further details on UC can be found in the Annual Report and Accounts of the Department for Communities 2022-23.

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 the Housing Executive.
7. The criteria that are used to determine entitlement to Housing Benefit, and the method to be used to calculate the amount due to be paid, are set out in 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 as amounts are paid without entitlement and/or at a rate which differs from that specified in legislation. Underpayments due to

customer error are not considered irregular as customers can decide not to claim benefits.

Results of SAU's testing in 2022-23

8. 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 2022 calendar year cannot be applied to the financial year 2022-23.
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.
11. Note 28 to the accounts (entitled 'Fraud and Error') details the estimated level of fraud and error, based on the SAU's work, in 2022 (see Table 1 below). This shows that the total amount of estimated irregular payments in 2022-23 was £12.7 million comprising:
 - Overpayments due to customer fraud or error and official error of £12.0 million (2.5 per cent of Housing Benefit payments); and
 - Underpayments due to official error of £0.7 million (0.1 per cent of Housing Benefit payments).

Table 1

	2018	2019	2020	2021	2022
	£m	£m	£m	£m	£m
Calendar Year Spend	616.4	562.1	529.8	506.4	474.8
Overpayments:					
Customer Fraud	17.5	15.4	14.5	11.3	9.5
Customer Error	3.7	6.4	6.0	4.7	1.2
Official Error	1.2	1.5	3.1	0.9	1.3
Total Overpayments	22.4	23.3	23.6	16.9	12.0
Overpayments as a % of Spend	3.6%	4.1%	4.5%	3.4%	2.5%
Underpayments:					
Official Error	2.4	0.9	1.2	0.9	0.7
Underpayments as a % of Spend	0.4%	0.2%	0.2%	0.2%	0.1%
Total Fraud and Error	24.8	24.2	24.8	17.8	12.7

12. The table above shows that the total estimated level of overpayments has decreased again this year from £16.9 million to £12.0 million. The Housing Executive 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.
13. The largest element of Housing Benefit overpayments is customer fraud which has decreased from £11.3 million to £9.5 million. The Housing Executive 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.

14. The table above shows that both the monetary value and percentage of estimated fraud and error in Housing Benefit expenditure are continuing to decrease and has now almost halved since 2020. While the movement in monetary terms is in part due to the continued migration of claimants from Housing Benefit to Universal Credit, the Housing Executive told me these decreases are also due to a 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 included in the Housing Executive's Annual Report.

Qualification of regularity opinion due to estimated level of fraud and error in Housing Benefit payments

15. 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 the Housing Executive to reduce the estimated rate of fraud and error further from its current level.
16. Nevertheless, the estimated level of fraud and error in Housing Benefit expenditure remains material by its nature at £12.7 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, and the underlying financial transactions do not conform to the authorities which govern them. Therefore, I have again qualified my regularity audit opinion for 2022-23 in this area.
17. I am encouraged that the monetary value and percentage of fraud and error in Housing Benefit expenditure have been decreasing since 2020. Should this trend continue in subsequent years, it is likely that I will be able to consider removing the qualification of my regularity opinion in respect of fraud and error in Housing Benefit expenditure, although this would still be a matter which I report on each year. I will keep this under review during subsequent audits and will consider implications for my regularity audit opinion should the percentage of estimated fraud and error in Housing Benefit return to those

experienced in prior years, or I identify other matters which are material by their nature.

A handwritten signature in black ink, reading "Dorinnia Carville". The signature is written in a cursive, flowing style.

Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
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Belfast
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27 September 2023

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