



Inspection of NIHE
On the
Implementation of Response
Maintenance Recommendations

Final Report

September 2015

Acknowledgement

The Inspection Team wishes to express their thanks and appreciation for the assistance, and co-operation shown by the management and staff of the Asset Management Division and Internal Audit in completing this Inspection.

EXECUTIVE SUMMARY

1. The Governance and Inspection Team within DSD Housing Group undertook a review of the actions taken by NIHE to implement recommendations relating to response maintenance within the Northern Ireland Housing Executive. The review included recommendations made from a number of sources from October 2010. A list of the individual reports can be found at Appendix 1.
2. It should be noted that the review only considered the actions put in place by the NIHE. Due to restructuring within Corporate Services assurance functions, the work of what was then known as Corporate Assurance Unit (CAU) had to sit outside the scope of this assignment. The CAU reports for the past 12 to 18 months indicate a significant and continuing improvement in the performance of response maintenance. However, until that aspect of the assurance process can be reviewed, the Team is unable to comment any further at this stage.
3. The various reports can be broken down into two main groups. The findings from the ASM, NIAO/PAC and Internal Audit reports, in the main, primarily highlighted systematic operational failings and the resultant recommendations were aimed at improving the quality of the contract management activities. The Gateway Reviews were more forward looking, geared at assessing the appropriateness of actions being taken forward by NIHE to address the strategic issues relating to contract management arrangements.
4. With regard to the NIAO, ASM and Internal Audit reports, it is clear from our review that after the initial reports into Response Maintenance, NIHE Management identified an urgent need for a fundamental review of all aspects of contract management activity. They completed a detailed analysis of all the findings and identified a range of actions that they determined was required in order to effectively address the control weaknesses.
5. This analysis culminated in the development of a 10 Point Contract Management Improvement Plan which captured all of the measures required to address the underlying systemic failings. The 10 Point Plan evolved into what was called the 4 S Implementation Plan. This refined plan consisted of identifying the Source of the failures, Structural issues, Skills/training and Systems/technology issues. This plan was incorporated into a Work Plan which covered all Divisions, not just Asset Management Division and this was submitted to Minister as part of the accountability arrangements.
6. The Inspection Team reviewed all aspects of the implementation plans and were impressed by the commitment of management and staff in driving forward the improvements. The key issues underpinning the quality improvement activities were:
 - The provision of accredited training for all response maintenance staff,
 - Updating of the Response Maintenance Manual and Contract Management Operational Guide.

- A series of internal and external support meetings established to ensure open communications and keep the focus on quality improvement. Examples of these are the monthly Maintenance Manager Forum, Performance Review Group and the monthly Contractor Performance meetings.
 - Revised KPIs have been established to address previous failings and ensure continued accountability of contractors and address performance issues.
 - The Team were also able to confirm the proactive approach by management as evidenced by the utilisation of a suite of Housing Management System audit reports for monitoring, reporting and action purposes, such as the no access jobs payments analysis presented quarterly to the Performance Review Group.
 - The Director of Landlord Services has led a number of contractor meetings to consolidate quality assurance requirements and issue a recommended best practice guidance document to improve future performance
7. The review by the Inspection Team confirmed that management had taken forward all the elements of the improvement plan in a comprehensive manner and had provided regular reports to the Board and Audit and Risk Assurance Committee.
8. With regard to the Gateway Reviews, the Team's review of the Healthcheck Review (Dec 2010) and the Gateway Review 3 (Sept 2011) confirmed that the issues had either been fully implemented or subsumed into the Gate 5 findings. From the examination of the Gateway Review 5 of April 14 and the subsequent review on the Assurance of the Action Plan in August 2014 it was evident that good progress has been made in implementing the recommendations of the April 2014 report. Four of the eight recommendations have been implemented in full with appropriate action ongoing towards the implementation of the remaining four recommendations. The NIHE have advised that a follow-up Assurance of Action Plan (AAP) review is planned for March 2015 and this will provide an opportunity to review and confirm completion of the recommendations.
9. In conclusion, the Team is satisfied that NIHE Management have put in place appropriate measures to address the majority of recommendations contained within the reports referred to in Appendix 1. Those recommendations where action is ongoing – a total of nine out of one hundred and thirty-nine recommendations – are of a longer term nature and the Team consider that there has been an acceptable level of progress on these. It is evident that the NIHE Management has taken a positive and proactive approach to addressing the significant issues raised by the various reports on response maintenance. The Team was impressed by the commitment and effort shown by management and staff within Landlord Services in driving forward the changes which have been put in place under what could only be described as very difficult and challenging times.

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1 INTRODUCTION

The Governance and Inspection Team, hereinafter referred to as the Team, is a dedicated Inspection body situated in Housing Group within the Department for Social Development.

1.1 BACKGROUND

Following concerns about the quality of work of one of their response maintenance contractors, the NIHE commissioned a consultancy firm (ASM) to carry out a review of the work. The subsequent report in October 2010, contained 28 recommendations and highlighted significant weakness in the contract management arrangements. This was followed by a series of other reports, for example the VFM Review by NIAO in September 2012, PAC Report in February 2013 and a Gateway 5 report in April 2014, which all highlighted similar problems with response maintenance contract management.

There were a total of 15 reports relating to response maintenance from various sources (ASM, NIAO, PAC, Gateway and Internal Audit) from October 2010 to June 2014. These reports contained a total of 139 recommendations that related specifically to response maintenance. A full list of the relevant reports is attached at Appendix 1.

As a direct result of the serious nature of all these findings the Permanent Secretary had requested that the NIHE Landlord Services should be subject to an inspection process similar to that of the Housing Associations. It was agreed that a preliminary inspection would consider the actions NIHE management had taken to implement the response maintenance recommendations

2 SCOPE

The scope of this inspection was to review the implementation of the recommendations made in various reports carried out in relation to Response Maintenance since 2010. The reports that were reviewed by the Team were:

- NIAO reports
- PAC report
- NIHE Internal Audit reports
- Gateway Reviews
- ASM reports

2.1 SCOPE LIMITATION

The Inspection Team agreed with NIHE management to exclude the work of Corporate Assurance Unit (CAU) from this inspection. This decision was taken in the light of a fundamental review of assurance activity which was

underway at that time by NIHE. It was agreed that this work would be picked up in a future inspection once the new arrangements had time to bed down.

Although not included in the scope of this inspection, it is worth noting that the CAU reports have been showing a significant and sustained improvement in contract management activity within response maintenance.

3 OBJECTIVES

The overall objective was to provide assurance on the activities of the NIHE to the Departmental Accounting Officer. The main objective of this inspection was to:

- Determine how effectively management has implemented recommendations relating to Response Maintenance from various sources since 2010.

4. DSD APPROACH TO THE INSPECTION

During the Team's preliminary discussions with the management team within the Landlord Services, it was evident that the NIHE had accepted that the issues raised in the initial reports had indicated that there were widespread failures of the contract management arrangements within response maintenance. On that basis, management had decided to carry out a fundamental review of those arrangements, using an analysis of the various findings to identify the systemic issues which needed to be addressed and to develop and implement a comprehensive programme of work to drive forward improvements. This approach enabled management to establish a clear vision of what needed to be done and provided the basis for including management, staff and the contractors in a shared commitment to effect real change across all the activities of contract management.

Given this strategic approach to resolving the issues of contract management, the Team determined that, rather than focussing on the individual recommendations, the main focus of the inspection should be to evaluate how management took forward this programme of improvement. An integral part of this evaluation would be to ensure that the improvement programme addressed all the issues which had been identified in the various reports which formed the scope of this inspection.

In Section 6 of this report, the Team has initially provided their evaluation of the improvement programme, followed by an update on the implementation of the recommendation for the four main sources of the recommendations i.e. the ASM reports; NIAO/PAC reports; Internal Audit Reports and the Gateway Reviews.

5. OPINION

During the course of the inspection, the Team interviewed members of the management team and staff within Landlord Division, reviewed the documentation relating to the 10 Point Action Plan and the 4 S Action Plan, examined documentation relating to the individual recommendations and reviewed various progress reports to the Board and Audit Committee.

Based on the findings of the review, the Team would make the following observations

- It is clear that there was a strong commitment from management and staff within Landlord Division to address the failings within response maintenance contract management. This was reflected not only during the course of our discussions with management and staff, but also by the significant input in terms of finance and staff resources which have been committed to driving forward the various quality improvement measures
- It is also clear that management devised a comprehensive and focussed approach, not only to addressing those failings but also to facilitate further ongoing quality improvements.
- There has been clear and regular reporting of progress to both the Board and Audit Committee.
- The Team has determined that appropriate action has been taken by management to address 130 of the 139 recommendations covered by this report. In addition, the Team is satisfied with the progress which has been taken to date on the remaining 9 recommendations.

The success of the actions taken is obviously dependent on real improvements being identified at the delivery end of the business i.e. the effectiveness of the new contract management arrangements. This will be determined, primarily by the work of the Audit and Assurance Division (formerly Corporate Assurance Unit and Internal Audit). As stated under the Scope Limitation (para 2.1) due to re-structuring of the assurance services, the work of the former CAU had to sit outside the scope of this particular assignment and will be picked up in a later inspection. However, the Team is aware that CAU have been reporting significant and sustained improvement within response maintenance contract management.

Based on the findings of this inspection the Team is satisfied that the progress which has been reported by Landlord Services Division, NIHE, is complete and accurate. The team also consider that the progress made to date is a reflection of the significant commitment of both management and staff and they should be commended for their efforts.

Management Response

The positive report is welcomed and noted. In particular the Housing Executive is pleased that the Department has recognised that only nine recommendations remain outstanding out of a total of one hundred and thirty nine from all the inspections. Those outstanding are longer term issues and are being addressed.

6 FINDINGS

6.1 NIHE PROGRAMME FOR IMPROVEMENT

The management team within Landlord Services had accepted that the issues raised by the initial reports had indicated that there were widespread failures of the contract management arrangements within response maintenance. On that basis, management had decided to carry out a fundamental review of those arrangements. This review involved analysis of the findings contained in the various reports on response maintenance and Corporate Assurance Unit (CAU) reports. In addition, an Intervention Team was established who visited offices which had received either a Limited or Unacceptable assurance rating from CAU. During these visits the Intervention Team discussed the findings and recommendations, causes of failure, methods for improvement and the development of individual Action Plans. The information obtained from the analysis and the Intervention Team visits was used to develop what was termed as a 10 Point Action Plan in July 2012. The 10 Point Plan identified the full range of activities which needed to be addressed to drive forward the required improvements in contract management.

Following additional work on the improvement strategy, the 10 Point Plan was further refined to what was called the 4 S Plan. This revised plan brigaded the 10 Point Plan into the following 4 categories.

4 S PLAN

Source of the failure
Skills/training
Structural issues
Systems/technology

The Team reviewed the approach taken by management and was satisfied that the original 10 Point Plan and the subsequent 4 S Plan were effectively constructed and properly focussed and comprehensive in their coverage. A review of the documentation supporting each stage confirmed that the work had been taken forward as planned and that progress was reported regularly to the Board and the Audit and Risk Committee.

Some of the elements of the improvement activity were:

- Training – a bespoke training course was developed in conjunction with an accredited training provider which covered all aspects of contract management. A total of 188 Maintenance Officers and 28 Maintenance Managers underwent the 5 day training by September 2014.
- Review and update of the Response Maintenance Manual and the Contract Management Operational Guide which has provided

maintenance staff and management with clear guidance on their roles and responsibilities.

- Improved communications, both internally and externally, as evidenced by the monthly Maintenance Manager Forum, the Performance Review Group and the monthly Contractor Performance meetings. A number of Contractor meetings were lead personally by the Director of Landlord Services to demonstrate the Housing Executive's commitment to driving forward improvements and consolidate quality assurance requirements.
- Key Performance Indicators (KPIs) have been revised to address previous failings, make them more relevant and to ensure continued accountability of contractors to address performance issues
- The Housing Management System (HMS) has been updated to reflect revised work practices and to incorporate the various changes to the manuals and guides.

6.2 ASM REPORTS

As a result of emerging issues with one of the response maintenance contractors, NIHE launched an independent investigation into the failings of the response maintenance contract in October 2010. A consultancy firm, ASM was recruited by NIHE to carry out this independent investigation, entitled Project Young. Their report highlighted significant failings across all contract management activity and contained twenty-eight recommendations which related to response maintenance. The contract in question ended in July 2011 and the matter was closed.

Based on the findings of the ASM report, the Department had concerns over NIHE's management of response maintenance contracts on an organisation-wide level, and as a consequence initiated a secondary independent investigation into response maintenance contracts in place across NIHE, again through ASM. This second report was entitled Project Dawn and was completed in June 2012. The report contained a total of twenty-one recommendations. The findings mirrored those of the previous report and indeed it is noted that eight of the recommendations were verbatim duplicates of the previous recommendations arising from the 'Project Young' report. The net effect of this was that there were a total of forty-one recommendations to be considered by the Inspection Team from the two ASM reports.

6.3 NIAO / PAC REPORTS

There were a total of six recommendations made by NIAO relating to response maintenance issues in the years 2010/11, 2011/12 and 2012/13. The Team is satisfied that all have been implemented and that there are appropriate monitoring arrangements in place. A significant focus of the NIAO recommendations was the response maintenance overpayments. The Team

established that potential overpayments are now inspected by NIHE in a timely manner. Overpayments, once identified, are recovered in a timely manner without undue contractor challenge. There is evidence of a proactive strategy to deal with any potential overpayments that may emerge in the future. With regards to the overpayments established in the past, underpinned by the ASM report in 2010, NIHE have taken appropriate action to recover these overpayments. All efforts to recover overpayments in relation to response maintenance have now concluded.

The PAC report issued in February 2013 contained ten recommendations, eight of which related to response maintenance. Of these eight recommendations, seven have been implemented. The outstanding recommendation relates to the evaluation of new contracts and cannot be completed until the award of the new response maintenance contract in 2016. The action to finalise this recommendation is addressed under the Gateway Review section of this report.

6.4 INTERNAL AUDIT REPORTS

There were six Internal Audit reports relating to Response Maintenance over the period November 2010 to June 2014 – details are recorded at Appendix 1. The reports contained a total of forty seven priority one and priority two recommendations. Based on the findings of the inspection, the Team consider that forty-two of these have been cleared.

The four recommendations currently ongoing all relate to the Housing Management System (HMS). The two latest recommendations (from the June 14 report) are linked to broader issues and will be taken forward as part of the review and restructuring of the High Level Requirement's, which is planned for March 2015.

Of the two recommendations from the March 12 report, the Team understands that one of these has been recently cleared, after the inspection was completed. The other requires further amendment to HMS which is in process of being addressed.

6.5 GATEWAY REVIEWS

Procurement Guidance Note 01/09 (as amended), Procedures and Principles for Application of Best Practice in Programme/Project Management states that the NI Gateway Review Process is a “key assurance mechanism designed to provide an objective view of a programme or project’s ability to deliver on time and to budget.” The NIHE has applied the Gateway process as an independent review of the management of its Response Maintenance Contracts, primarily RMC2 & RMC3 which were awarded in 2012. The various reviews, their dates, Delivery Confidence Assessments (DCA) are set out in Appendix 2, Table 1.

It is understood that a follow-up Assurance of Action Plan (AAP) is programmed for March 2015. The Gateway Assessor of the AAP held August 2014 has stated the opinion that if progress is maintained there is the potential for the DCA to be revised to Amber/Green.

The inspection team reviewed recommendations in the NI Healthcheck Report and Gateway Review 3 report that had not been identified as complete by subsequent Gateway Review Teams. The team inspected 2 of the 8 Gateway Review 3 recommendations and 6 of the 14 NI Healthcheck Report recommendations. The 8 recommendations inspected were deemed to be either complete or superseded by the Gateway Review 5 recommendations

As a result of this, Housing Advisory Unit's primary focus was on the eight recommendations arising from Gateway Review of April 2014 entitled 'Operations Review & Benefits Realisation RMC2 and RMC3' and the subsequent review of the implementation of these recommendations in the Assurance of Action Plan of August 2014. The recommendations, description, priority rating and the inspector's opinion are set out in Appendix 2, Table 2.

Therefore of the 8 recommendations identified in the Gate 5 Review it is the Team's opinion that 4 are complete and 4 are not complete. The Teams opinion on the progress of these outstanding recommendations is detailed at paragraphs 6.5.1 to 6.5.4 below.

It is evident that progress has been made in implementing the Gate 5 recommendations issued on the 4 April 2014. Target dates are identified for completion of outstanding critical and essential recommendations. A follow-up Assurance of Action Plan (AAP) review planned for March 2015 will provide an opportunity to review and confirm completion of the recommendations.

It is critical that emphasis is placed on the monitoring of the implementation of those recommendations which are deemed to be complete and that knowledge gained is built upon to enable further change to be implemented as required.

It is evident from inspection that NIHE has processes in place aimed at completing the 4 outstanding recommendations and that the follow-up AAP proposed for March 2015 has provided a focus for delivery. Whilst outcomes from the Asset Management Consultancy Commission (Savills) will have some impact, it is the implementation of recommendations from the Asset Management Systems Review (Strategic Adviser) and the on-going review of repairs and maintenance, led by NIHE's in-house Asset Adviser, which will determine NIHE's approach and delivery of response maintenance from September 2016 and beyond. The team therefore **recommends** that:

1. arrangements for the follow-up AAP scheduled for March 2015 continue as planned in order to provide up-to-date independent assurance on progress achieved and consequently review the Delivery Confidence Assessment;

2. the on-going review of repairs and maintenance, led by NIHE's in-house Asset Adviser, maintains focus and gains momentum in the development of a new repairs and maintenance policy supported by an adequately resourced repairs and maintenance function, an efficient contracts structure, an appropriate procurement and contract management strategy and reporting processes; and that
3. the Gateway process, as required by NI Public Procurement Policy, is instigated and applied in parallel to (2) above to provide the Senior Responsible Owner (SRO) with the necessary assurance that the new repairs and maintenance contracts are procured for September 2016.

6.5.1 Recommendation 1: The SRO should undertake a contract resource review to clearly define which roles, skills and training needs are required, and specifically give consideration to reducing dependency on agency staff (Essential).

The status of this recommendation is identified in APG5R as being "on-going". Factors identified by the Senior Principal Officer in Response Maintenance as impacting on the production of the contract resource review include: the outcome of the Asset Management Review; the potential impact of the Voluntary Exit Scheme; NIHE Restructuring; Change to work patterns and methods, including the potential for mobile working and the review of the response maintenance inspection regime; and, the implications of revised Response Maintenance contract strategy in contracts to be let in 2016.

It is clear from background information provided by the Senior Principal Officer in Response Maintenance in relation to staffing levels, skills auditing, competency mapping, and the NIHE Workforce Plan 2014-15, that NIHE has collated background information to aid the compilation of a contract resource review.

The NIHE Workforce Plan 2014-15 highlights key risks including high levels of secondments/acting up, significant numbers of agency staff and staff age profiles pointing to possible retirements. A voluntary exit scheme could exacerbate an already complex task.

The inspection also noted that a process is currently underway for recruitment of Graduate Trainee Asset Managers which may provide the opportunity for knowledge transfer and may facilitate succession planning in the medium term. It was also noted that all Maintenance Officers receive training in Housing Construction and Housing Maintenance Systems supplied by the Chartered Institute of Housing. In addition, technical staff have received in-depth training in the NEC3 Contract.

The team is of the opinion that this recommendation as stated in Gateway Review 5 remains a work in progress and is not complete and that the completion of a contract resource review by Spring 2015 will be challenging. The SRO should consider realigning the delivery date to coincide with the

AAP planned for March 2015 and that delivery of the contract resource review may benefit from identification and co-ordination of key information sources and tasks to facilitate production of a delivery timeline with associated targets stated in the OGC Gateway 5 Review.

Management Response

The AAP scheduled for March 15, took place on 16th April 2015 as detailed above and provided us with an independent assurance. The recommendations from the Gateway 5 Review are now closed as the remaining work on the 2 amber/green recommendations is being incorporated into wider organisational strategies.

6.5.2 Recommendation 4: The SRO should review the flow of data within the project and assess how effectively it is processed, and the value in delivering concise information and reports appropriate to its audience, concluding in a single dashboard for SRO and Board scrutiny (Essential).

The AAP stated that NIHE had made progress in using the Covalent performance and risk management system for reporting on KPIs. The development of a single governance, performance and risk management dashboard type reporting system aimed at providing the SRO and NIHE Board with a single consolidated overview of the response maintenance function remains a work-in-progress. The AAP revised the implementation date to January 2015.

The status of this recommendation as identified in the APG5R update report November 2014 reflects the comments of the AAP with status identified as ongoing and an estimated completion date of January 2015.

During inspection the Senior Principal Officer in Response Maintenance arranged for a demonstration of NIHE IT systems including Covalent, the Housing Management System and the Dashboard system (Power View). The Covalent system is currently used to report on KPIs to the NIHE Board through a traffic light system. The Covalent system has also the ability to provide performance trends and extrapolate overall contractor KPI performance. It was stated that active development was underway on the Response Maintenance balanced scorecard, risk registers, milestones and dashboards.

The SRO may wish to consider whether the implementation date of January 2015 is achievable. It is suggested that if re-programming is required that a target date is aligned to meet the AAP proposed for March 2015.

Management Response

The on-going review of repairs and maintenance service is a key focus for the organisation. A Business Case is currently with the DSD for the appointment of support to redesign the repairs and maintenance function and to write the procurement. The design will be based on best practice from other similar

organisations within the sector. The new procurement will be lead by an in-house project team and will in place by September 2016.

6.5.3 Recommendation 5: The SRO should ensure that an updated Benefits Realisation Plan (with SMART objectives) is produced, agreed and monitored regularly (Critical).

The AAP identified that a first draft of an updated Benefits Realisation Plan (BRP) was being reviewed and that it was planned that a final version will be put to the LSPB in October 2014 for approval.

The status of this recommendation, i.e. the updating of the BRP, is identified in the APG5R update report November 2014 as complete with a final version of the updated BRP having been submitted to the LSPB in October 2014 where it received LSPB approval.

The November 2011 Benefits Realisation Plan (BRP) identified Measures and Surveys using 5 key headings:

- KPIs are effective in the delivery of an improved service;
- Contract meets the need of the Business Unit;
- Governance Structure is effective and is clearly understood by all stakeholders;
- Escalation Procedure is effective in the managing of poor performance; and
- Final Sign-off by Project Board.

The narrative of the October 2014 BRP states that “due to the passage of time there would be no real value in revisiting and reinstating some of the original benefits” and that this opinion was shared by the AAP Gateway Assessor in August 2014.

The Continuous Tenants Omnibus Survey (CTOS), Corporate Assurance Unit Audits, Analysis using the Housing Management System and reference to overall KPI scores for March 2014 and October 2014 are the data sources used to demonstrate the effectiveness of KPIs in improving service.

It is suggested that some benefit may be derived from further analysis of the KPI data from the RMC2 & RMC3 contracts and a review of trends. It is noted that seven of the remaining twelve BRP benefit measures require surveys which have a proposed completion date of March 2015.

It is the team’s opinion that progress has been made in delivering the Benefits Realisation Plan. Further work is required to adopt the most appropriate systems for measurement and monitoring of benefits. The BRP provides the opportunity to enable knowledge transfer to future contracts. The proposed AAP of March 2015 also provides an opportunity to review progress and identify where further analysis is required.

Management Response

A Gateway will be introduced as appropriately for the procurement project.

6.5.4 Recommendation 8: The SRO should produce a Vision and Strategy for the management and maintenance of the assets prior to the commencement of the next procurement exercise (Recommended).

The AAP stated that a NIHE Asset Management System Review had been progressed, a draft report developed and that preliminary findings will be reported to the NIHE Board by the end of August 2014 and a final report submitted in September 2014.

The inspection noted that the minutes of the NIHE Board meeting 27 August 2014 record that the Strategic Adviser (Assets), presented a paper entitled "Asset Management – The Excellence Journey". Key issues from the paper as recorded in the minutes included the need to develop a suitably skilled staffing structure to deliver a 5 year investment plan based on accurate information and supported by an appropriate contract strategy.

The AAP also noted that a joint DSD/NIHE Asset Management consultancy commission had been awarded to Savills UK which will include a report into future strategies and investment needs for NIHE stock.

The revised target date for completion of this recommendation is identified in the APG5R update report of November 2014 as March 2015.

Whilst outcomes from the Asset Management Consultancy Commission (Savills) will have some impact, it is the implementation of recommendations from the Asset Management Systems Review (Strategic Adviser) and the on-going review of repairs and maintenance, led by NIHE's in-house Asset Adviser, which will determine NIHE's approach and delivery of response maintenance from September 2016 and beyond

In addition, it is also understood that the Director of Landlord Services is to discuss this vision and strategy for the management and maintenance of the assets with NIHE Asset Management Assistant Directors and associated communication strategy with the Head of Information.

The inspection also noted that a recruitment process is on-going for the appointment of a new Director of Asset Management and that this too will have some influence on the development of the vision and strategy.

APPENDIX 1

Reports relating to response Maintenance from October 2010 – June 2014

Name	Report Name	Date of Report	No of Recs *	No Cleared	No Ongoing
ASM	Project Young	Oct-10	28	28	0
NIHE Internal Audit	Response Maintenance Control Evaluation	Nov-10	11	11	0
Gateway	Healthcheck Review	Dec-10	14	14	0
NIAO	NIHE 2010/2011 Accounts	Jun-11	2	2	0
Gateway 3	Investment Decision	Sep-11	8	8	0
NIHE Internal Audit	Response Maintenance HMS	Mar-12	9	7	2
NIHE Internal Audit	Response Maintenance Heating	May-12	10	10	0
ASM	Project Dawn	Jun-12	21	21	0
NIAO	NIHE 2011/2012 Accounts	Jun-12	2	2	0
PAC	Response Maintenance Contracts	Feb-13	8	7	1
NIAO	NIHE 2012/2013 Accounts	Jun-13	2	2	0
NIHE Internal Audit	Response Maintenance /All Trades	Jul-13	2	2	0
NIHE Internal Audit	Response Maintenance Review of Heating	Dec-13	12	12	0
Gateway 5	Operation Review and Benefits Realisation	Apr-14	8	4	4
NIHE Internal Audit	Response Maintenance HMS	Jun-14	2	0	2
Totals			139	130	9

* - Number of recommendations relating to response maintenance

DETAILS OF GATEWAY REVIEWS**Table 1**

Review	Title	Date	DCA
NI Healthcheck Report	Gateway Style Health Check Review	10 Dec 2010	Not identified
Gateway Review 3	Investment Decision RMCs 2 & 3	29 Sept 2011	Amber/Green
Gateway Review 5	Operations Review & Benefits Realisation RMC 2 & 3	4 April 2014	Amber/Red
Gateway Review 5	Assurance of Action Plan (AAP)	15 Aug 2014	Amber
Gateway Review 5	Follow-up AAP	March 2015	N/A

CURRENT STATUS OF RECOMMENDATIONS**Table 2**

Rec	Description	Priority	Opinion
1	Undertake a contract resource review.	Essential	Not complete
2	Production of a Contract Management (Operational) Guide.	Essential	Complete
3	Establish a Contractors' Forum.	Critical	Complete
4	Review the flow of data within the project, its Processing and reporting.	Essential	Not complete
5	Produce an updated Benefits Realisation Plan.	Critical	Not complete
6	Review and reduce the number of KPIs.	Critical	Complete
7	Confirm formal acceptance of PPE report	Essential	Complete
8	Produce a vision and strategy for the Management and maintenance of assets	Recommended	Not complete

APPENDIX 3

RECOMMENDATIONS SCHEDULE

Para	Recommendation	Priority		Implementation Date
6.5.1	1. Arrangements for the follow-up AAP scheduled for March 2015 continue as planned in order to provide up-to-date independent assurance on progress achieved and consequently review the Delivery Confidence Assessment;	H	Accepted	Completed
6.5.2	2. The on-going review of repairs and maintenance, led by NIHE's in-house Asset Adviser, maintains focus and gains momentum in the development of a new repairs and maintenance policy supported by an adequately resourced repairs and maintenance function, an efficient contracts structure, an appropriate procurement and contract management strategy and reporting processes; and that	H	Accepted	September 2016
6.5.3	3. The Gateway process, as required by NI Public Procurement Policy, is instigated and applied in parallel to (2) above to provide the SRO with the necessary assurance that the new repairs and maintenance contracts are procured for September 2016.	H	Accepted	A Gateway will be introduced as appropriately for the procurement project pre and post September 2016