



53rd ANNUAL REPORT

1 April 2023 - 31 March 2024

Housing
Executive

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

On

5th July 2024

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Contents

	Page
Performance Report - Non Executive's Report by the Chair, Nicole Lappin.....	3
Who we are.....	6
Our Vision, Core Values and Priorities.....	8
Energising Communities: 2022/23 – 2024/25 Corporate Strategy.....	9
Our Commitment.....	10
The Scale of our Business.....	14
Performance Analysis.....	16
Landlord Services.....	20
Housing Services.....	25
Asset Management.....	47
Regional Services.....	55
Finance, Audit and Assurance.....	96
Corporate Services.....	106
Key Performance Indicators (KPIs) Validation Certificate.....	123
Accountability Report: Corporate Governance Report.....	125
Statement of Northern Ireland Housing Executive's and Chief Executive's Responsibilities.....	134
Governance Statement for the year ended 31 March 2024.....	135
Remuneration and Staff Report	
Remuneration Report.....	159
Staff Report.....	171
Assembly Accountability and Audit Report	
Assembly Accountability Report.....	184
The Certificate of the Comptroller and Auditor General to the Northern Ireland Assembly.....	185
Financial Statements.....	190
Notes to the Accounts.....	197
Annex to Financial Statements.....	265
Report of the Comptroller and Auditor General to the Northern Ireland Assembly.....	269

Performance Reporting

Non Executive's Report by the Chair, Nicole Lappin

I am delighted to introduce this annual report for 2023/24 as the Chair of the Northern Ireland Housing Executive.

This year has seen some changes to the Board, and I would welcome the recent appointments of Councillors Keith Kerrigan and Paul McCusker along with the reappointment of John McMullan as Vice-Chair. I look forward to working closely with all of them, as they each bring different skillsets and new enthusiasm into the organisation.

These appointments were made by Minister Gordon Lyons, who I also welcome in his role as Minister for Communities. I was delighted, soon after Minister Lyons took up his office, to invite him to visit some of our newly retrofitted homes, as well as a young persons' project funded through the Supporting People Programme. He was deeply impressed by what he saw, both in terms of our commitment to making our homes more sustainable and the fantastic work delivered via Supporting People, to deliver outcomes for young people.

Now that the Northern Ireland Executive has returned, the decisions required to ensure effective public services will gain the focus they deserve. However, the current budget for housing will lead to significant and profound challenges in meeting housing need. While all public sector organisations are operating within this difficult funding environment, we will continue to make the case for investment in housing, which is equivalent in its importance to health and education, in improving the lives of people across Northern Ireland.

The continuing rise in the number of households in housing need is a very real indication of the necessity for sustained housing finance and delivery of housing solutions. We will continue to work with officials in the Department for Communities to progress the Housing Supply Strategy, as well as delivering the revitalisation of the Housing Executive, so that we can borrow against our rental income to invest in our stock and build public housing.

Over the past year, the role that the Housing Executive plays in delivering investment in our communities and the local economy has been evident. Most notably, we have invested over £200m improving and maintaining our homes and plan on increasing this to £280m in 2024/25. This not only helps to ensure that our tenants are living in comfortable, safe homes but also supports the local economy, sustaining jobs and critical supply chains.

I was delighted that the Housing Executive has commenced a pilot project of six semi-detached homes in Sunningdale Gardens, North Belfast. These houses are being built using modern methods of construction, and the tenants who will live in them will benefit from improved energy efficiency and significantly reduced fuel costs. They will also give us the opportunity to explore the practicalities of building homes within a faster timeframe and to a higher level of fabric performance.

I am pleased to report that the Housing Executive invested over £700,000 into our communities through Cohesion funding during 2023/24. We also supported the development and implementation of fifteen 'reimaging' projects. This is in addition to the funding and administration of 132 estate-based good relations projects and 20 race relations projects.

I have spent a significant amount of time meeting with and listening to different teams across the organisation, in order to gain a better understanding of the unique needs of the Housing Executive and the tenants we serve. I am continually impressed by the professionalism shown by all of our people, as they put the needs of our tenants and other customers first.

I was particularly impressed by the work of the Financial Inclusion Team, who established a project to proactively reach tenants that might not otherwise be referred to the service. During 2023/24, they proactively contacted 580 different tenants, over the state pension age, who were not in receipt of help to pay their housing costs, generating an additional £2.21 million in annual benefit entitlement for our tenants.

I was delighted to help celebrate the 20th anniversary of the Supporting People Programme in the Long Gallery at Stormont on the 12th June. Supporting People plays a crucial role, not only in the housing, health and social care sectors, but across communities in Northern Ireland. It provides vital ongoing support to vulnerable households across the region.

All of this work however would not be possible without the continued support of the Department for Communities. I would therefore like to thank our Minister as well as the Permanent Secretary, Colum Boyle, along with his Departmental colleagues, for working in partnership with us to help ensure that that the housing needs of our tenants are met.

Finally, I thank all of my colleagues across the organisation; their commitment to delivering for our customers with empathy and respect is truly commendable. I would also like to acknowledge those who continue to serve the Board and its Committees, with the utmost professionalism and due diligence.

Over the coming year there will be a number of new challenges to face and budgetary pressures to overcome but I have every confidence in the organisation's continued ability to improve the lives of our tenants and help build stronger, more resilient communities.

A handwritten signature in black ink, appearing to read 'Nicole Lappin', with a stylized flourish at the end.

Nicole Lappin
Chair

Date: 26 June 2024

Who we are

The Northern Ireland Housing Executive was established by the Housing Executive Act (Northern Ireland) 1971, and by October 1972, we had assumed all local housing functions. Today we are 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 and care for around 83,000 homes, although our footprint extends to more than 220,000 homes across Northern Ireland. We work with partners in local government, councils and housing associations to deliver new-build accommodation of excellent, modern standard, and our services impact 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 6,170 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 as 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 our Housing Services directorate). 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.

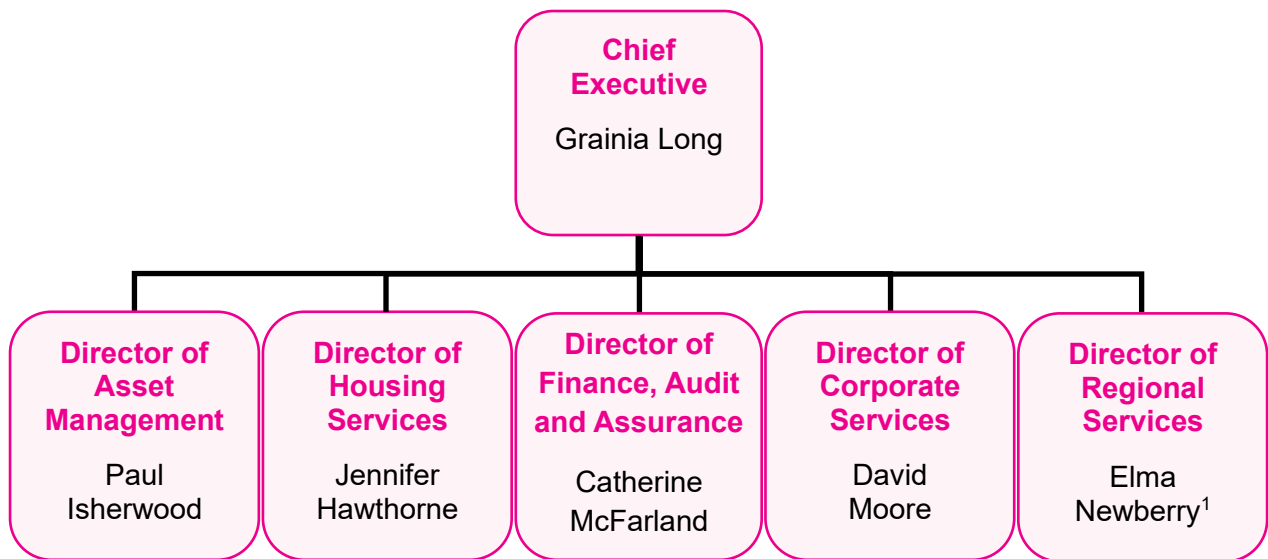
Support Services

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 directorates, 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.



¹ 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.

We strive to make people's lives better

We put our customers first and deliver right first time

We build strong partnerships and share great ideas

MAKING A DIFFERENCE

We treat our customers, staff and partners fairly

We respect and promote diversity and equality for all

We work in an open and transparent way

FAIRNESS

OUR CORE VALUES

PASSION

We are professional in all that we do

We strive for excellence

We look for new, creative, better ways to do things

EXPERTISE

We believe in our people

We are constantly learning, developing and innovating

We provide strong confident leadership

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

Our Corporate Strategy – ‘Energising Communities’, covers the period 2022/23 – 2024/25 and outlines the Housing Executive’s 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. This annual report is a summary of our performance in delivering our 2023/24 One Year Business Plan, as well other key achievements delivered by teams across the organisation. During 2024/25 work will commence on the development of our new Corporate Strategy, which will outline the Housing Executive’s Corporate goals for 2025/26 – 2027/28 and beyond.



Our Commitment

This Annual Report highlights the work that the Housing Executive has delivered from April 2023 to March 2024. It covers the wide range of responsibilities across our strategic housing authority role and the services we also provide as a public landlord of scale.

This report sets out how the Housing Executive makes a real difference to people, their homes and their communities. In total, approximately £979m was invested by the Housing Executive into housing programmes and services across Northern Ireland.

As a landlord of approximately 83,000 homes, our priority is to ensure that our tenants live in safe, warm and dry homes. We are also working to make our properties more sustainable, in order to reduce emissions and heating costs for our tenants. Our retrofit programme, which was part funded by the NIHE and the European Regional Development Fund (ERDF) concluded at the end of December with 1,406 properties completed.

During the year we also commenced a Low Carbon Retrofit Programme of 300 properties, that will test various low carbon heating options. As part of this work, we are collaborating with the construction industry in piloting a number of intelligent data systems that will allow better monitoring and control of energy use in our tenants' homes.

Ramping up investment in our existing stock is a strategic priority and we invested over £200m in our homes in 2023/24. We awarded a total of 95 maintenance scheme and stock improvement contracts, with a combined value of £418m.

Following the tragic death of Awaab Ishak in Rochdale in 2020 and subsequent coroners decision in 2022, we have continued to implement the findings of our review of practice in this area. This is to provide assurances to our tenants that the organisation is dealing appropriately with instances of damp and mould in its own properties. As part of this assurance process an Internal Task and Finish Group was set-up along with a dedicated team to coordinate our work in dealing with damp and mould.

A cross-divisional action plan was also created focusing on six key themes including management reporting, proactive measures, reactive measures, communications, partnership working and learning. A key action undertaken by Area Office staff has been the new programme of assurance visits and the development of a new risk matrix to gain a better understanding of both the classification of damp and mould within a property and the vulnerability levels within our tenants' households. Another key action has been the implementation of a new maintenance officer procedure which has been rolled out to ensure that cases of damp and mould are inspected within 24 hours. Additional training for technical

and non-technical staff on how to spot and manage damp and mould is also being delivered.

As the cost-of-living continues to put pressure on households, more of our tenants are facing difficult daily choices when it comes to paying for food, electricity or heating. This is evidenced by our Financial Inclusion Team who responded to a doubling in demand for its services (compared to the previous year) with a total of 4,267 referrals made by frontline staff. The team has set-up five separate, regular drop-in clinics and attended 23 one-off events to help promote their services, with many more planned for next year.

I am pleased to report that during 2023/24 we sustained 91% of tenancies beyond their first year, up from 88% recorded during the previous year. This is a significant achievement that is supported by our Sustaining Tenancies Funding Programme, which in January awarded £1.5m to projects specifically designed to help keep hundreds of our tenants and their families in their homes.

Tenant involvement in our work is essential, not only to support sustainable tenancies but also in helping to shape how we deliver our services. I am hugely grateful for the continued advice and guidance provided by the Housing Community Network and the Central Housing Forum. The time and support they provide, enables the organisation to be better placed to meet the needs of the tenants we serve.

I am also delighted to report that this year the organisation once again maintained its Customer Service Excellence accreditation, and is one of the leading public service organisations in Northern Ireland using this assessment. This is not an easy task and is a credit to the hard work and dedication of our staff, who work diligently on a daily basis to ensure a high quality service to our customers.

One of the key challenges facing the housing sector across UK and Ireland is the growing demand for affordable housing and the rising number of households who are experiencing homelessness. With housing associations, we met the target of starting 1,500 new social homes, across 78 different schemes. Over 1,400 new homes were also completed during the past 12 months. While this is very good news for many households, our funding capacity did not allow us to commission 2000 homes, as per our original bid.

For a number of reasons, many associated with lack of affordable housing, the number requiring temporary accommodation continues to reach record levels. The number of placements in temporary accommodation reached 11,368 in 2023/24, representing a 10.9% increase on the 10,253 placements in 2022/23. This has meant that our spend on temporary accommodation, and related services, reached £28.9m for the year. We are working to find new solutions to this problem and have secured an additional 100 units of temporary

accommodation from November 2023 to March 2024. Other measures that we are exploring include a transition to an alternative funding model for single lets, increased use of HMO accommodation and the identification of voids in housing association stock.

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

- ✓ Started 3,894 minor and 27 major adaptations for people with disabilities;
- ✓ Successfully transferred across Housing for All from the Department for Communities to the Housing Executive;
- ✓ Approved 805 referrals for Disabled Facilities Grants, representing a commitment value of £14.98m, with 687 projects completed at a value of £12.1m;
- ✓ Successfully transferred the Affordable Warmth Scheme (AWS) to the Housing Executive;
- ✓ Issued 2,675 approvals (with a total value of £14.37m) under the AWS, with work completed in 2,746 homes, encompassing 4,930 efficiency measures;
- ✓ Awarded approximately £545,000 to address community safety issues in our estates;
- ✓ Administered a range of housing assistance for Syrian, Afghan and Ukrainian Refugee Programmes accommodating circa 2,425 individuals;
- ✓ Planted 7,557 trees against a target of 5,500;
- ✓ Awarded £734,000 in grant funding to Homeless Connect to maintain a starter pack service for our tenants;
- ✓ Maintained our Customer Service Excellence accreditation in Housing Services;
- ✓ Administered £470.477m in Housing Benefit to our customers; and
- ✓ Ensured 99.61% occupancy of our properties.

I am very thankful to all of my colleagues for their hard work, dedication and support throughout the past year; I continue to be inspired by the passion and professionalism that they display on a daily basis. I am grateful for the support of the NIHE Board and colleagues in the Department for Communities. I look forward to another year of public service delivery as we work to improve the lives of our customers.

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

Grainia Long
Chief Executive

Date: 26 June 2024

The Scale of our Business – 2023/2024

LANDLORD SERVICES

Housing Executive



83,000

We managed a stock of over 83,000 houses

1,802

1,802 staff undertook **carbon literacy training**



7,557

7,557 **native trees and whips** were planted



3,894

minor adaptations

3,894 minor and 27 major adaptations to Housing Executive stock were started, for people with disabilities



£209.1m

£209.1m invested in our stock, including via planned, cyclical and response maintenance activities; we carried out around 254,000 maintenance jobs, at a value of almost £76.5 million, maintaining and upgrading tenants homes



160,047

160,047 household members living in Housing Executive homes; **32,015** tenants were aged 15 years old and under, **44,574** tenants were aged 60 years old and over



236

We awarded a total of 236 contracts, with a combined value of **£512m**



132

We funded and administered 132 estate based **good relations projects**, and 20 **race relations projects**



We reduced **carbon emissions** from our stock by **1.64%** and we are on track to meet the targeted reduction of **6%** by the end of 2025/26



£2.21m

Our **Financial Inclusion Team** generated an additional £2.21 million in annual benefit entitlement for our customers



1,406

The **European Regional Development Fund (ERDF)** programme concluded, with 1,406 completions and a total approximate programme spend of **£31.7million**

We cut sod on our first housing development in nearly 25 years with our **Modern Methods of Construction/Low Energy** new build scheme of six homes



6



300

Started a **Low Carbon Retrofit Programme** of 300 properties, that will test low carbon heating options

6,100

We managed over 6,100 **leasehold properties**



24,594

24,594 elemental improvements were carried out across our stock



482,111

482,111 phone calls answered and 74,218 visits to our offices

The Scale of our Business – 2023/2024 STRATEGIC HOUSING AUTHORITY

**Housing
Executive**



47,312

47,312 applicants on the **waiting list** for social housing



9

Nine rural needs tests carried out



35,464

35,464 households in **Housing Stress**

16,943



16,943 **homeless presenters** and 11,537 **acceptances**

805



We approved 805 **Disabled Facilities Grants**, with a commitment value of £14.98m. 687 projects were completed, at a value of £12.1m



2,675

Affordable Warmth Scheme: 2,746 homes completed work, encompassing 4,930 efficiency measures

5,710

5,710 **allocations**, of which **2,908** were allocated by the **Housing Executive** and **2,802** by **Housing Associations**



1,508

Social Housing Development Programme:

1,508 new social homes started (with programme expenditure of nearly £162m) and 1,403 completions. 113 have been designed to **Wheelchair Design Standards** and 117 are in **rural** locations.



91%

We sustained 91% of tenancies beyond their first year, up from 88% the previous year

We administered housing assistance for Syrian, Afghan and Ukrainian **Refugee Programmes**, accommodating circa **2,425** individuals

£470.477m

We paid out nearly £470.5m in **Housing Benefit**, and assessed almost 14,000 new claims. There were over **93,000** customers claiming Housing Benefit, including around **40,000** Housing Executive tenants, over **23,000** Housing association tenants, and almost **27,000** Private rented sector tenants

The Rural-Led Energy Transition (RULET) pilot won the **'Net Zero in Housing'** award at the Chartered Institute of Housing All-Ireland housing awards ceremony.



£78.75m

£78.75m was distributed in **Supporting People** funding, via **80** providers, providing over **800** services to almost **20,000** Service Users



340 **Boiler Replacement Scheme:** 340 new high efficiency boilers were installed by owner occupiers



360

360 **house sales** completed

Performance Analysis

This section outlines the Housing Executive's performance during the 2023/24 business year against the 2023/24 One Year Business Plan. In 2023/24, Corporate Performance was reported on a monthly basis (NB. some KPIs, PIs and SOs 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 2023/24 Business Year, we reported on 90 Key Performance Indicators (KPIs), Performance Indicators (PIs) and (Sub) Objectives (SOs). Of these, 82 were scored using a Red-Amber-Green (RAG) scoring system (Red: Not achieved, Amber: Partially achieved, and Green: Fully achieved), while four did not have a specific target and were assessed for 'data only' or monitoring purposes. Additionally, this year there were four KPIs, PIs and SOs that have not fully met the year-end target as per our 2023/24 One Year Business Plan, but the Housing Executive has fully achieved all elements within its control. A breakdown of these is listed below:

- **RSPI 4.6.1:** 1.5% increase (from the baseline) in numbers of new clients supported [via Supporting People funding] (subject to funding);
- **CSPI 5.2.8:** Agree a baseline reputational score to enable future performance measurement and management;
- **HSKPI 4.3.1:** Increase the Housing First model in Northern Ireland by 25% increase from baseline, including through our work on the 'Complex Lives' project. (subject to funding); and
- **CSO 6.1.2:** Following departmental approval, implement the new pay and grading structure across the Housing Executive, ensuring our people are remunerated appropriately and fairly.

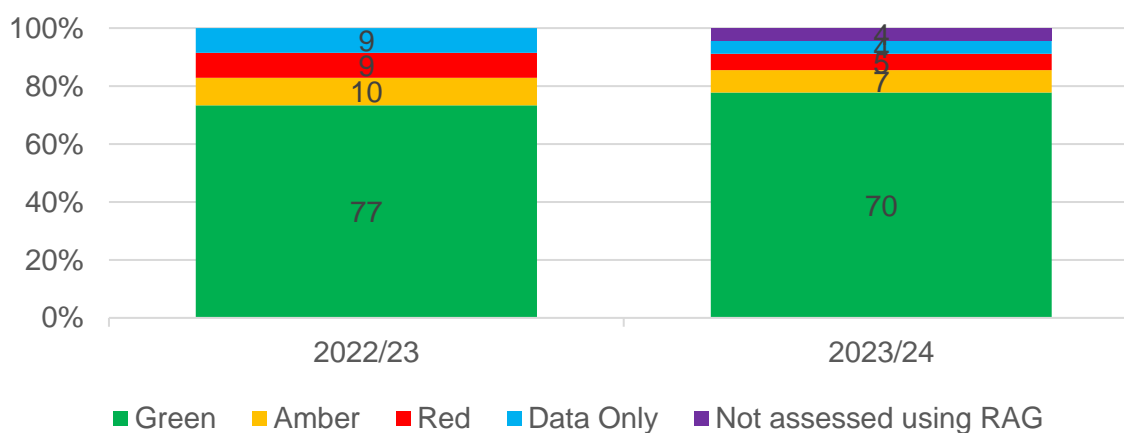
In these cases, failure to deliver was either fully or substantially due to lack of funding, or the absence of external approvals. As a result of this, it was not deemed appropriate to assess these four KPIs, PIs and SOs using a RAG status.

Housing Executive KPI/PI/SO performance during 2023/24

	Regional Services	Finance	Corporate Services	Housing Services	Asset Mangt.	TOTAL
Green	21	5	13	16	15	70
Amber	-	-	-	4	3	7
Red	1	-	1	2	1	5
Monitoring	-	3	-	1	-	4
Not assessed using RAG	1	-	2	1	-	4
TOTAL	23	8	16	24	19	90

Overall, at year-end there were 70 Green, 7 Amber and 5 Red KPIs/PIs/SOs, as well as 4 monitoring/data only, and 4 which have not been assessed using RAG. For comparison, in 2022/23 we reported on 105 KPIs and PIs, of which 96 were assessed using a RAG status: 77 Green, 10 Amber and 9 Red.

Quarterly Reported KPIs, PIs and (sub) Objectives 2022/23 - 2023/24



In the following performance report, we examine the achievements of the Housing Executive throughout the 2023/24 financial year. This period witnessed economic volatility both domestically and globally, stemming from factors such as fluctuating commodity prices, trade tensions, and geopolitical uncertainties. These economic headwinds have directly and indirectly influenced funding allocations, resource availability, and demand for housing

services, thereby exerting profound effects on the Housing Executive's operational capabilities. Domestically, the ongoing shortage of affordable housing, industrial action, price inflation, political instability and labour market pressures have continued to influence the Housing Executive's day-to-day operations. Equally, the Housing Executive is tasked with balancing environmental considerations with affordability and accessibility concerns, necessitating the integration of green practices and energy-efficient solutions within housing operations. Despite the complexities inherent in the operating environment, the Housing Executive remains steadfast in its commitment to advancing housing equity, social inclusion, and quality of life for all residents of Northern Ireland.

Below are some notable KPI achievements from 2023/24 (a more comprehensive overview of our KPIs can be found throughout this document):

- Relet times have reduced significantly over the 2023/24 year (HSPI 5.4.3) and have remained at 29 days since October 2023. In comparison, the average relet time in March 2022 was 35 days.
- Income collection was maximised, with 99.7% collected, compared to a target of 99.3% (HSPI 5.4.1). The collectable rent/rates income at the end of March 2024 was £363.54m, and the value of income received was £362.3m;
- Social Housing Development Programme Starts (RSKPI 1.2.1) and Completions (RSKPI 1.2.2) targets have been exceeded. The Starts target was 1,500 units, and the Starts out-turn for the year was 1,508 units (78 schemes). The completions target was 1,400 units, and the out-turn for the 2023/24 year was 1,403 units (86 schemes);
- All Housing Benefit targets have been achieved (FAAPI 5.4.5) including time taken to process claims, and the recovery of any overpayments;
- Through the full remit of our activities we invested circa £978m into the local economy (FAAKPI 3.1 – 3.8);
- We have successfully implemented 2023/24 actions for the Equality, Diversity, Inclusion & Safeguarding (EDIS) Affirmative Action Strategy (CSO 6.2.1);
- We exceeded targets for delivering our Leadership Development programme, and by the end of the year 227 participants had completed the Leadership Development training (CSPI 6.4.2); and
- We have successfully achieved a number of innovative targets and initiatives this year including commencing our Modern Methods of Construction pilot (AMKPI 2.5.1) and commencing Phase 1 of our low carbon heating pilot (AM KPI 2.4.1).

Whilst we have made significant strides towards delivering the goals set-out in both our 2022/23 - 2024/25 Strategic Plan and the 2023/24 Business Plan, there were five 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:

- **RSPI 1.2.3:** Ensure 10% of the Social Housing Development Programme will be to wheelchair standard;
- **AM PI 4.8.4:** Start 110 Major Adaptations to NIHE stock for people with disabilities (subject to budget);
- **HSPI 5.2.1:** Remain a top quartile performing Landlord as benchmarked by Housemark measured as 80% of 26 areas in Quartile 1 & 2;
- **CS KPI 6.3.1:** Continue to Implement Year Three of the Health and Wellbeing Strategy and associated actions in order to increase staff attendance with absence to be no more than 5.5%; and
- **HSKPI 4.4.1:** End the use of bed and breakfast and hotel accommodation (excluding self-contained units) as temporary housing for children for more than two weeks.

Further details relating to our performance are included in the relevant sections of this report. Further to this, the report will set-out the reasons any KPIs, PIIs or SOs were not fully achieved.

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 (referred to as 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.

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

Landlord Services - Financial Challenges

The financial capacity of Landlord Services is reliant on the income it generates from its property portfolio. However, weekly domestic property rent charges remain amongst the lowest within the UK social housing sector at an average of £79.92 per week (inclusive of a 7.7% uplift in 2024/25).

Detailed analysis clearly indicates that the present level of rental income is wholly insufficient to fund the current backlog of outstanding works and the required forward programme of maintenance and improvement works during the next 10 plus years. This investment is necessary to ensure our housing stock remains fit for purpose and enable us to protect tenants from the impacts of climate change and cost of living energy price increases through a comprehensive programme of thermal improvement works.

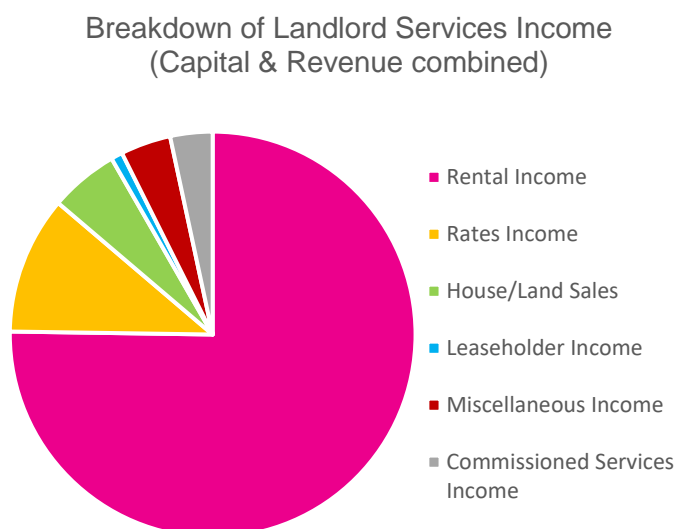
The Housing Executive Revitalisation Programme was established in 2021 to consider and assess a range of options to ensure the medium to longer term sustainability of our property portfolio to provide good quality and affordable social homes for current tenants and future generations. The focus of the initial stage of the Housing Executive Revitalisation Programme was to produce recommendations to address funding challenges relating to investment in our stock. Key considerations include obtaining assurance on the future retail income profile and the ability of NIHE to access public borrowing. Options for this are being progressed by NIHE & 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 self-generated by Landlord Services during 2023/24 is provided below.

Income	£millions
Rental Income	319.0
Rates Income	46.6
House/Land Sales	23.2
Leaseholder Income	3.9
Miscellaneous Income	17.0
Commissioned Services Income	14.3
Total Income	424.0



*See Note 3 in Part 2 of Accounts

Key points to note are as follows:

- **Rental income** – A rent increase of 7% was applied in 2023/24.
- **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.
- **House/Land Sales** - Total receipts reflect the sale of 360 domestic properties in 2023/24 (558 sales in 2022/23). Note, the Housing Executive is not permitted to automatically retain these receipts. Rather these receipts must be automatically returned to DfC for funding re-prioritisation.
- **Commissioned Service Income** – This relates to services provided by Landlord Services on behalf of Regional Services, the cost of which is recharged to Regional Services.

In addition to the above, DfC Grant funding (£26.4m) and ERDF Grant funding (£12.4m) was received for:

- ERDF Thermal improvement works (£12.4m);
- General stock investment activities (£12.6m);
- Landlord Urban Renewal activities (£4.4m);
- The installation of Disabled Adaptations to address tenant needs (£9.1m); and
- Other Landlord activities (£0.3m).

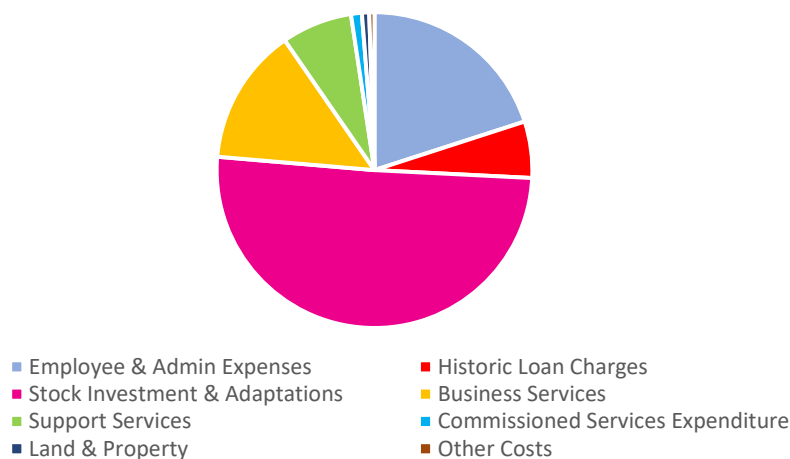
Expenditure Programme

The Landlord Services Expenditure Programme delivers an annual programme of investment in its property stock in order to maintain it to modern day housing standards, including associated business administration expenses.

Expenditure	£millions
Employee & Admin Expenses	82.8
Historic Loan Charges	23.9
Stock Investment & Adaptations	209.1
Business Services	58.0
Support Services	29.9
Commissioned Services Expenditure	4.6
Land & Property	3.1
Other Costs	2.2
Total Expenditure	413.6

*See Note 3 in Part 2 of Accounts

Breakdown of Landlord Services Expenditure
(Capital & Revenue combined)



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 £209.1m of expenditure was directed towards stock investment activities, including planned, cyclical and response maintenance activities.
- **Historic Loans** - Annual costs associated with the repayment of historic loans continue to decrease year-on-year. As at the end of 2023/24 financial year the amount of outstanding loan principle was circa £108m.
- **Business Services** - This includes the payment of property rates charged on Housing Executive properties to Land & Property Services (circa £43.0m).

As at the end of the 2023/24 financial year, the Landlord Services Rental Income Reserve balance was circa £287.6m, representing an increase of circa £30.9m from the previous year. This will be used to part fund future stock investment requirements in the short-term, 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 multi-year funding from the ERDF to support housing stock thermal improvement works. The overall programme concluded on 31st December 2023 with 1,406 completions reported. The total approximate programme spend was £31.7million, £18.3 million of which will be provided by the ERDF.

During 2023/24, the Housing Executive spent £6.3m on this programme of which £3.5m was funded through ERDF.

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 5,710 allocations made to all applicants within the social sector in Northern Ireland, 2,908 were by the Housing Executive with the remaining 2,802 allocated by Housing Associations. In addition to this, we manage approximately 6,170 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 2023/24 is shown below:

Total KPIs/PIs/SOs	Green	Amber	Red	Monitoring	Not assessed using RAG
24	16	4	2	1	1

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 2023/24 we sustained 91% of tenancies beyond their first year, against a target of 86% (HSPI 4.11.3).

Appointed in 2023, the Tenancy Sustainment Action Plan team have been progressing a number workstreams to tackle threats to tenancy sustainability and resilience. These include having reviewed feasibility and delivery model options for the following projects through preparation of comprehensive business cases;

- A new Tenancy Starter Pack Service for Housing Executive tenants - Commencing Autumn 2024 we plan to deliver this programme to 2030. Concurrently funding of £734k has been awarded in grant funding to Homeless Connect to maintain an interim starter pack service for our tenants;
- A multi-tiered Mental Health Awareness training course that is bespoke for social housing professionals supporting tenants - Approval is anticipated in Summer 2024, with phased roll-out commencing in Winter 2024; and

- A Hoarding Support Service for Housing Executive tenants (by internal referral) – Approval is anticipated in Summer 2024. A complementary Hoarding Policy for use by staff and third party contractors has been drafted.

Other activities include:

- An ongoing review of the internal handover process between Housing Solutions and the Patch team;
- Working with our EDIS partners to become JAM card accredited;
- Investigating potential for a Tenant Shopping Discounts Scheme alongside our Financial Inclusion colleagues; and
- Integration of the Intensive Tenancy Sustainment Support contract in South Down Area to 'business as usual', with monitoring ongoing for the purposes of evaluation and staged roll-out in other Area Offices over the years ahead.

In October 2024/25, the Customer Support and Tenancy Sustainment Strategy 2019-24 comes to an end. Therefore, in addition to further progressing the above projects in 2024/25, the team will carry out targeted consultation and publish a new strategy document, along with its with Year 1 Action Plan.

Sustaining Tenancies Grant Funding Programme

Following the success of the Sustaining Tenancies Funding Programme 2021-24 which awarded circa £1.5m to 36 Voluntary, Community and Social Enterprise (VCSE) sector projects, a business case for a renewed three-year funding programme was developed and approved in September 2023. The Sustaining Tenancies Funding Programme 2023-25 will award funding of approximately £3.1m over three tranches to VCSE organisations for projects that will benefit our tenants and their families through helping them to sustain their tenancies and improve their comfort and wellbeing. The application and assessment processes for Tranche 1 were completed and £1.5m was awarded in January 2024, for projects lasting up to 36 months. At the end of 2023/24, several projects funded through the 2021/24 Programme have finished, and have demonstrated a wide range of positive outcomes for our tenants including preventing tenancies breaking down, support with mental health and wellbeing, assistance to look after and maintain homes, and a reduction in social

isolation and loneliness. During 2024/25, £750k will be awarded through Tranche 2 of the 2023/25 Programme and progress of ongoing projects funded through both Programmes will continue to be monitored.

Tenancy Fraud

Fraud performance in the year 2023/24 was broadly comparable with that in the preceding year, demonstrating some stability following the disruption of the first years of this decade. There was a marginal decrease in total properties recovered, with the recovery rate dropping by 0.02% to 0.26% of our total stock. There were, however, still an average of 18 property recoveries per month across the financial year, resulting in savings to the public purse of approximately £7 million. Each property subject to fraudulent use that we recover is one more to be allocated to those in genuine need.

Across the year, the Housing Information and Tenancies Team and Tenancy Fraud Unit worked together to provide practical assistance to frontline offices on complex fraud queries.

During 2023/24 there were:

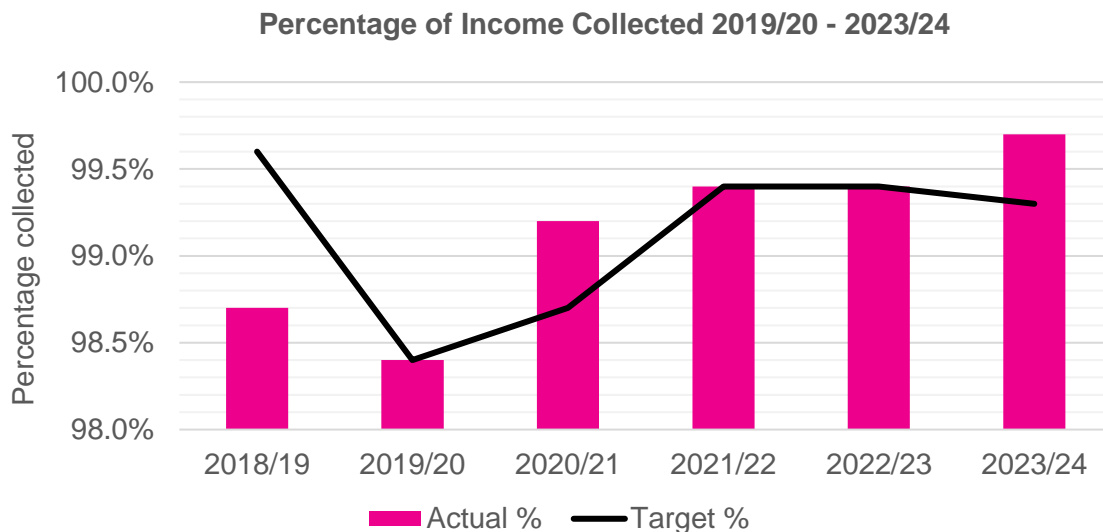
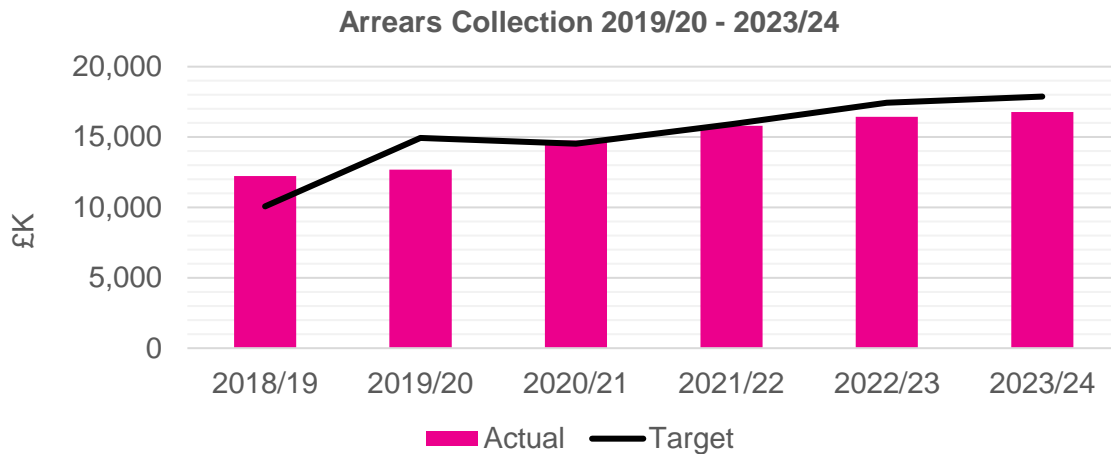
- 751 new cases of suspected tenancy fraud across all areas (compared to 730 new cases in 2022/23). Of these, **58** were initially identified by local offices and referred to the Tenancy Fraud Unit for investigation; and
- 212 properties subject to tenancy fraud were recovered (compared to 233 in 2022/23). Of these, **33** were recovered following investigation by the Tenancy Fraud Unit.

Highlights of the year include:

- A review of our policy on the complex fraud referral process and case reporting/monitoring;
- Development of organisation-wide training to ensure front line staff have the necessary skills and knowledge to investigate and address tenancy fraud; and
- Achieving a satisfactory rating in an audit on our internal policies for the prevention, detection and deterrence of tenancy fraud

Income Collection, Leasehold and Commercial Property.

Our target for gross current arrears not to exceed £17,876k (HSPI 5.4.2) was achieved and we also exceeded our target to collect 99.3% of rent due (HSPI 5.4.1).



The changes to welfare benefits, introduced via the Welfare Reform Programme, continued to be the single biggest factor during 2023/24, in increasing both technical and recoverable arrears. Based on our analysis we believe that arrears not associated with Welfare Reform changes decreased by an estimated £886K during the year.

During 2023/24 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’

The Financial Inclusion Strategy 2023-28 was approved by the Housing Executive Board in June 2023. The new strategy builds on the success of the previous iteration and aims to embed financial inclusion into as many customer-focused services as possible, in order to promote financial resilience and achieve long and happy housing tenure appropriate to the needs of the individual.

During 2023/34, 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—frontline staff carried out over 250 benefit calculations themselves;
- Make referrals for independent specialist debt advice for tenants with significant or complex debt problems—over 300 tenants were referred to Advice NI by frontline staff;
- Make referrals for floating support services for tenants with perceived vulnerabilities—nearly 250 tenants were referred for extra help; and
- Signpost to other forms of practical advice and support, for example DfC’s Make the Call service and other charitable organisations.

The Housing Services Financial Inclusion team was expanded in January 2023 and throughout the 2023/24 financial year this enabled us to deliver more financial inclusion interventions than ever to assist tenants experiencing financial difficulty to improve their circumstances. Responding to nearly double the demand compared to the previous year, the Financial Inclusion team dealt with 4,267 referrals from frontline staff. The Financial Inclusion Managers 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 £2.21 million in annual benefit entitlement for customers during 2023/24, with £271,996 of this being evident as extra housing cost entitlement in tenant rent accounts.

Financial inclusion interventions delivered by both the Financial Inclusion team and frontline staff also had a positive impact on the rent account of 2,470 tenants who saw a reduction in their rent arrears.

The expansion of the Financial Inclusion team meant they were able to spend more time in the community, providing in-person advice and assistance for Housing Executive tenants. As a result, the Financial Inclusion team have established five separate regular drop-in clinics and attended 23 other one-off events with more planned for the 2024/25 financial year. The team also established a project to proactively reach tenants who might not otherwise be referred to the service. During 2023/24, the Financial Inclusion managers proactively contacted 580 tenants over the state pension age who were not in receipt of help to pay their housing costs. Through this project, the Deputy Financial Inclusion Managers were able to maximise the income of some of our most vulnerable tenants and produced some notable results. Some examples are included below:

- The Financial Inclusion team proactively contacted a pension age tenant to offer a benefit check. The tenant lives alone and prior to contact was paying full rent and rates from their state pension of £181 per week, widow benefit of £90 per month and Attendance Allowance of £92.60 per week. Following a benefit check, the tenant was found to be entitled to pension credit of £64.71 per week and consequently, housing benefit of £56.72 per week. The Financial Inclusion team helped the tenant to apply for both. This tenant's income has now increased by £6,314.36 per year.
- The Financial Inclusion team proactively contacted a lone pensioner who, prior to contact, was paying full rent and rates (£88.88) and in receipt of state pension £716.76 per month, attendance allowance (higher rate) and a private pension £271 per month. The tenant had small amount of savings but following a benefit check, the tenant was found to be entitled to full housing benefit and rate relief. The team helped the tenant apply for both and their income has increased by £4,621.76 per year.

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 (UC) and Rate Rebate, ensuring that tenants receive the correct entitlement to help with

their housing costs and mitigating any impact on organisational income. The primary focus of the WBU for 2023/24 has been planning for the Move to UC, managed migration of legacy benefit claimants across Northern Ireland.

The managed migration to UC of Tax Credit claimants began in October 2023 and has so far seen approximately 1,311 Housing Executive tenants make a new claim. We expect around 3,000 tenants will have made this move by the time the Tax Credit cohort is fully migrated. Throughout 2024/25, over 10,000 tenants currently in receipt of Housing Benefit are expected to Move to Universal Credit. Using lessons learned over the previous 8 years of Universal Credit roll out in Northern Ireland, the WBU will play a key role in ensuring both staff and tenants have the information and support they need to navigate this change.

During 2023/24, a total of 5,976 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 35,798 (by the end of March 2024). This is an average of 498 tenants per month. At end March 2024, 24,500 tenants had an active Universal Credit claim, an increase of 1,385 from the previous year. It is anticipated that approximately 50,000 tenants will eventually move on to Universal Credit between the Move to UC 2024/25 cohort, and the Employment and Support Allowance cases due to transfer in 2028/29.

Leasehold Unit and Commercial Properties

During 2023/24 we continued to carry out works and services to approximately 6,170 leasehold properties. The estimated yearly charges applied to the General Service Charge accounts for the 2023/24 year totalled £2.6M, with a further £1.3M of planned scheme costs billed for payment. General Service Charge arrears increased by £219K and Planned Scheme works arrears increased by £497K.

In advance of Planned Scheme works being carried out at the blocks where sold flats (leaseholders) are situated, 585 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 311 leasehold properties where resales or change of ownership took place. To support the House Sales applications for flats, 91 estimated service charges were prepared for inclusion with the offers.

During the 2023/24 year, the Commercial properties portfolio had a net collectable rental income of £1.9m. Commercial rental abatements, supporting 50 community organisations, was estimated to be £150k. Gross current arrears at year end were £124k, a reduction of £73.5K from the previous year. At year-end there was an increase of eight void commercial units, bringing the current total to 51 properties unoccupied.

Customer Service Excellence

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

We missed our challenging target of ensuring 79% of our tenants are satisfied with the overall service they receive, achieving 78% (HS PI 5.2.3). This maintained our performance of 78% in 2022/23. We also missed the target of ensuring 71% of our tenants are satisfied with the overall quality of their home, achieving 69% (HS PI 5.2.5). This represents a drop in performance from 70% in 2022/23. We exceeded our target of 80% of tenant satisfaction with the overall quality of their home (AM PI 5.2.4), with an improvement in performance from 79% in 2022 to 83% in 2023. Whilst performance fell below our targets, overall levels of tenant satisfaction compare favourably with other local housing associations.

Ongoing challenges experienced in some key operational areas are likely to be impacting upon overall tenant satisfaction and satisfaction with repairs. The likely contributors to this include issues relating to transitions in contract delivery, contractor backlogs, ongoing impacts of industrial action, resource and supply chain issues, and delays in planned maintenance works placing greater pressure upon response maintenance. Work is underway across the organisation to monitor and address these issues and improve customer satisfaction.

However, it is reassuring to note some increases in satisfaction;

- There was an increase in satisfaction with how courteous staff are on the telephone (95% in 2022 up to 96% in 2023);
- An increase in satisfaction with how well we consult with tenants (from 72% in 2022 to 75% in 2023); and
- An increase in satisfaction that we listen and act upon the views of tenants (from 70% in 2022 to 75% in 2023). Work is also underway to explore further measures of tenant satisfaction to improve our understanding of this, and our ability to respond to challenges in this regard.

Customer Service Excellence (CSE) accreditation is an acclaimed independent UK national standard of excellence in service delivery. In 2023/4 Housing Services was once again assessed as fully compliant across the 57 rigorous criteria and achieved “Compliance Plus” (best practice standard) in 25 of these 57 criteria, matching our best ever performance which was achieved in 2022/23.

Our performance in relation to two criteria was downgraded from compliance plus to compliance, because of the delays experienced by customers as a result of the impacts of industrial action and as the result of the termination of planned maintenance contracts and subsequent re-procurement. However, two criteria were upgraded to compliance plus, in relation to how we value our staff and how we review and improve our complaints procedure, taking account of the views of customers and staff. This performance 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

Following the successful delivery of Stage 1 and implementation of the first group of changes to the Housing Selection Scheme and allocations process in Northern Ireland in January 2023, the Fundamental Review of Allocations (FRA) Implementation Project progressed to Stage 2 delivery throughout 2023/24. Implementation of the second group of proposals (HSO 4.9.1) was planned for the end of 2023, and while much work has been completed, this Stage has been extended into Q1 of 2024/25 pending the necessary approvals. Although the Housing Executive have completed all elements of the project within our control in a timely manner, external factors and funding uncertainties have resulted in

delays, and the corresponding SO was assessed as amber. The proposals to be implemented in Q1 of 2024/25 are as follows:

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

The Project continues to progress longer term proposals including the investigation of the future provision for victims of violence and those at risk/under threat of Intimidation / violence, including victims of domestic abuse, within the Selection Scheme (Proposal 7). The Project commissioned independent research which was undertaken during 2023/34 and the draft research report was received by the end of March 2024. This report will provide an evidential basis to inform an options appraisal and proposed way forward which the Project Team are undertaking for the Minister for Communities consideration.

The implementation of the FRA changes requires new IT solutions. Stage 2 of the Project involved the development and delivery of a reassessment tool and data store solution during 2023/24 which will facilitate the reassessment of all households on the Waiting List, which is planned for Stage 3 of the Project. The Project Team are continuing to progress the configuration and development of a new Housing Allocations module which will deliver the FRA changes to the housing needs assessment, waiting list management, matching, offers and allocations processes. New IT solutions will also provide an online customer Portal and digital application form.

A Communication and Stakeholder Engagement Strategy is in place and the Project is working closely with a Stakeholder Advisory Group and Housing Associations to achieve the best possible outcomes for customers and social housing landlords.

The Project is subject to annual budget rounds and has been required to 'work at risk' throughout 2023/24. The ability to deliver subsequent Stages of the Project is dependent on funding being made available. Further details on the Proposals for Change can be found on the Housing Executive website.

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 27 organisations from across the UK.

The 2022/23 benchmarking process completed in December 2023 and compared the Housing Executive to similar large scale social housing landlords (with a minimum stock size of 20,000 units). This benchmarking exercise covered six main areas of activity.

Results in the main have been positive, however, performance in a number of areas has continued to be impacted by ongoing recovery from the COVID-19 pandemic and political uncertainty. As a result, (HSPI 5.2.1) Remain a top quartile performing Landlord as benchmarked by Housemark, was not achieved and scored red. Each year the Housing Services directorate provides Housemark with benchmarking data in order to measure our service in relation to 26 key performance indicators across six main activities including:

- Rent Arrears and Collection;
- Repairs Service Provision;
- Void Works and Lettings;
- Tenancy Management;
- Anti-Social Behaviour (ASB); and
- Customer Satisfaction.

The Housing Executive was in the first or second quartile in 18 out of 26 areas (69%). There were two performance areas where we moved into the 3rd quartile: Repairs Service Provision and Rent Arrears and Collection. There were also two performance areas where we moved into the 4th quartile: Repairs Service Provision and Void works and Lettings. The results showed that the issues impacting Housing Executive performance are also being experienced by organisations across the wider UK Housing Sector.

The 'Cost of Living crisis' saw inflation approaching 11% during the year, and contributed to an increase in tenant arrears over the same period, although this was considerably less than we had initially anticipated. During 2022/23, rent collection from current and former tenants moved from second quartile to the third quartile. Current tenant arrears as a percentage of collectable income also increased to 4.79% in the 2022/23 exercise (from 4.6%) in the previous year, however, we remained in the third quartile in this area. The further rolling out of Universal Credit and Rates Rebate continues to create significant challenges. However,

several initiatives including the enhancement of the Financial Inclusion Team continue to drive results in relation to income collection and arrears.

In 2022/23, tenant satisfaction with the overall service decreased from the previous year. This is reported to be linked to challenges in delivering repairs services. Satisfaction with repairs and maintenance at 69.7% showed a significant decrease from last year (86.8%) and moved to the third quartile. Tenant satisfaction with the quality of their home at 79.2%, a decrease from 2021/22 (85.1%), but remaining in the second quartile. Tenant satisfaction that views are listened to and acted upon was 70%, a decrease from 72.7% in the previous year, but actually moved from second to first quartile. Finally, tenant satisfaction with their neighbourhood as a place to live (89.6%) was marginally up on the previous year, and was the second highest figure of all the participating organisations.

Maintenance teams in the UK social housing sector experienced the biggest challenges during 2022/23. These challenges were exacerbated by shortages in labour and materials, the onset of price inflation, which followed on from two years of fluctuations and restrictions and backlogs related to the Pandemic. Furthermore, increased media coverage on issues including damp and mould investigations contributed to falling satisfaction rates in relation to Repairs Service Provision. In addition to the above issues, the Housing Executive service provision was impacted by prolonged Direct Labour Organisation industrial action.

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. Relet times reduced marginally, and at 34.92 days during 2022/23, remained amongst the lowest of all the participants. This indicates the issues facing the Housing Executive are impacting organisations across the UK Social Housing Sector.

Performance comparisons across our activities for the year, using 26 different measures, showed that Housing Executive performance was ranked in the top 25% for 9 of these (34.6%) and above average for a further 9 (34.6%). 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.

In 2023/24 our relet time (HS PI 5.4.3) was an average of 29 days, compared to a target of 33 days, which represents a reduction from 35 days in 2022/23. However, by March 2024 our tenantable void loss of 1.30% was outside the target of 1.21% in the corresponding PI (HSPI 5.4.4) and was therefore assessed as amber. Void loss performance was on a downward trajectory throughout the year and we will continue to work towards the target of 1.21% throughout 2024/25. The Housing Executive aims to repair and re-let vacant properties as quickly as possible in order to maximise rental income and allocate to those in need on the waiting list. However, the residual impact of Covid-19 on 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 and other contractual issues which affected our response maintenance services across a number of areas. Housing Services continues to implement a Voids Action Plan to minimise tenantable void loss.

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 and Social Enterprise teams.

Community Safety 2023/24

We successfully published and implemented Year 4 actions for our Community Safety Strategy (HSO 4.11.2) '*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. Following Tenant and Customer Services Committee approval, the Community Safety Strategy '*Working Together for Safer*

Communities 2020-2023' and the associated Action Plan has been extended until the end of 2024. This was to allow the Housing Executive to take account of a review of ASB legislation, Hate Crime legislation and other potential legislative changes. Work on the new Strategy has commenced including pre-consultation. It is anticipated the new Strategy will be in place at the end of 2024.

We continue to work with other agencies, groups and tenants to deal with ASB.

During 2023/24 we responded to 1,534 reports of alleged ASB. We continued to use an incremental and proportionate approach in responding to reports of ASB 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 2023/24 two properties were returned to us following action.

During 2023/24, our procured mediation service provider worked on 43 neighbour disputes. With funding from the Housing Executive and the PSNI, our community based restorative partners, Northern Ireland Alternatives (NIA) and Community Restorative Justice Ireland (CRJI), provided mediation and community support in 628 cases of neighbour disputes. Based on a model of restorative justice, these Mediation and Community Support (MACS) projects continued addressing the problems of low-level crime and ASB by attempting to fix the broken relationships between victim, offender and the community. NIA undertakes their programmes in various areas of Belfast, North Down & Ards, Mid Ulster and Portadown, while CRJI deliver in West and South Belfast.

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 ASB in Housing Executive estates. In 2023/24 almost £600K was awarded to a range of voluntary and community groups to partner with councils in order to address community safety issues in our estates.

Community Cohesion

The Housing Executive invested over £700K into our communities through Cohesion funding during 2023/24. Our Good Relations Officers, Race Relations Office and Interface Officer work in partnership with communities to implement our Community Cohesion Strategy, producing practical and tangible actions that benefits those communities.

The KPI (HSO 4.11.1) to implement our Community Cohesion Strategy and develop a new Community Cohesion Strategy was met. A new Community Involvement & Cohesion Strategy was developed in year, and when a 12 week public consultation is complete we plan to launch the new strategy in October 2024. During the year we successfully implemented the 2023/24 Action plan, including the following key achievements:

- We funded and administered 132 estate based good relations projects, and 20 race relations projects;
- We supported 10 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 15 reimagining projects via a community-led approach, addressing the physical manifestations of segregation within and between our estates;
- We worked in partnership with DfC and 12 Housing Associations, to deliver the Housing for All Programme;
- By the end of 2023/24 we had completed work at 16 interface locations and have invested funding into our communities; and
- Delivered 23 Positive expressions of culture projects; and
- We have continued to work in partnership with DfC to support the delivery of 77 shared new build schemes on the Shared Housing Programme.

In addition to this, work with Housing Associations will continue throughout 2024/25 to develop Good Relations Plans through the establishment of Advisory Groups.

Community Involvement

The Community Involvement Strategy 2018-2023 was 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 2023/24 we successfully implemented Year 6 of the strategy (HSPI 5.2.6). Key achievements included:

- Conducting research to establish a baseline of current participation levels and participant's views across our communities;
- Awarding £268K Community Grants to groups across all 13 areas;
- Progressing on all our current Service Level Agreements to support our hard to reach groups;
- Continuing to support the Central Housing Forum to challenge and lobby our services; and
- Continuing our work with the Working Groups to ensure the Housing Executive increases tenant, resident and leaseholder engagement.

Tenant and Customer Engagement

The Housing Community Network (HCN) is the key forum for tenant and community engagement in Northern Ireland. It is comprised of 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 CHF 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 2023/24 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 extended the Digital Engagement Officer role, who continues to roll out digital capacity training within the HCN, initially to assist the CHF 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 DfC 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 2023/24 we invested £268K 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, 29 new groups were established.

Social Enterprise

The Social Enterprise Plus Strategy 2020 – 2024 continues to both invest in new and existing social enterprises within Housing Executive communities. The strategy endeavours to create opportunities for employment, volunteering, work experience and training for marginalised groups and individuals who would not generally be engaged via traditional educational and work experience routes.

The three key objectives for the Housing Executive's Social Enterprise Plus Strategy 2020 – 2024 is to:

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

A mid-point strategy review took account of changes in the operational environment following the pandemic and determined the following as additional objectives;

- Global energy and environmental issues;
- Cost of Living;
- The introduction of Social Value in public sector procurement; and
- Covid-19 recovery.

In 2023/24 our Year 4 Action Plan was implemented, and investment awards totalling circa £200k were made. Work is ongoing with the successful applicants to ensure that the funds have maximum economic impact within the local community. The Social Enterprise Team continue to engage with successful, unsuccessful and potential applicants. They also continue to assist in the provision of mentoring, advice and guidance. The team has also resumed their role in facilitating best practice visits throughout NI.

The team continue to work to help promote opportunities for VCSE organisations within our communities to benefit from Social Value opportunities within Housing Executive contracts.

Work on the new Strategy has commenced, including pre-consultation. It is anticipated the new Strategy will be in place at the end of 2024.

Grounds Maintenance

In 2023/24 the Grounds Maintenance team successfully awarded the new Grounds Maintenance and Tree Surgery contracts, with a commencement date of 1 May 2024. Grounds Services had previously been provided by our sole incumbent Contractor who provided the Grounds Maintenance and Tree Surgery works under one Contract. Following an extensive market engagement exercise, we decided to separate the works into two contracts (Grounds Maintenance and Tree Surgery) and as a result, the new Contracts are now covered by four Contractors. The new contracts have been updated to NEC4² contracts, with the introduction of M3 SOR's³ and specification, a revised KPI framework and new

² 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.

³ M3 SOR is a 'schedule of rates', designed for use by any operative, supervisor, surveyor or manager. It covers responsive and void repairs and renewals to social housing and contains both composite and elemental descriptions which are fully priced and compatible with all leading repairs ordering systems.

sustainability elements. We also procured, configured and implemented a new IT system to service the new Grounds Contracts. Our new Contracts will positively impact the local economy, as we have now four Contractors providing these services for the next two years (with a potential to extend up to four years). Additionally, we are delighted to have Tree Surgeons on board as Contractors, who were previously sub-contracted to by our main Contractor.

Throughout the duration of the new contracts:

- We will promote rewilding on our estate to enhance habitat provision, subject to community education and consultation where necessary, and change feature types to convert identified grass areas to wildflower areas;
- We will deliver a programme of tree planting;
- New Contractors will maintain our amenity gardens, lawns and grounds in ways that promotes biodiversity and minimises environmental impact, in accordance with our Sustainability and Environmental policies;
- New Contractors can suggest [economically viable] amendments to the scope of the contract, where those amendments may lead to an improvement in environmental performance or sustainability; and
- We will be able to report on:
 - The percentage increase in wildflower areas;
 - The percentage change in non-chemical usage on hard surface areas;
 - The number of new trees planted; and
 - any other initiatives agreed and implemented throughout the duration of the new Contracts.

During the year the team ensured 7,557 trees and whips were planted across our green spaces, exceeding the PI target of 5,500 (HSPI 2.7.1). In the future we plan to develop a Nature Positive Strategy and adopt further nature positive elements into any new Contracts.

Estate Services

We continued to work with a range of partners and stakeholders on Response, Grounds and Planned Maintenance issues. Throughout 2023/24 the Estate Services team continued to feed into the Damp & Mould Action Plan and provide business support for the Project Board. In April/May the Director of Housing Services tasked the team to develop processes and guidance to facilitate a re-visit to Housing Executive properties with multiple reports of Damp and Mould over the previous two years. Following successful implementation of the exercise, findings were analysed, and a final report was presented to our Performance Review Group in July 2023. Further to this, the team developed a Damp, Mould & Condensation Dashboard, to identify troublesome properties, which will assist Area Managers to prioritise particular estates which, in turn, will ultimately feed into future improvement schemes.

The organisations Call Recording Initiative continued to progress throughout 2023/24 with a Policy and Procedure drafted, and consultation meetings held with relevant stakeholders. Pending feedback on the consultation process it is envisaged implementation of the Call Recording Initiative will take place in 2024/25.

Throughout the year, Estates Services successfully engaged with the Adaptations & Disabled Facilities Working Group to review and co-design '*A Disabled Persons Guide to Adapting Your Housing Executive Home*', which is to be launched in 2024/25.

Graduate Trainees

In 2023/24, the Housing Workforce Development team coordinated 3 separate cohorts of Graduate Trainees concurrently. There were 10 Housing Services Graduate Trainees who commenced their programme in October 2022, 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, this cohort of Graduate Trainees will take up roles throughout the Housing Services Division.

A further 14 Graduate Trainees began their programme in October 2023, 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.

In February 2024, a further 15 Graduate Trainees embarked on year 1 of their 2 year programme. This additional cohort focused on providing support to our frontline service provision through development of policy and strategy. Along with commencing their first academic qualification, a Level 5 in Leadership and Management, Graduate Trainees have additional opportunities to develop skills in several business areas. This includes carrying out research, undertaking consultations and gathering and analysing data in order to help senior managers develop and implement strategy, policy and guidance for frontline staff. Plans are underway for another cohort to start in Autumn 2024.

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 (NWRC). 10 Housing Customer Support Apprentices commenced their Apprentice Programme within the Housing Executive in January 2023.

Apprentices embarked on an 8-month development programme where they developed and enhanced their skills through experiential learning events, including a bus tour around Belfast, a site visit to a Housing Association ‘new build’ and other relevant training sessions. Following the 8-month development programme, Apprentices commenced year 1 of their academic qualification in September 2023. This consists of a 2-year integrated course delivered by NWRC resulting in a CIH Level 3 in Housing Practice and an OCNNI Level 3 in Housing Practice.

Apprentices are preparing for their community placements in the Summer. Apprentices will get the opportunity to work across different community organisations giving them the opportunity to network and build relationships throughout our communities and with our stakeholders, colleagues, tenants & customers. Plans are underway to recruit for another cohort of Apprentices with aim for them to start in Autumn 2024.

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 2023, 2 existing Housing Services staff joined the GEM Programme 'Talent In House' which was successfully delivered through a combination of face to face & online learning events. The Housing Services GEMs worked with other colleagues in the programme from Circle Voluntary Housing, Clúid & Tuath in the Republic of Ireland to deliver a 2-day experiential learning event in Dublin. It brought together GEMs from throughout the UK and Ireland who were taking part in the programme.

In January 2024, a further 3 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 is 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 continues to implement other learning and development opportunities for Housing Services staff including a Level 5 Diploma in Leadership & Management through South Easter Regional College. In October 2023, 8 staff embarked on the qualification which included opportunities to develop innovative solutions for business improvement. Plans are underway for another cohort to start the course in Autumn 2024.

Workforce Development are also piloting another learning and development programme through CIH, a Level 5 in Housing. Plans are underway to offer this course to up to 10 staff within Housing Services in Autumn time.

Asset Management

Asset Management KPI Performance for 2023/24 is shown below.

Total KPIs/PIs/SOs	Green	Amber	Red	Monitoring	Not assessed using RAG
19	15	3	1	0	0

Stock Investment

Providing modern, safe and warm homes, while also improving energy efficiency and reducing carbon emissions, is a key objective for any social housing landlord and we deliver considerable investment every year in pursuing this objective. However, we continue to operate with a significant shortfall in the funding required to fulfil our landlord obligations which include upgrading our stock and maintaining it to modern standards, carrying out adaptations and decarbonising our stock in order to contribute to the UK's 2050 Net Zero carbon target. The Housing Executive Revitalisation project, aims to develop a sustainable funding model for our landlord business and enable a major future investment programme. Pending the outcome of this project, we continue to prioritise works and services that will optimise the number of our properties available for letting to meet growing housing need. In 2021 with the assistance of Savills we estimated we required £10.3 billion over 30 years for stock investment. This will now be higher due to cost inflation in the construction sector in the interim period, and in order to provide us with an updated evidence base we intend to undertake a new Stock Condition Survey in 2024/25.

An increased proportion of our funding is now allocated to thermal works, although with a performance of 1.64% we fell slightly short of achieving the 2023/24 target of 1.7% (AM PI 2.2.2) we had set for reducing carbon emissions in our stock. It is however, important to note that we exceeded our 2022/23 target and are, therefore, still on track to meet the 6% target by the end of 2025/26, as set out in our Sustainable Development Strategy and Action Plan. This Strategy and Action Plan aims to roll-out comprehensive thermal improvement 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. During the year we started on site with the first schemes in a Low Carbon Retrofit Programme of 300 properties that will further test various low carbon heating options, which will ultimately inform the review of our Heating Policy. In tandem with this we are continuing to improve insulation across our stock. We have programmed a further number of external

wall insulation schemes replicating the works undertaken in the part-ERDF funded Energy Efficiency in Social Housing Programme, prepared an initial cavity wall insulation remediation/replacement programme to be delivered over the next three years, and developed a small loft insulation programme. We are also working with industry in piloting and assessing a number of intelligent data systems that will allow better monitoring and control of energy use in our tenants' homes.

Further to this, we started on site with our Modern Methods of Construction/Low Energy new build scheme in north Belfast (AM KPI 2.5.1), which aims to inform future standards for social housing and will be completed around late summer 2024. As part of looking to the future we undertook a design competition with Queens University Belfast and Ulster University to develop ideas on what a socially and environmentally sustainable community might look like, and we will be publishing a booklet showcasing the submissions by the students.

Although we did not achieve all of our intended clearance and demolition milestones for Year 4 delivery of the Tower Block Strategy and Action Plan in 2023/24 (AM PI 3.8.1), good progress was made. Monkscoole House was demolished, Latharna House and Kilbroney House were fully cleared, Rathmoyne House, Coolmoyne House and Clarawood House are almost entirely cleared. Rehousing of residents is proceeding well at Belvoir House, Breda House, Mount Vernon House and Ross House. Demolition schemes are prepared for several of these blocks and are due on site in 2024/25, moving us closer to the time when more modern forms of housing can be provided that will better meet the communities' needs.

During the year we exceeded our target of 22,900 elemental improvements (AM KPI 3.4.1), improving the living conditions of many of our tenants and their families by carrying out 24,594 elemental improvements (20,122 via Planned Maintenance contracts and 4,472 via Response Maintenance contracts), through planned maintenance and improvement works to properties. This included window/door replacements, external cyclical maintenance works, heating installations and roof repairs.

European Regional Development Fund Retrofit Programme

At the end of December 2023, the ERDF part-funded 'Energy Efficiency in Social Housing' programme concluded (AM KPI 2.3.1). A total of 1,406 homes benefitted from this scheme over the life of the programme, exceeding the original estimate of 1,368 properties to be completed by the end of the programme in December 2023. These retrofits have demonstrably improved heat retention in these properties and reduced energy use by

tenants, which is more important than ever in the face of the cost of living crisis. At the end of 2023/24, the overall programme cost was £38.3million, and the eligible thermal element from the programme was £31.7million, of which £18.3 million will be provided by ERDF, with the remaining costs being invested by the Housing Executive. The £6.6 million of ineligible works included kitchens, bathrooms, and some roofs upgrades.

DLO (Direct Labour Organisation)

Our in-house DLO consists of approximately 460 staff (including agency workers) and delivers a response maintenance service to almost 26,000 homes in North and West Belfast, Portadown and Coleraine. Additionally, DLO provide Grounds Maintenance in the north area (covering over 830 hectares of grass), a motor vehicle workshop service and electrical health and safety inspections.

During 2023/24 the DLO concentrated its resources and efforts to address a backlog of works which was the result of seven months strike action. Progress has been made on the backlog, however, this will form part of the ongoing targets for the DLO during the course of 2024/25. The DLO also continued on its journey of change through the Evolve programme. Some highlights from the year are the initiation of an apprenticeship programme, which has seen 18 individuals of all ages undertaking apprenticeships in Plumbing, Electrical and Joinery. The DLO has also trialled 10 new electric vehicles along with a new sustainable fuel source, and findings of these trials will be provided to the Executive Team in due course.

Looking forward, during 2024/25 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. We will also target and trial other sustainability initiatives, and continue to focus our efforts on significantly reducing the backlog of works.

Adaptations to Homes

For some of our tenants, where appropriate, bespoke adaptations are undertaken to Housing Executive 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 2023/24 there were two PIs relating to major adaptations:

- AMPI 4.8.4 (to start 110 major adaptations to NIHE Stock) was not achieved and was assessed as Red, with a year-end outturn of 27. Failure to achieve this target is attributed to the challenges faced throughout 2023/24, with the most predominant being the inability to award the relevant contract (CT093), as it did not represent value for money. An interim process of packaging works together and procuring these packages on a smaller scale more frequently enabled some delivery in this area of works, while the new Major Adaptations for Persons with a Disability (MAPD) contract (CT0133) was drafted and put out to tender. CT0133 has also been evaluated and is pending internal approval. The award of CT0133 and the delivery of the packaged works should allow for increased delivery in 2024/25. In addition to this, an additional resource within the Central Team is being recruited to assist with the delivery and monitoring of MAPD works, and the reviewing of MAPD policies and procedures through liaison with Health Care Professionals and other internal and external Stakeholders.
- A second PI, AMPI 4.8.3, to continue to work with partners to reduce timescales for major adaptations to our stock, including the resolution of statutory approval issues, was successfully achieved. Significant work is also being undertaken to reduce timescales, with the Housing Executive participating in an Interdepartmental Health and Adaptations Programme Board and an Adaptations Working Group as part of the HCN, which will identify ways to streamline and improve the customer experience.

Planned Maintenance

The 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 Housing Executive and our tenants. It helps maintain the value of our assets, but more importantly provides a safe, modern, warm and comfortable home for tenants to enjoy. The planned maintenance programme also represents a significant investment in the local economy, and is a driver for skills and jobs.

Following the collapse of the (CT055) Planned Maintenance Contract in October 2022, a series of interim Contracts were awarded in September 2023 to allow delivery of the Planned Maintenance programme. These contracts, alongside contracts already awarded in 2022, allowed the Housing Executive to exceed the target of 22,900 elemental improvements

(AMKPI 3.4.1) by improving the living conditions of many tenants and their families by carrying out 24,594 elemental improvements to properties, including window replacements, heating installations, bathroom installations, kitchens and roofs repairs.

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 metres. 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 the implementation of the new structure and 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. The team reviewed and updated the legionella logbooks for 364 Community lets and Commercial properties which included briefing leaseholders on their duties and delivering the updated logbooks to site. They also completed 1,200 asbestos management surveys for domestic properties and surveys to 140 commercial lets, 120 Community Lets, 20 Hostels, 15 Offices, and 5 DLO Depots. They ensured 99.57% 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 relation to the satisfactory completion of the FRA Action Plan recommendations in 299 Commercial Properties and 37 Community Lets.

During 2023/24 a number of key compliance policies were reviewed and approved which included the Fire Safety Management Policy, Fire Door 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. The Team have commenced promotion of the policies and are establishing training packages for staff directly impacted by these policies.

As part of the preparation for the introduction of new Legislation following the introduction of the Building Safety Act in England, and as per the Industry Response Group Report Recommendation, the Building Safety Team (in collaboration with University of

Ulster/FireSERT) has undertaken a critical review of the facades of the Housing Executive's High Risk Residential Buildings (HRRBs). All blocks have been surveyed externally to identify materials and construction forms, and laboratory tests have been completed to determine the reaction of façade systems in selected buildings to fire/flame and analyses and comparison against Fire Safety & Legislation. All fire tests are completed and the final part of the research project which involves real fire tests is due to be completed in June 2024.

In conjunction with this critical review of the facades, the Building Safety Team has commissioned a specialist resource to complete a Fire Risk Appraisal of External Walls (FRAEW) in accordance with PAS 9980:2022 of the four Housing Executive HRRBs with cladding systems. The aim of this is to assess the risk to occupants from fire spread and to determine whether remediation or other mitigating measures to address the risk is required. A FRAEW has been completed to Carnet House and a number of observations are being addressed via the contractor who installed the system. The Appraisal of the cladding system on another three blocks (Cuchlainn House, Eithne House and Whincroft House) is due to commence in June 2024.

The Building Safety Team have also been moving forward with the installation of sprinklers in 23 of the Housing Executive's HRRBs (AM PI 4.10.2). The Business Case for the retrofit installation of sprinklers was approved by DfC in December 2023 and the procurement of the works to the five cladded blocks has been completed, with one tenderer submitting a price list offer in February 2024. A review of the price submission indicates that costs are significantly higher than the initial estimates. A review of the cost submission is currently being undertaken and cost comparisons made with new available frameworks to determine value for money of the submission. Despite significant work undertaken to date, as implementation has not commenced this PI has been assessed as Amber.

The Team has developed a Resident Engagement Strategy (AM PI 4.10.1) which was approved by the Executive Team in March 2024. The Strategy aims to complement existing means of resident engagement and sets out new and enhanced ways of partnership working, not only to meet the safety needs of residents, but to also involve residents more effectively in the delivery of services to ensure the safety of both residents and buildings. The Building Safety Team have commenced resident consultation in Carnet House, Divis Tower and the New Lodge Tower blocks, with the aim of establishing Building Safety Forums. This is a means of ensuring engagement with building safety policy, in ways that suit the individual and deliver meaningful and outcome-focused resident involvement, where they can influence and shape our current and future services.

In order to protect residents within our HRRBs the Housing Executive complete flat entrance door and landlord fire door inspections. Three-monthly inspections of all Fire Door-sets and Landlord Fire Doors for all HRRB's in scope are now being emulated, as per the Fire Safety (England) Regulations 2022 Fire Door Checklist Template, published by the Home Office. To date a total of 3,396 fire doors have been inspected and their condition recorded.

Future plans for the department include the development of a Building Safety Management Policy and Control of Contractors Policy relevant to HRRB's, and to fully implement an "overarching" Resident Engagement (Safety) Strategy for all residents (tenants and leaseholders) in Higher Risk Residential Buildings (HRRB's). In particular, we plan to focus on bespoke Resident Engagement (Safety) Strategy's for each HRRB, Building Safety Communications, and resident involvement (including the use of randomised control trials and resident satisfaction surveys). The Department will also review all HRRB External Wall Templates previously completed (as per Fire Safety (England) Regulations 2022) and carry out a Fire Risk Prioritization exercise to determine the Classification of each HRRB and liaise with the Northern Ireland Fire and Rescue Service as necessary. We will also complete a Fire-SERT Research Project (Façade Assessment Exercise) across all HRRB's over 18m and continue the "benchmark assessment exercise" across all cladded HRRB's against new Regulatory Standards.

Procurement

In 2023/24 the Corporate Procurement Unit (CPU) awarded a total of 236 contracts, with a combined value of £512m. These included multi-million-pound contracts for the provision of response maintenance and planned maintenance works, including new bathrooms, kitchens and rewiring. The CPU contributes to the creation of a strong, competitive, regionally balanced economy by ensuring that this spend 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.

Looking forward, CPU will deliver a number of key projects during 2024/25:

- Implementation of the new Procurement Bill 2023 (by 28 October 2024);
- Launch of our new Procurement Strategy;
- Refining our approach to delivering social value;

- Strategies for the delivery of response maintenance;
- Provision of a dynamic procurement system for the DLO; and
- Implementation of a Procurement Project IT Workflow System.

Throughout 2023/24 our 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 2023/24 is shown below.

Total KPIs/PIs/SOs	Green	Amber	Red	Monitoring	Not assessed using RAG
23	21	-	1	-	1

The Housing Executive is the Strategic Regional Housing Authority for Northern Ireland. It works 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 discrete funding provided by other bodies for specific services that the Housing Executive delivers on their behalf.

Given wider public sector funding constraints, 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 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 to fund increasing costs and service demands.

Regional Services – Financial Challenges

The suspension of the Northern Ireland Executive and the impact of sustained levels of high inflation resulted in significant funding and cost uncertainty.

Key programmes continued to experience increasing demands and costs, particularly due to extra homeless demands arising from a Central Government initiative to expedite the processing of Asylum Seekers applications and continuing cost pressures across the Supporting People programme.

It remains anticipated that funding availability restrictions will continue to place pressure on service delivery in 2024/25.

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. As 98% of Regional Services

activities are either contractual, statutory or of Ministerial priority in nature, there is very limited scope to reduce financial commitments.

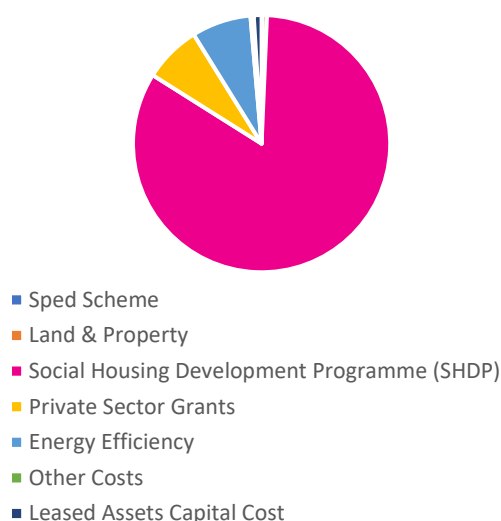
Capital Expenditure Programme

The capital expenditure programme in 2023/24 delivered approximately £194.3m of services, with £161.8m (83.3%) provided to Housing Associations to part fund the development of new social housing provision via the SHDP.

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
Social Housing Development Programme (SHDP)	161.8
Private Sector Grants	14.0
Energy Efficiency	14.5
Other Costs	0.8
Leased Assets Capital Cost	1.9
Total Capital	194.3

Breakdown of Regional Services Capital Programme



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

Key points to note are as follows:

- **Social Housing Development Programme** – The programme delivered a total of 1,508 new social housing starts during the 2023/24 year with programme expenditure of £161.8m.
- **Private Sector Grants** – This programme included expenditure of £12.1m for Disabled Facility Grants to help customers achieve greater of independence in their own home.

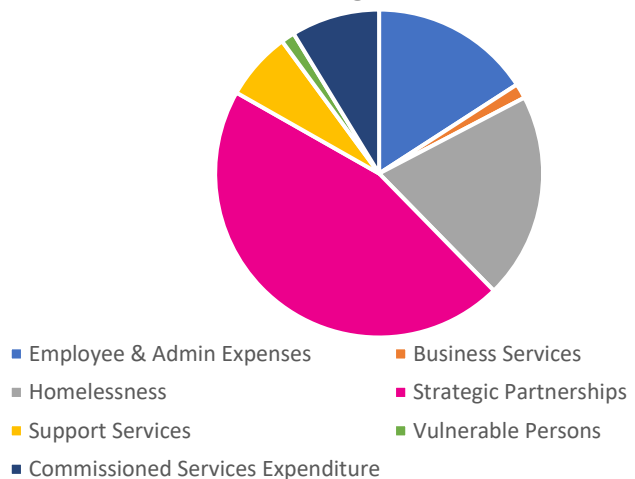
- **Energy Efficiency** – This programme includes expenditure of £14.4m in Affordable Warmth grant measures which includes cavity wall insulation, heating, double glazing and approx. £0.1m in grants to implement new thermally efficient heating boilers.

Revenue Expenditure Programme

The revenue expenditure programme in 2023/24 delivered approximately £163.8m of services, with £74.6m (46%) directed towards the Supporting People programme and £33.3m (20%) in support of the statutory Homeless function.

Revenue Programme	£millions
Employee & Admin Expenses	26.0
Business Services	2.4
Homelessness	33.3
Strategic Partnerships	74.6
Support Services	11.0
Vulnerable Persons	2.2
Commissioned Services Expenditure	14.3
Total Revenue	163.8

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 £25.6m in relation to direct employee salary costs.
- **Homelessness** – Circa £28.9m 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 future homeless programme demands and costs. Accommodation based costs increased significantly from the previous year (2022/23 circa £21m) largely resulting from an increase in presenters arising from a Central Government initiative to expedite processing of Asylum Seekers applications, coupled with increased costs of accommodation due to housing supply limitations.

- **Strategic Partnerships** – A net investment of £74.6m is reported on the Supporting People programme. This included gross investment of £78.7m in services, inclusive of an additional £3m of financial support announced by the DfC Minister to address sectoral demand and cost pressures. This was offset by recouplement of historical surplus reserves of £4.1m.
- **Vulnerable Persons Relocations Programmes** – NIHE administered a range of housing assistance for Syrian, Afghan and Ukrainian Refugees accommodating circa 2,425 individuals in 2023/24.

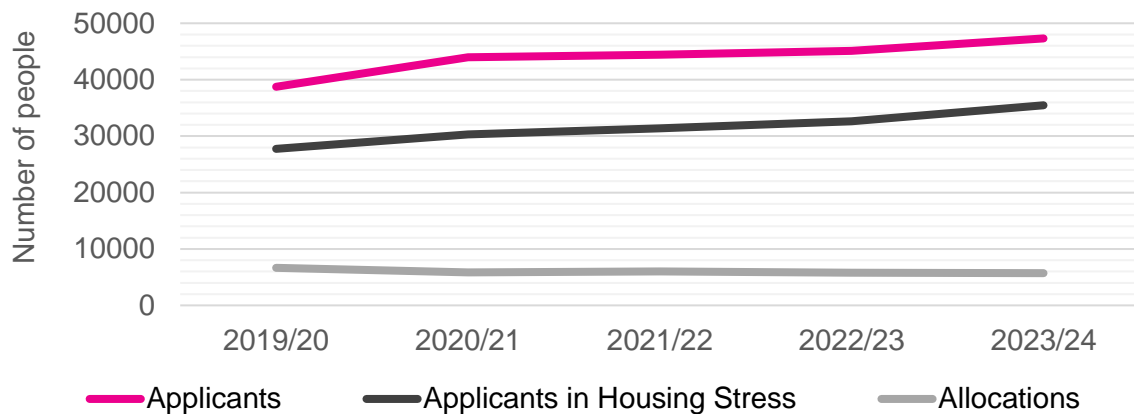
Social Housing Need

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, the Chief Executive presented the new 2023-26 Housing Investment Plans to all 11 councils (RSPI 1.4.1.1). These plans, which are aligned with our three year Corporate Strategy and its strategic priorities, set out housing need and the plans, programmes and investment within our remit, for housing. These plans also report on our plans and performance in the context of Councils Community Planning objectives, helping Councils in the preparation of their Local Development Plans and informing decisions on land use and development over the next 15 years. Ultimately this helps to meet social housing need and deliver appropriate future housing solutions that contribute to balanced and sustainable communities and neighbourhoods.

At 31 March 2024, 47,312 households were on the waiting list for social housing (compared to 45,105 at 31 March 2023) of whom 35,464 (compared to 32,633 at 31 March 2023) are considered to be in Housing Stress. Of those in Housing Stress, 29,394 are Full Duty Applicants, households that meet the statutory definition of homelessness (compared to 26,305 at 31 March 2023).

Social Housing Waiting List, Housing stress and Allocations
2019/20 - 2023/24



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 is responsible for delivering the Supporting People (SP) Programme introduced in April 2003. The Programme is delivered on behalf of DfC, in partnership with DfC and the Department of Justice (DOJ). 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 2023/24, there were 80 providers providing over 800 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 SP Programme Outcomes, which in turn links into the 11 SP Outcome Indicators (SPOIs) at service level. In the 2023/24 year, the following Outcomes were reported against the 11 SPOIs for the four key thematic groups:

- **Disability & Mental Health Thematic Group:** Average 97% overall success rate against the indicators across 32 Providers, delivering 274 Services;
- **Older People Thematic Group:** Average 95% overall success rate against the indicators across 28 Providers, delivering 395 Services;
- **Young People Thematic Group:** Average 90% overall success rate against the indicators across 13 Providers, delivering 33 Services; and
- **Homelessness Thematic Group:** Average 88% overall success rate against the indicators across 38 Providers, delivering 116 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 2023/24 year, the Crisis Accommodation Services showed an overall average success rate of 78% against the Outcomes Indicators across three providers delivering three services.

Supporting People Finance

In 2023/24 a total of £78.75m was paid to SP Providers. This was primarily funded through the SP budget allocation and successful recoupment of historical SP reserves.

Expenditure on Floating Support from 1st April 2023 to 31 March 2024 was £14.07m, which was 17.8% of the total SP Programme expenditure.

Supporting People performance

The Supporting People Contract Management Teams (CMTs) deliver guidance and support on an ongoing basis to provider organisations and monitor performance and quality of Supporting People services.

89 Quality Monitoring Visits/Assessments and 121 Contract Management Meetings were carried out in addition to the implementation of a number of mergers, business cases, composite contracts and service reconfigurations achieving greater administrative efficiencies. Eight Regional Thematic Group meetings were held during this period.

Providers inform SP of incidents arising within the parameters of the Major Adverse Incident (MAI) Framework which are reported to DfC and to the Housing Executive Safeguarding Team as appropriate. Where necessary, the Supporting People Team undertake follow up

actions. In 2023/24, Providers reported a total of 235 MAIs across the four themes. Supporting People continue to support Provider staff in their effort to keep service users safe.

Performance indicator (RSPI 4.6.1) 1.5% increase [from the baseline] in numbers of new clients supported [via Supporting People funding] [subject to funding] was not achieved. The target for 2023/24 was to increase 300 Supporting People units (subject to funding). However, DfC requested the Housing Executive do not enter into any new financial commitments, due to budget uncertainty and this was adhered to. It was therefore not deemed appropriate to assess this PI using a RAG status.

Key achievements during 2023/24 included:

- **SP 20th Anniversary Celebration Event.** 20th Anniversary of the SP Programme Celebration Stakeholder Event held at Stormont Parliament Buildings on 12 June 2023, with stakeholder attendance including cross-party political attendance, the DfC Permanent Secretary, the NIHE Board Chair and the NIHE Chief Executive. A 20th Anniversary SP video profiling service user experiences and outcomes was produced and shown at the Stormont 20th Anniversary Event. The event highlighted the successful collaboration between the Housing Executive, the Department for Communities, the Department of Health (DOH) and the Department of Justice (DOJ) over the past two decades. This event was successful in raising the profile of the SP Programme whilst marking the 20th Anniversary of SP;
- **Review of Jointly Commissioned Supported Accommodation Projects for Young People Event.** The Review of Jointly Commissioned Supported Accommodation Projects (JCSA) for Young People – Sharing Findings Event was held at the Dunsilly Hotel in Antrim, on 25 October 2023. The event, in partnership with the Department of Health and the Strategic Planning and Performance Group (SPPG), shared the report and findings. It included presentations from SPPG, Voice of Young People In Care (VOYPIC), Supporting People and the Housing Executive's Housing Services and gave the opportunity for provider organisations to network and pose questions;
- **SPOCC I.T. System Replacement Project – SHARP System.** An I.T. System Replacement Project commenced to replace the outdated SPOCC system. The new SHARP system will effectively and efficiently support the delivery of the services provided by the Supporting People Programme. A Provider Working Group was established to ensure that SP Providers are consulted throughout the design and

implementation processes; and

- **Supporting People Three Year Strategic Plan And COVID-19 Recovery Plan 2022-2025.** 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 of the Supporting People Three Year Strategic Plan and COVID-19 Recovery Plan 2022-2025 (Strategic Plan). Supporting People have achieved significant progress against Year One and Year Two actions proposed under the four strategic priorities of the Strategic Plan; COVID-19 recovery, working towards closing the 14% gap between need and supply, innovation and strengthening relationships and collaboration with Providers.

SP continued to communicate and engage with customers and services users throughout 2023/24:

- Supporting People established bi-annual meetings in collaboration with Housing Association CEOs;
- DfC's Permanent Secretary visited a selection of Supporting People services in June and November 2023;
- Representatives from Regional Services met with Committee Representing Supporting People Providers (CRISPP). A commitment was given by both parties to facilitate future engagement;
- SP have been involved in the establishment of Jointly Commissioned Supported Accommodation (JCSA) provider forum and also the establishment of Local Planning Partnership Groups (JCSA) within four out of five Trust areas. This is an outworking of the recommendations from the JCSA report which also included the development of additional training for Housing Advisors and Social Workers throughout the region.

The SP team continued to undertake policy reviews and development:

- SP contributed to the development of the updated DfC Supporting People Policy Framework, which was published in August 2023;
- SP developed and published the Supporting People Annual Report 2022/23;
- SP facilitated a Housing Benefit Rent Review which resulted in a successful increase in Housing Benefit uptake in Housing Benefit Supported Accommodation costs. An additional five providers contacted Housing Benefit to request a review as a result;

and

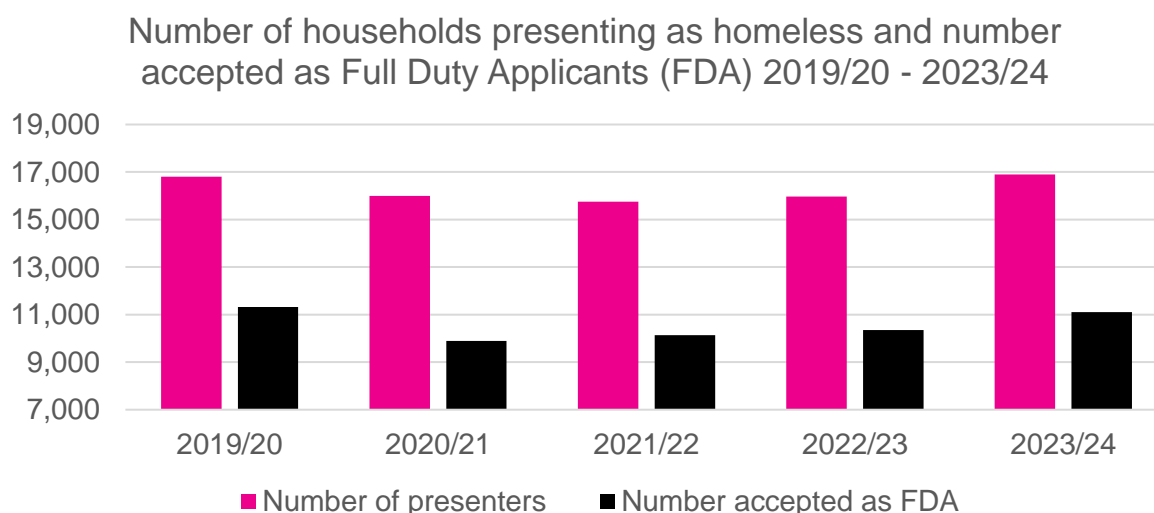
- DfC engaged with the DfC Supporting People Joint Funding Review.

SP also delivered the following new services:

- SP secured a provider to deliver a new, innovative wrap-around support service for women experiencing chronic homelessness and Catherine House was opened in March 2023;
- SP developed additional community-based support in East Belfast; and
- SP developed a new accommodation service for single female refugees in North Belfast.

Homelessness Services

During 2023/24, there were 16,943 households that presented to the Housing Executive, representing an increase of 6.13% from 15,965 presentations during the previous year. Of those presenting, 11,537 were accepted as Full Duty Applicants and owed a full housing duty, increasing from 10,349 (11.48%) from 2022/23. Accommodation not reasonable; Loss of private rented accommodation and sharing breakdown/family dispute, remained the top three reasons for homelessness presentations, with approximately 63% of presenters being in these categories in 2023/24.



There were five KPIs linked to Homelessness:

- **HSKPI 4.2.1** 'Continue to support and make the case for sustained and targeted funding for homelessness [£2m] prevention projects to deliver innovative housing solutions for our customers [subject to funding]'. The Housing Executive was unable to deliver a Homelessness Prevention Fund as there was insufficient funding during 2023/24. Whilst funding specifically for homelessness prevention projects was not realised, there has been significant and ongoing work between the Homeless Unit and colleagues in Finance to make the case for funding for homelessness and in particular prevention throughout 2023/24. During the year the Housing Executive led on a range of actions relevant to homelessness prevention; supporting the delivery of Homelessness Awareness Week, engaging with partners in the education sector, and seeking to develop an awareness campaign in the community sector. Due to the sustained, proactive and targeted work undertaken in year in relation to homelessness prevention, this KPI has been assessed as Green;
- **HSKPI 1.10.1** 'Work to identify and increase stock available against baseline to use as temporary accommodation including through a leasing model in private sector accommodation and Housing Executive Stock [Target of 50 by end of Q4]'. Stock available for use as temporary accommodation increased through the acquisition of additional single lets, with a net increase of 167 active single lets on the portfolio since the beginning of June 2023.
- **HSKPI 4.3.1** 'Increase the Housing First model in Northern Ireland by 25% increase from baseline, including through our work on the 'Complex Lives' project [subject to funding]'. Continued engagement and consultation took place with DfC and, subject to Board approval, it is anticipated the pilot for Housing First allocations will be initiated early in 2024/25. Whilst there was no increase against the baseline of 46 properties in the 2023/24 year, this was subject to funding constraints and therefore it was not deemed appropriate to assess this KPI using a RAG status;
- **HSKPI 4.4.1** 'End the use of bed and breakfast and hotel accommodation [excluding self-contained units] as temporary housing for children for more than two weeks'. This target was not met, as placements into temporary accommodation increased by 10.9% from 10,253 placements during 2022/23 to 11,368 placements during 2023/24. Whilst this KPI was assessed as Red due to being over the 10% tolerance threshold, the number of families in temporary accommodation for longer than two weeks compares favourably to other jurisdictions, and in 2024/25 we will continue to work to reduce time spent in temporary accommodation.; and

- HSKPI 5.3.1** to 'Continue to deliver the Lived Experience Programme to include regular engagement with lived experience clients to better understand their needs and improve our services'. The Housing Executive continues to work with Homeless Connect in the delivery of Lived Experience Groups, and through the Lived Experience Groups we collected feedback regarding the Fundamental Review of Allocations proposals 4 and 9. In addition, there was significant effort to develop an outline for a Lived Experience Programme in the absence of funding during 2023/24. Work focused on engagement with key partners, including Housing Rights, Homeless Connect and Homewards, to explore ways for a collaborative approach to participative work via a Lived Experience Programme Working Group.

During 2023/24 the Homelessness team also reported on four milestones linked to HSKPI 4.2.1 'Continue to support and make the case for sustained and targeted funding for homelessness [£2m] prevention projects to deliver innovative housing solutions for our customers':

Homelessness milestones:	2023/24 performance	Comment
Title and Code		
HSPI 4.2.1.1: Monitor Homelessness Presenters trends for analysis and reporting. (PI Trend)	16,943 homeless presenters	This is an increase of 6.13% in comparison to the previous year (15,965 homeless presenters) 'Accommodation not reasonable'; 'Loss of rented accommodation'; and 'Sharing breakdown/family dispute' remain the leading three reasons for presenting as homeless.
HSPI 4.2.1.2: Monitor Homelessness Acceptances trends for analysis and reporting. (PI Trend)	11,537 homeless acceptances	This is an increase of 11.48% in comparison to the previous year (10,349 homeless acceptances). 'Accommodation not reasonable'; 'Loss of rented accommodation'; and 'Sharing breakdown/family dispute' remain the leading three reasons for presenting as homeless.
HSPI 4.2.1.3: Monitor the average length of time in temporary accommodation.	34.46 weeks	The average length of time was 32.64 weeks in 2022/23.

Homelessness milestones:	2023/24 performance	Comment
Title and Code		
HSPI 4.2.1.4: Report the number of placements in non-standard temporary accommodation.	4,725 placements	At the same time last year there were 3,809 placements.

The Homelessness Strategy 2022-27 and the Strategic Action Plan for Temporary Accommodation will continue to guide the delivery of homelessness services during 2023/24, with further information on both documents noted below.

Homelessness Strategy 2022-27

The Homelessness Strategy 2022-27 Year 1 Annual Progress Report has been published on the Housing Executive's website. The report outlines the actions delivered during the first year of the Homelessness Strategy, highlighting key achievements including Homelessness Awareness Week 2022, working together with those with lived experience of homelessness, collaborative work carried out together with our Homelessness Local Area Groups and with various organisations such as the Centre for Homelessness Impact.

The Homelessness Strategy 2022-27 Year 2 Action Plan (available on the Housing Executive website) contains 42 actions which focus on enablers, and three key objectives. A number of the actions have evolved from the first year of the Strategy and continue to be delivered as part of the Year 2 Action Plan. Projects which were carried out during the second year of the Homelessness Strategy included a Street Needs Audit, carried out in Belfast, Derry/Londonderry and Newry, to identify the levels of street activity and rough sleeping in the three cities across Northern Ireland. As part of the prioritisation of the Homelessness Strategy 2022-27, to ensure that those with lived experience of homelessness can contribute to the development and delivery of services there have been significant efforts to develop an outline of a Lived Experience Programme, with further developments to take place alongside our partners during Year 3 of the Strategy. The Housing Executive has also been working closely with the Centre for Homelessness Impact to deliver an Ending Homelessness Data Framework for Northern Ireland and a Value for Money report in respect of temporary accommodation.

In addition, the Homelessness Strategy 2022-27 Year 3 Action Plan has been developed alongside our partners who are represented on the Central Homelessness Forum. It is anticipated the action plan will be published in July 2024.

Strategic Action Plan for Temporary Accommodation

The Strategic Action Plan for Temporary Accommodation was published in 2022. The Action Plan is based on 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.

The Action Plan is an iterative plan, which evolves based on experiential evidence, emerging pressures and priorities. Year 2 actions are available to view on the Housing Executive website.

Demand for temporary accommodation continued to grow significantly in 2023/24. Accordingly, increasing the supply of temporary accommodation has been a key priority. Temporary accommodation supply has increased via the securing of additional single lets, the repurposing of void Housing Executive stock and the use of void Housing Association properties. The Housing Executive has also sought to maximise the capacity of the temporary accommodation portfolio by routine monitoring of occupancy and void information.

Progress has been made on a remodelling programme for large-scale congregate hostels, with the formation of a steering group to take forward the remodelling of one of Northern Ireland's largest hostel services. In terms of sustainable supply, the Housing Executive agreed a three-year lease of units at a bespoke facility of temporary accommodation in Belfast. Work has also progressed on the development of a long-term leasing model for temporary accommodation in the private sector.

Actions for Year 3 have been developed together with partners on the Central Homelessness Forum. It is anticipated that these actions will be published in July 2024.

Ukraine Resettlement Scheme

The Housing Executive continued to play a key role during 2023/24 in the Executive Office led, cross departmental response to the delivery of accommodation and support for Ukrainian nationals, who arrived in Northern Ireland as part of the UK Governments humanitarian response to the Russian invasion of Ukraine. It is estimated that in excess of 3,170 Ukrainian nationals have arrived in Northern Ireland through a recognised visa process since March 2022.

The Housing Executive continues to deliver on key responsibilities under the programme in Northern Ireland by assisting Ukrainian households through:

- 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 through the Ukrainian Housing Clinic; and
- Homelessness assistance under statutory homelessness duties.

The outlook for 2024/25 is dependent upon the situation in Ukraine but given recent changes to the UK visa schemes, planning assumptions are based upon a slowdown in the number of new arrivals. The Housing Executive will continue to monitor the number of arrivals to inform the required contingency planning response.

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. The Housing Benefit PI (FAAPI 5.4.5) to 'Ensure the effective and efficient delivery of the Housing Benefit Service in line with agreed performance indicators, including the transition to Universal Credit' was composed of six milestones in 2023/24, all of which were successfully achieved. Performance for 2023/24 is shown below:

Housing Benefit PI Target and Performance 2023/24:	2023/24 Target	2023/24 Performance
PI Milestone and Code		
FAAPI 5.4.5.1: Process new Housing Benefit (HB) claims within an average of 15 days.	15 days (average)	7.60 days
FAAPI 5.4.5.2: Process change of circumstances claims within an average of 5 days.	5 days (average)	1.48 days
FAAPI 5.4.5.3: Ensure an accuracy rate of 97% for HB award assessments.	97%	99.50%
FAAPI 5.4.5.4: Recover Overpayments to the value of £8.5 million.	£8.5 million	£9.2 million
FAAPI 5.4.5.6: 97% of new claims decided within 14 days of having all information.	97%	99.88%
FAAPI 5.4.5.5: Process 60% of new claims within 10 days of receipt of the claim.	60%	79.17%

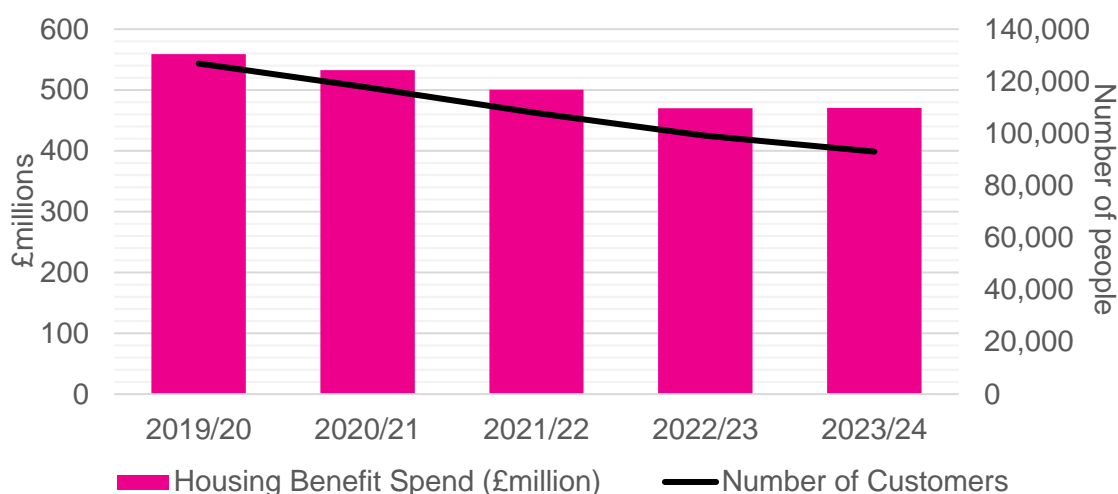
At the end of March 2024 there were 93,028 customers claiming Housing Benefit (HB) broken down as follows:

Tenure	Number of Customers
Housing Executive tenants	40,016
Housing association tenants	23,239
Hostel claims	2,917
Private rented sector tenants	26,856

Over the course of the year we:

- Paid out £470.477m in Housing Benefit, excluding Discretionary Housing Payments;
- Assessed 13,971 new claims for Housing Benefit and dealt with 160,411 changes to existing claims notified by claimants; and
- Processed 2,554,958 changes notified via the Department for Work and Pensions information system that informs local authorities of any change to other social security benefits or tax credits.

Annual Housing Benefit Spend and Annual Number of Housing Benefit Customers 2019/20 – 2023/24



Additional financial assistance was delivered to 13,325 customers through the Discretionary Housing Payment Scheme, with awards totalling £5.9m being made over the course of the year. Distribution under Housing Benefit and the Discretionary Housing Payment scheme for the financial year totalled £476.4m compared with £479.7m for 2022/23.

Further help with rates charges was also provided through the Low-Income Rate Relief (LIRR) and Lone Pensioner Allowance (LPA) Schemes. During 2023/24 a total of £1.23m was paid in LIRR to Housing Executive and housing association tenants, with an additional £0.86m paid in LIRR to tenants in the private rented sector. Total caseload including private rented sector is recorded as 8,963 at the end of March 2024. A further £142k in LPA was paid to Housing Executive and housing association tenants, with an additional £646k paid in LPA to tenants in the private rented sector. Total caseload including private rented sector is recorded as 4,943 at the end of March 2024.

We have also maintained our focus on the prevention and detection of fraud and error in the HB system. During 2023/24 sanctions were taken against 14 claimants for benefit fraud, and we recovered around £9.2 million of overpaid HB, of which £0.51m was recovered directly from Housing Executive tenants through Housing Benefit payments in year.

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. At the end of March 2024 there were 35,827 owner-occupiers claiming Housing Benefit (Rates) and Low Income Rate Relief (LIRR).

Between 1st April 2023 and 31st March 2024, we paid out £33.35m in Housing Benefit (Rates) and LIRR, assessing 1,362 new claims for Housing Benefit (Rates) and dealing with 13,168 changes to existing claims notified by claimants and 983,568 changes notified via the Department for Work and Pensions information system that informs local authorities of any change to other social security benefits or tax credits.

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 (UC) and Digital Transformation Programme.

The natural migration of Housing Benefit customers to Universal Credit will continue throughout the year via the Move to UC, and by the end of the 2024/25 financial year, DfC plans to complete the managed migration to UC for those people in receipt of Working Tax Credits/Child Tax Credits (including those on both Employment Support Allowance and Tax Credits), Income Support, Jobseeker's Allowance, and Housing Benefit only. DfC will largely maintain parity with the Department for Work and Pensions plans.

Managed migration commenced with Tax Credit only customers on 16 October 2023 and Housing Benefit customers with Tax Credits on 13 May 2024. This will be followed by people claiming Income Support from June 2024, Housing Benefit only and people claiming Child

Tax Credits with Employment and Support Allowance (Income - Related) from July 2024, and from September 2024 people claiming Jobseekers Allowance (Income - Based). Customers may be in receipt of a combination of benefits, for example an Income Support recipient could also be claiming Housing Benefit and/or Child Tax Credits.

Following the Chancellors Autumn statement in 2022, it was announced that customers in receipt of Employment Support Allowance (with no Tax Credits), with or without Housing Benefit would not migrate to Universal Credit to 2028/29. However, on 19 April 2024, the Prime Minister made a speech which included the announcement to bring forward the migration of Employment Support Allowance with or without Housing Benefit to Universal Credit. The Department for Communities is working to assess the impact of this announcement and will provide an update on the future plans for the migration of these customers.

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 grant-aid on behalf of DfC for properties in the private sector. With budgetary constraints 2023/24 was a challenging period, however the service exceeded all KPIs and expenditure across the range of grants reached £28.3m

The team remains committed to continually making improvements in delivery across all its grant-aid. We have continued to process more electronic applications in 2023/24 as part of our commitment to bring positive environmental and economic impacts.

The reporting dashboard, introduced in the previous year, was used effectively by managers to progress grant applications, monitor trends and provide management oversight. The grant process was closely monitored regarding application status and timelines, which has had an affirmative impact on delivery timelines. This has contributed positively to our customers' experience.

We are acutely aware of the challenges which continue to face the local economy and the construction industry in particular. The Housing Executive has worked to help mitigate the impacts of the ongoing supply-demand challenges. In February 2024, we reviewed and increased the Schedule of Rates for grant-aided works for Home Improvement Grants and

the Affordable Warmth Scheme by circa 8%. This increase will help customers and their chosen contractor complete necessary works.

Home Improvement Grants

For Home Improvement Grants we committed a total of £15.06m through 1,081 approved grant applications and paid £13.2m for work completed in 2023/24. In addition, £0.6m was paid for Home Improvement Agency services.

- **Mandatory.** Disabled Facilities Grants (DFG) is one of two statutory 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 to help support independent living. During 2023/24 we approved 805 referrals for grant aid with a commitment value of £14.98m and 687 projects completed at a value of £12.1m.

For 2023/24, we set a target to improve service delivery times for DFG's that were inside the Housing Executive's control. We looked at our performance in 2021/22 over four key stages of the DFG process that we control and agreed a baseline of 318 calendar days for those four stages. A target to decrease that baseline by 7.5% gave us a benchmark of 294 days. By end 2023/24 we exceeded this target with the teams achieving a processing time of 227 calendar days.

A cross tenure interdepartmental review of all Home Improvement Grants (with initial focus on DFG) was started December 2023, with the collective aim to improve administration and provide the best possible outcomes for service users. We are working with various stakeholders including DfC, Department of Health, Disabled Adaptation Working Group (a sub-group of the Central Housing Forum), Health Trusts and our colleagues in the Landlord Services and Asset Management directorates.

The other mandatory grant we administer is for Repair Grants, which follow the issue of statutory notices by local councils. We paid out £474k resulting in vital improvements to 270 properties in the private rented sector.

- **Discretionary.** Our grants programme is wholly reliant on the availability of Government funding in order to finance it. In recent years we have only received an allocation for discretionary grant aid which has allowed us to cover previously committed spend and new applications directly linked to the statutory DFG.

Currently discretionary grants (renovation, replacement and home repair assistance) are only available in exceptional circumstances. In 2023/24 we were able to pay £632k in grant-aid for completed work and approved work to start in six properties with a commitment value of £120k.

Affordable Warmth Scheme

During 2023/24 DfC changed the delivery model for the Affordable Warmth Scheme. The scheme's original targeting and referral partnership arrangements with Local Councils came to an end. Since 1 September 2023, enquiries for the Affordable Warmth Scheme are triaged by the Housing Executive's NI Energy Advice Service. Customers may also avail of other energy advice or apply to other suitable grants before making an Affordable Warmth application.

Between 1 April and 31 August 23 we received 1,072 referrals from Councils and since 1 September 23 we have had 2,400 direct applications. Over the financial year we issued 2,675 approvals with a total value of £14.4m.

During the year 2,746 homes completed work, encompassing 4,930 efficiency measures, exceeding our targets of 2,745 homes receiving 4,117 measures. The energy efficiency measures provided included loft and cavity wall insulation, ventilation, draught-proofing, heating, window replacement and solid wall insulation, which will help reduce fuel costs for householders.

In the final quarter, Affordable Warmth Scheme case handling was migrated into the Private Sector Grants IT system whilst ensuring applications and payments continued. This single grant-aid system is one of the Housing Executive's bespoke in-house IT Team's development projects, which aims to improve the overall customer experience. Our intent is to provide operational efficiencies and improve data analysis to enhance service delivery. In turn this will help to reduce processing times, whilst also ensuring grant payments are expedited and facilitate the creation of increased flexibility, with Officers rotating across all grant types.

We are pleased that the Affordable Warmth Scheme's business case, which was due to end in March 2024, received addendum cover to operate for a further two years. We are a lead partner in supporting DfC to develop and deliver its Residential Action Plan 2023-27 which intends to include a scheme that will replace the Affordable Warmth Scheme, which is due to close in March 2026.

Boiler Replacement Scheme

The Boiler Replacement Scheme was closed to new enquiries in September 2023 due to pressures on the confirmed budget allocation (where eligible, households may now apply to the Affordable Warmth Scheme). During 2023/24 there were 344 new high efficiency boilers installed by owner occupiers, with a total spend of £139k.

Since its launch in 2012 the scheme impacted positively across Northern Ireland, both environmentally and economically. During its time the Housing Executive addressed 104,750 enquiries, processed 60,125 applications and issued 49,057 approvals for grant-aid.

Some 43,082 central heating boilers, which were over 15 years old, were replaced with a new high efficiency 'A' rated condensing type boiler and circa £22m was invested in the economy.

Housing & Health Team

The primary role of the Housing and Health team is to promote collaborative working between departments and 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 2023/24 include:

- Implementing a Housing and Health Adaptations Assurance Framework. This includes coordinating the Interdepartmental Adaptations Programme Board (including representatives from DoH and DfC) which sets strategy and policy, underpinned by the setting-up of a number of Regional Partnership Forums (including Trusts and Housing Providers) across tenure;
- Ongoing development of a regional escalation process to support the management of complex cases between Trusts and the Housing Executive. To the end of March 2024 65 cases have been referred to the panel with numerous examples of successful outcomes;

- The setting up of an Interdivisional Disability Forum within the Housing Executive, with representation from Asset Management, Regional Services, Corporate Services and Housing Services;
- The delivery of interagency training for complex case management with Trust Occupational Therapy services and Housing Executive staff; and
- Delivery of undergraduate (BSc) and post graduate (MSc) training in housing and environmental design to Occupational Therapists, in collaboration with Ulster University.

Looking forward, the team's plans for 2024/25 include:

- Completion and launch of an Inclusive Design Guide for people with cognitive and sensory impairment;
- Ongoing implementation of the Housing and Health Adaptations Assurance Framework, partnerships and processes;
- Involvement in the DfC Review of the Disabled Grants process including taking the lead on a Health and Social Care Trust 'Task and Finish Group' to support the review;
- Participate in a review of any Adaptations policy;
- Contribute to the delivery of Housing Actions included in the Department of Health's Autism Strategy; and
- Working in collaboration with the DoH regarding the housing needs of people with Learning Disability.

Housing Research

During 2023/24, research carried out and commissioned by the Housing Executive continued to play an important role in supporting the development of housing policy and strategy. Although a challenging funding context meant that it was not possible to commission the majority of the new projects that had been requested by various teams within the organisation, work continued on a range of contractually committed strands of work.

A key objective for the year was to fulfil a statutory obligation by undertaking fieldwork for the Northern Ireland House Condition Survey. This technically-detailed and labour-intensive work, which had been postponed for two years due to coronavirus-related restrictions and concerns, commenced in early May 2023, when a total of 39 specialist surveyors began making contact with a sample of households in all housing tenures across Northern Ireland. The work continued during the Spring and Summer months, maximising the availability of daylight for the exterior assessment of the properties that must be undertaken alongside interior and social survey strands.

By autumn, when fieldwork was suspended due to reduced light, a total of just over 4,000 properties had been visited. This was some way short of the original planned sample of 7,000 properties, mainly due to a number of unforeseen issues relating to the recruitment and appointment of surveyors, as well as greater difficulty engaging with householders than during previous surveys. However, a subsequent review of key information indicated that the data collected was robust at Northern Ireland level, and in March 2024 a decision was taken, in partnership with key stakeholders, to close the fieldwork with 4,000 properties visited.

With the 2023/24 fieldwork phase complete, the focus for 2024/25 will be on quality assurance and validation of the data, paving the way for analysis. Work will commence on a preliminary report about Northern Ireland's dwelling stock and tenure, which should be ready for publication by March 2025.

As well as the House Condition Survey, work continued on 18 other projects that had been carried forward from 2022/23 and three new projects commenced (in one case, procurement was at an advanced stage at the beginning of the financial year, for the other projects, funding was made available by the client). Of the total 22 projects (including the Northern Ireland House Condition Survey), eight were completed by March 2024 and five were progressing in line with planned timescales. A further four had been slightly delayed due to resourcing issues, delays in collating the required internal data or funding issues, and the remaining four projects were completed, subject to internal sign-off processes.

Research completed/published during 2023/24 provided evidence and insights to inform service delivery and policy including;

- The Continuous Tenant Omnibus Survey;
- Evaluation of the homelessness strategy 2017-2022;
- Review of the Sanctuary Scheme; and
- Understanding Tenant Participation and Involvement).

Our outputs also informed policy and strategy development in relation to energy efficiency schemes (Affordable Warmth Scheme and Boiler Replacement Scheme Evaluation 2020-2022; Home Improvement Grants Survey and two strands of 2016-based fuel poverty modelling).

The draft programme for 2024/25 comprises various strands of research required by internal and external clients to help ensure effective service delivery and strategy and policy development. At the time of writing, confirmation of the funding allocation for commissioned research activity was still awaited. More information on the Housing Executive's research is available at: www.nihe.gov.uk/Working-With-Us/Research.

Irish Traveller Accommodation Strategy

The Housing Executive achieved the target to ensure the availability of culturally sensitive accommodation for Irish Travellers (subject to planning) and continued to work in partnership to commence two new sites by 2024/25 (RS O 1.8.1). The Irish Travellers Accommodation Strategy 2021-2026 was published on the Housing Executive website in July 2021. The Strategy aims to:

- Address the range of accommodation needs of Irish Travellers; and
- Ensure the provision of adequate and suitable accommodation for Irish Travellers that meets their needs, promotes their equality of opportunity and promotes good relations among Irish Traveller households and between Irish Travellers and other members of the community.

Year 2 of the Strategy has completed with progress made across all achievable actions including:

- A proposed Irish Travellers Accommodation Needs Assessment methodology has been completed; and
- A new site to address need in Mid Ulster was identified. The Irish Travellers Policy Unit (ITPU), along with South Placeshaping started the planning process for approval to build at Tamnadeese Road, Magherafelt.

A review was due to be carried out at The Glen Serviced site, Coalisland following an improvement scheme to the 16 amenity units on site. The improvement scheme has run into delays following the discovery of issues with the infrastructure on site. Regional Services are working with Asset Management to solve the infrastructure issues which would allow the improvement scheme to complete.

A Good Relations project has been initiated in Mid Ulster. ITPU, Community Cohesion and Mid Ulster Local Office staff met to discuss funding and delivery for a pilot Good Relations Scheme in the area.

Throughout 2024/25 work will continue on the delivery of two (sub) Objectives:

- RSO 1.8.1 (Working in partnership commence the redevelopment of two existing sites to ensure the availability of culturally sensitive accommodation for Irish Travellers by 2024/25). During the past year, RSO 1.8.1 experienced slippage due to delays with procurement (Ballyarnett) and with the completion of the business case (Legahory). Whilst there has been in year slippage, significant work and progress has been made in 2023/24 in relation to the delivery of the overall objective by 2024/25, and any issues have now been resolved, with work on the two redevelopment schemes continuing, and the SO has been assessed as Green.
- RSO 1.8.2 (Work to source two new sites and bring forward planning application in Belfast and Magherafelt). In 2023/24 a site identification study for Belfast uncovered no suitable lands for development of an Irish Traveller site. We will therefore seek zoning of appropriate lands through the Local Development Plan process. Although this SO spans a three year period and considerable work has been delivered in 2023/24, there have been a number of challenges, many of which are outside of the Housing Executive's control for both the Belfast and Magherafelt sites. In addition, to this, sites have been sourced and planning applications have been brought forward, and as a result this SO was assessed as Green.

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 DfC. The SHDP is managed on a rolling three year basis, with each iteration subject to approval, both from the Housing Executive's Board and DfC. All new social housing is developed and delivered by housing associations. For the 2023/24 year, a final budget of £161.844m was in place to deliver on key targets (n.b. the starting SHDP Budget Position was £159.544m, plus £2.3m transferred from the Housing Executive at year end).

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 2023/24, housing associations delivered Starts on 1,508 new social homes (across 78 schemes) against a target of 1,500 (RSKPI 1.2.1). There were 1,403 completions against a target of 1,400 (RSKPI 1.2.2). 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 (RSPI 1.2.3) which

we did not achieve in 2023/24 and the PI was assessed as Red. Of the 1,508 Starts confirmed in 2023/24, a total of 1,385 were New Build units, 113 of which have been designed to Wheelchair Design Standards (representing 8% against the 10% target). Whilst the delivery of wheelchair accessible homes has generally increased since the target was first included in 2017/18 (with 5% achieved in 2017/18) the targets have never been achieved. Following analysis by our Development Programme Group (DPG), it was identified that of the 1,385 'new build' homes started during 2023/24 there were 1,206 units (36 schemes) that were 'eligible' for wheelchair accessible homes (this represents 9.4% of starts). Going forward, in 2024/25 we intend to measure performance based on the number of New Build units and schemes which are started, and which are eligible for wheelchair accessible homes. In 2024/25, when designing our new Corporate Strategy, we will work with DfC to ensure that any targets set in relation to wheelchair accessible homes are challenging and achievable to support independent living in the social housing sector.

The target for 2023/24 was to secure 12.8% of the overall SHDP Starts in rural locations. A total of 117 units across 10 schemes started on-site in rural locations during the year (8%). There were six schemes with the potential to deliver 84 units which slipped to the 2024/25 programme year for a variety of reasons relating to planning and water. 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.

DPG is also working closely with DfC and housing associations to bring forward Pilot Schemes to deliver new homes to higher standards in terms of Energy Efficiency, designs for older people, and City Centre living.

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 2023/24, a total of 913 Adaptation claims were assessed, resulting in total expenditure of £5.157m to facilitate these works (including 12 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 ongoing increases in the price of construction materials. DPG received and processed 43 claims of this type during the last financial year, with associated expenditure of approximately £7.2m.

Looking forward, it is the ambition of DfC and the Housing Executive to deliver 6,450 new social housing Starts over the SHDP period 2024/25 – 2026/27, subject to confirmation of annual budget.

Strategic Regeneration

Our Strategic Regeneration team works with internal and external partners to manage and deliver programmes to meet the housing needs and aspirations of our population and to support the creation of balanced and sustainable communities. Our activities include facilitating housing growth, increasing the provision of social housing, and shaping places through planning and regeneration. These activities make an important contribution to improving the quality of life for all.

The Central Planning Policies Unit within Strategic Regeneration carries out and ensures two statutory functions set out in the Planning Act (Northern Ireland) 2011 and subordinate legislation are met. This legislation names the Housing Executive as a Statutory Consultee for the preparation of Local Development Plans, and in Development Management, helping to assist in the decision making on new development proposals. Work within the planning system allows us to engage with a range of other statutory consultees, agencies, and partners, including local communities.

New and Affordable Housing

As a statutory consultee in the Local Development Plan process, the Housing Executive has assisted all Councils in preparing draft Plan Strategies which include affordable housing policies. During 2023/24, our work has resulted in the adoption of three Plan Strategies (Belfast City Council; Lisburn and Castlereagh City Council; and Mid and East Antrim Borough Council) all of which included the Housing Executive's preferred policy approach to securing land, facilitating the delivery of affordable housing, and the provision of mixed tenure developments. We continue to assist these Councils to implement these policies by contributing to the production of Supplementary Planning Guidance and by providing consultation responses to planning applications which trigger policy. This is helping to meet Social Housing Development Programme targets, which in turn helps to support those whose housing needs cannot be met by the market.

We also have continued to assist Councils' development plan processes by attending the Public Hearing of the Independent Examination of Derry City and Strabane District Council's draft Plan Strategy, and also by assisting Ards and North Down Borough Council, Causeway Coast and Glens Borough Council, Newry Mourne and Down District Council, and Armagh Banbridge and Craigavon Borough Council in the production of draft Plan Strategies.

Affordable housing policies within Local Development Plans will be a principal way to meet the housing needs of the whole community, encourage mixed tenure housing development as a way to strengthen community cohesion, and are central in the promotion of sustainable development, sustainable communities and place making.

Housing Executive Land Acquisition

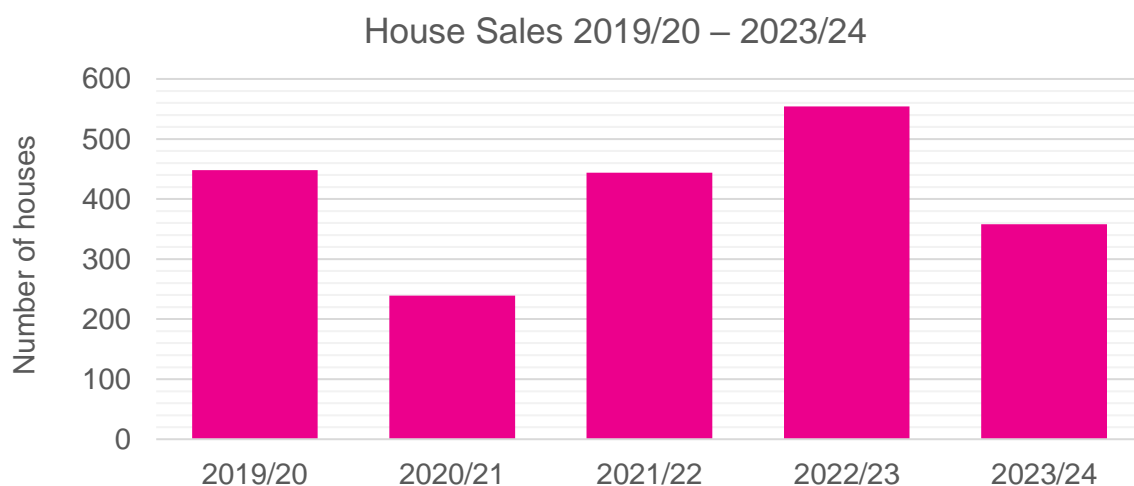
The Land Asset Management Strategy (LAMS) was approved by the Board in February 2023 and work has commenced on the development of Year 1 of the LAMS action plan. During the year we also received Departmental approval of a Business case for a Housing Executive Land Acquisition (HELA) project. The aim of this pilot project is to identify and acquire land in public ownership, to support continued development of social housing through the Social Housing Development Programme (SHDP). The pilot aims to deliver 100 homes over a three year period. This will assist the delivery of the Housing Executive and DfC's Housing Supply Strategy's objective of increasing housing supply and addressing housing stress within areas of acute housing need. Work is underway to formalise project management and governance structures within the HELA project, and in 2024/25 this project work will continue to be taken forward via the delivery of the Land Asset Management Strategy.

Intermediate Rent

Intermediate Rent is a form of affordable rented housing, offering longer tenancies, high quality homes, and facilitating tenancy support services for those on lower or moderate incomes. This in turn, can benefit wider society by contributing to the creation and maintenance of diverse communities. In 2023/24 we collaborated with DfC to progress the creation of a new affordable housing Intermediate Rent product. We drafted a method to assess need and demand for Intermediate Rent, and, once finalised, this will be rolled out across Northern Ireland, helping direct the development of intermediate rent units to areas where they are most needed.

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 356 homes under the scheme (554 in 2022/23), realising net capital receipts of £20.7m. This includes eleven properties purchased through equity sharing. Additionally, four vacant dwellings were disposed of with receipts totalling £285.5k. In line with overall market conditions, the average valuation of sold houses increased slightly on the previous year, from £80.8k to £81.4k. Two properties were purchased by the Housing Executive under the Scheme for the Purchase of Evacuated Dwellings (SPED) at a cost of £360k. Three SPED properties were sold with receipts totalling £279.5k. We also disposed of surplus land realising £1.093m (before expenses).



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, the Housing Executive continues to seek 20% affordable housing on

larger development sites through Council Local Development Plans. A number of housing supply initiatives have commenced this year as part of our contribution to Community Planning and include:

- Belfast Place Shaping continuing to take a lead role with Community Planning Partners on the Housing Led Delivery Group, which assesses and identifies public sector lands suitable for housing. The group is considering and working through key barriers which have been identified while considering solutions to unlock development potential and work together on place making approach. The continued support of the '20% affordable housing' policy with both Belfast City Council and Lisburn and Castlereagh City Council will ensure delivery of all types of housing developments;
- The commencement of Tullycarnet Place Making Plan. This pilot approach for Belfast is to co-design regeneration of the area along with the community and other Community Planning partners. This is expected to be completed by Autumn 2024;
- South Region, co-designing Place Shaping plans to reflect the needs and priorities of communities progressing through the Community Planning Partnerships. South Place Shaping also take a lead role in the Community Planning Place Board which was established in 2022 to gain an understanding of initiatives which impact on 'places' throughout the Borough and to engage partners and stakeholders on developing place plans. The first Community Planning led Place Plan for Armagh was launched in May 2022 and progress continues against the 30 actions included. In March 2024, the Banbridge Place Plan was launched by the Armagh City Banbridge and Craigavon Council (ABC) Community Planning Partnership at an event in the Southern Regional College, Banbridge Campus. It is the ambition of the Place Board to deliver further Place Plans across the Borough, bringing to life a vision to connect people and places and support inclusive and sustainable growth;
- Community Planning Partnerships launching their Statement of Progress for the period 2021-2023 tracking the progress towards achieving the shared outcomes of the Community Plan. Fermanagh & Omagh Community Planning Partnership have now developed a revised Community Plan Action Plan for the period 2024-2028 through which the Housing Executive will have a role in facilitating the increased supply of accessible and inclusive homes over the Plan period;
- Mid Ulster District Community Planning working in partnership with the Housing Executive 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 taking the lead on the housing action plan included in Mid Ulster Community Plan which is aimed at supporting the provision of social and affordable homes in Mid Ulster. In June 2023, the Mid Ulster Housing Forum held a Housing Conference where key stakeholders were invited 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;
- Our North Place Shaping team continuing to lead key action within the Derry City and Strabane District Council Community Plan. One action has been to explore potential development sites within the city and bring forward schemes for residential or mixed use development. Working in partnership with Derry City and Strabane District Council we have jointly commissioned research into the challenges and benefits of living in Derry City. The final report was due to be completed in 2023 but unfortunately this was delayed. We now hope to deliver the completed report in the Summer of 2024 when it will be presented to the Derry City and Strabane District Community Planning Partnership. The report will inform 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 under the City Deal and Local Development Plan;
- Our North team also leading a series of actions within the Community Plan for Causeway Coast & Glens one of which focuses on Rural Needs. As a result of the collaborative work with Community Planning partners on the implementation of a joint rural housing needs test to encompass all of the settlements of Garvagh, Kilrea, Moneydig, Glenullin and Boleran, we are in discussions with registered Housing Associations for new affordable homes for sites in two of these areas;
- Collaborating with Antrim & Newtownabbey Community Planning Team, we have jointly commissioned the review of our Place Shaping plans in the New Mossley and Monkstown areas. The aim of both plans 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. The review report will seek document how the local community and neighbourhoods have been affected by the new developments and will seek to identify further opportunities for collaborative place shaping action on both locations; and

- Working in partnership with the Antrim & Newtownabbey Community Planning Team, North Place Shaping have commissioned a new Place Shaping plan for the Central Glengormley area. Following a 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 2024-2025. 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.

Hope Street

In October 2022, the Board approved a paper that outlined the new vision for the Hope Street Transformation Project, supplemented by five objectives to ensure the development is aligned with the organisation's statutory obligations, putting housing, sustainability, connectivity and high-quality spatial design as guiding principles that influence future development.

A Project Board was established to deliver the project via a public procurement process, in line with Prince2 project management methodology. In June 2023, a design team of external consultants was tasked with providing a concept design, planning guidance and property market insights. This has been a valuable exercise that has enabled the team and stakeholders to understand the challenges and potential for this housing-led regeneration scheme. In November 2023 two public consultation events were held to present a conceptual design and gather the views of the local community, local businesses and other interested parties. The feedback resulted in amendments to the concept design and also allowed the Team to further refine the parameters that will be set within the Development Brief.

The Board of the Housing Executive set out an ambitious timeline driven by a desire to end the long period of time the site has remained vacant. As the project has progressed, necessary extensions were approved by the delegated authority of the Project Board, to ensure due diligence in concept development, stakeholder engagement and governance. The Project Team are working towards a contract award date of September 2025.

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.

During 2023/24, the Year 3 Rural Action Plan was successfully delivered, with progress being made against all the actions (RSO 1.9.1). An annual report detailing progress during Year 3 of the Rural Action Plan will be published in 2024/25.

Key achievements during 2023/24 included:

- 117 new social housing units were started in rural areas, supporting the sustainability of these communities. This represented 8% of the overall SHDP out-turn of 1,508 starts, against the strategic rural target of 12.8%. The continued shortfall emphasises the ongoing challenges of delivering new housing in rural communities;
- A Rural Housing Steering Group, including representatives from DfC, Department of Agriculture, Environment and Rural Affairs, the Housing Executive, and Land & Property Services, continued to explore the barriers to rural housing development. Rural public land that may be suitable for social housing was reviewed, and research was commissioned to consider the barriers and opportunities to rural social housing development;
- The completion of nine Housing Need Tests during 2023/24 to uncover hidden housing need in rural areas, engaging with key stakeholders including community representatives, Community Planning partnerships, local elected representatives and Housing Associations. Tests were delivered at the following locations: Ardboe, Ballinderry, Burnfoot, Gulladuff, Lislagan, Moneyglass, Moortown, Spa, and Tamnaherin; and

- Organising and attending the 2023 Rural Community Awards event in Coleraine, where prizes were presented to community groups and individuals, recognising their achievements and contribution to rural communities. The winners were from Ballintoy, Drumnakilly, Dungiven, Millisle, Newtownstewart and Rouskey.

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 2023/24, the Housing Executive considered 22 policies, strategies, plans or services to ensure that due regard was given to meeting the needs of people in rural areas in a fair and equitable way. There were 18 policies determined to have no differential impact on people in rural areas. The four following policies were identified as having a differential impact, with mitigating actions included within each:

Description of the activity undertaken by the public authority.	How the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service.
<p>Extinguishment of Public Rights of Way Policy</p> <p><i>The rural policy area which the activity relates to:</i></p> <p><i>Internal.</i></p>	<p>The extinguishment documentation is sent to the relevant Local Office to be made available for public inspection. It is noted that the Housing Executive Local Office may be located quite some distance away from the location where the right of way is being extinguished, and particularly in rural areas, may not be well served by public transport to enable people to travel there to inspect the documents.</p> <p>Proposed mitigations include copy documents being made available in a public space or community facility in the locality and/or sent to individuals upon request.</p>
<p>Financial Inclusion Strategy 2023-28</p>	<p>Rural residents may have differing needs from those in urban locations, but these are built reflexively into the service. When dealing with rural cases, financial inclusion interventions will be delivered with awareness</p>

Description of the activity undertaken by the public authority.	How the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service.
<p><i>The rural policy area which the activity relates to:</i> <i>Poverty in rural areas.</i></p>	<p>of the particular challenges for rural residents. The financial inclusion team will also undertake pro-active contact with vulnerable groups.</p> <p>Delivering financial inclusion services requires the service to impact differentially in order to best deliver for the specific needs of the customer.</p>
<p>Housing First Supply Pilot – Rule 84 application</p> <p><i>The rural policy area which the activity relates to: Rural housing.</i></p>	<p>Rural issues identified under the project proposal included: most supported accommodation placements will be in urban areas; the time taken for rural support provision can be longer due to travel distances, so fewer clients may be able to be supported; and there can be a limited supply in rural areas of social and affordable housing options.</p> <p>Proposed mitigations include:</p> <ul style="list-style-type: none"> • The Homelessness Strategy will continue to take a local approach to service delivery. Homelessness Local Area Groups will play a key role in the delivery of the aims of the Homelessness Strategy; • The provision of online support and face to face support to clients; • Rural housing supply issues will be fed into the development of the Housing Supply Strategy with a view to increasing the capacity of social and affordable housing options; and • The proposed upscaling of Housing First, including the pilot of Rule 84 and any potential expansion beyond the pilot, will serve to assist rural households in accessing appropriate accommodation.

Description of the activity undertaken by the public authority.	How the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service.
<p>Proposals 17 & 18 Fundamental Review of Social Housing Allocations - Social landlord may withhold consent for policy assignments/successions to general needs and adapted accommodation</p> <p><i>The rural policy area which the activity relates to: Rural housing.</i></p>	<p>The shortage of social housing stock, coupled with larger and often challenging physical geography, were identified as rural issues likely to affect those impacted by Proposals 17 & 18, and which could make the sourcing of suitable alternative accommodation more challenging / less likely in rural areas.</p> <p>Proposed mitigations include:</p> <ul style="list-style-type: none"> • Social landlords will have an obligation to source and make an offer of suitable alternative accommodation for those impacted by a decision to withhold their policy succession or policy assignment; and • Any cases involving individuals/households with very exceptional circumstances/ vulnerabilities may be referred to the Housing Executive’s Director of Housing Services (or Housing Association equivalent) for consideration. The Director will have the discretion to award the Tenancy of the property in very exceptional circumstances. This will include any vulnerable persons in rural areas whose vulnerabilities or very exceptional circumstances would be compounded by a move out of their current rural location.

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 2023/24, the HIH match funding programme contributed £151,500 towards the restoration of nine empty properties in the THI areas of Armagh, Carrickfergus and Lurgan, providing accommodation for private rent within these centres. Between 2015 and 2024 the Housing Executive has provided funding totalling £739,925 for the HIH programme which has contributed to the restoration of 32 empty properties and the provision of rental accommodation within eight 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 £455,500 in 2023/24, 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; initiatives to support young and older residents; environmental equipment and programmes; and health and wellbeing projects. Additional support payments were also issued 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. In 2022 the Housing Executive launched its Sustainable Development Strategy and Action Plan which sets out the strategic approach to balancing the provision of quality, affordable housing and improving on our social and environmental impact. The strategy provides a framework for tackling environmental and social challenges by 2027, responding to the climate emergency. Ultimately, the long-term goal of the Strategy is to achieve Net Zero carbon emissions by 2050 right across all of our activities. To help achieve this, a number of shorter-term targets have been set:

- Housing Target (NIHE Landlord): A reduction in CO2 Emissions of 25,000 tonnes by 2025/26 (6%);
- Corporate Target (NIHE Business Activities): A 25% reduction in CO2 emissions by 2030/31;
- Housing Target (NIHE Landlord): A reduction in CO2 emissions of 89,000 tonnes 2030/31 (23%); and
- Housing Target (NIHE Landlord): Retrofit housing to upgrade energy efficiency to an average of SAP Band C by 2030.

Throughout 2023/24 the Housing Executive continued to deliver the Action Plan for the Sustainable Development Strategy. In 2023, the Housing Executive commenced its first home construction scheme in more than 24 years. The scheme will see the construction of six semi-detached dwellings at Sunningdale Gardens, North Belfast. Part of a new build pilot, the six homes will be built using Modern Methods of Construction (MMC) and ultra-low energy building techniques, to Passive House standards. It is anticipated that the houses will be completed and occupied by September 2024. This will inform our new policies as we plan to meet our ambitious targets to provide affordable, sustainable and decent homes, appropriate to resident's needs, in a safe and climate-resilient place.

Looking forward, the Housing Executive will continue to collaborate closely with DfC, as well as the Utility Regulator, local Councils and other key stakeholders, to secure further reductions in energy consumption, deliver improvements in energy efficiency and to conduct

research which will help to inform the development of de-carbonised heating solutions and improved energy efficiency. All of this work will assist in the on-going effort to alleviate fuel poverty and minimise carbon emissions across all households in Northern Ireland.

As the Home Energy Conservation Authority (HECA) for Northern Ireland, part of the Housing Executive's Development strategy is to deliver its statutory responsibilities and to promote energy efficiency and advice to all NI households. During 2023-24, the Northern Ireland Energy Advice Service (NIEAS) helped our community with almost 20,000 unique queries. This advice offers vital help on energy cost saving information to vulnerable householders, older people and those on low incomes. The NIEAS team annually signposts almost 50% of their calls to available energy grants, helping over 8,000 customers in 2023-24.

The Oil Savings Network is now an integral part of the NI Energy Advice Service, and Oil Savings Network members also receive updates regarding grant availability, energy efficiency advice with Energy Advice contact details, and an offer to call the Service to go over their home energy efficiency and how to save on costs and carbon. Our purpose is to reach more vulnerable people through scaled promotion of the service. In 2023, members requested 13,887 orders, and by the end of 2023 average savings were £20.49 on 200 litres, with combined savings of £400,879 during the year.

The Housing Executive launched a new interactive Home Energy Saving Tool in November 2023, in collaboration with the Energy Saving Trust using local data. This tool helps householders lower their energy bills and make their home more comfortable and had over 1,500 users between November 23 – March 24. This easy-to-use tool will help determine how energy efficient a home is, and what changes would make a home more energy efficient (to use the tool, visit our website: <https://energyadvicetool.nihe.gov.uk/>).

The Sustainable Development Unit continues to sponsor the Energy Topic, one of ten 'Eco-Schools Topics' of the Schools Energy Efficiency Awareness Programme. Teacher and pupil resources are offered under this topic, reaching 1,143 schools and over 320,000 pupils. An annual Eco-Competition is organised by the Housing Executive, in partnership with Keep Northern Ireland Beautiful's Eco-Schools NI, and is open to all primary and post primary schools. In 2023, five winners across NI scooped a prize in a fun competition to design a 'Day in the Life of an Eco-hero/villain'. Primary 3 to Year 9 pupils were invited to take part to help highlight issues such as energy efficiency in the home and school, renewable energy and climate change. Each winner received their own eco-laptop and £500 for their school to use toward an eco-project.

The Rural-Led Energy Transition (RULET) is an initiative retrofit whole house approach pilot

with ten similar social houses, led by the Northern Ireland Housing Executive and Ulster University. The pilot's overarching aim was to reduce the risk of low-income households being left behind in the transition to clean, smart, integrated energy systems. This innovative whole house approach had the desired outcome of improved fabric first energy efficiency measures, reduced heating demand/carbon emissions and improved thermal comfort, all undertaken without the need for the tenant to decant. RULET completed a second season of monitoring during 2023, and will complete a further monitoring exercise of the pilot in winter 2024/early 2025. In March 2024, RULET won the 'Net Zero in Housing' award at the Chartered Institute of Housing All-Ireland housing awards ceremony in Dublin.

Other recent key Sustainable Development highlights include:

- Over 1,800 staff have now completed Carbon Literacy Training in 2023/24 (CSPI 2.8.1);
- The Direct Labour Organisation have started a pilot of 10 electric vehicles in our fleet.
- A joint application for PeacePlus funding for geothermal demonstrator sites was submitted to EU funding body;
- The Housing Executive allocated a £200k budget for social enterprise grants throughout 2023/24;
- The Housing Executive once again retained Platinum status in the Business In the Community Environmental Benchmarking Survey 2023;
- The Housing Centre and Direct Labour Organisation have maintained the ISO 14001:2015 Environmental Accreditations; and
- Our Organisational Climate Adaptation Plan is underway in conjunction with Climate NI.

Finance, Audit and Assurance

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 the Housing Executive.

Finance, Audit and Assurance KPI Performance for 2023/24 is shown below.

Total KPIs/PIs/SOs	Green	Amber	Red	Monitoring	Not assessed using RAG
8	5	-	-	3	-

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 2023/24 the Corporate and Technical Investigation teams investigated 6 corporate fraud cases and 10 whistleblowing cases. The Tenancy Fraud team dealt with 148 cases and recovered 32 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 continued increase in the number and frequency of reports. During 20223/24 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 2023/24 year was another very busy and challenging year for the IT Department, with the increasing expectation from both 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 process 15,000 service requests and over 20,000 incidents in 2023/24, in line with agreed Service Levels. Our KPI to complete the delivery of the ICT strategy - Blueprint Roadmap (FAAO 5.1.1) was achieved. This strategy is grounded in the needs of our tenants and customers to digitise our services and improve customer outcomes.

The IT Department have worked in collaboration with Business teams on the development and/or implementation of a number of key business IT Systems during 2023/24:

- Ongoing technology enhancements to facilitate the flexible working arrangements including online collaboration tools and video conferencing, with over 3,000 meetings per month over the last year;
- Further enhancements to the 'People Portal' 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 to improve the high availability and efficiency of the service for our customers in handling over 90k calls per month;
- A number of IT contract extensions were successfully put in place including the key Housing Management system and the Telephony system;
- HR/Payroll system Phase 1 (core HR/Payroll module) was implemented in November 2023. Additional modules are due to be implemented during 2024/25;

- Supporting People parallel run⁴ currently underway for initial group of Providers. Full go-live scheduled for go-live in June 2024;
- Ground Maintenance IT system: a new system was procured and implemented as a Commercial Off The Shelf solution for existing contracts in November 2023. New contracts planned to go-live in May 2024;
- Fundamental Review of Allocations: the initial phase has been implemented, with system development progressing in line with the project plan for the next phases. The implementation approach/date is subject to ongoing budget review;
- Corporate Case Management: product procurement is now at final contract award stage, with completion due in April 2024; and
- Replacement Intranet: the procurement of a new IT solution was successfully completed in February 2024, with development of the new Intranet currently underway and rollout planned by July 2024.

Looking forward, during 2024/25 the IT Department will be rolling out further hardware and software solutions to facilitate enhanced digital communication and team collaboration. The IT Department will continue to work in collaboration with key business teams to procure and rollout a number of IT solutions and major system enhancements including:

- The remaining modules of the new HR & Payroll system;
- The completion of the rollout of the replacement Supporting People system;
- Procurement of the new Asset Management system;
- Grounds Maintenance IT system for new contracts;
- Corporate Case Management to facilitate initial Use Cases (e.g. Complaints, House Sales);
- Replacement Intranet;
- Phases 2-5 of the FRA and Housing & Homeless projects;

⁴ Parallel running is an approach to system changeover where a new system assumes the roles of the older system, while both systems run simultaneously.

- Greater integration between the Housing Repairs system and Contractor systems to facilitate timely exchange of key job information;
- Workforce and Stock Management for DLO;
- 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.

Financial Support Services

The delivery of key services by Financial Support Services continued successfully in year.

Key activities included:

- The key transactional elements processes of recording and processing income and expenditure, and preventing fraud and error;
- Providing a management accounting service for the DLO (Direct Labour Organisation) and working closely with DLO management to integrate finance into key decision making;
- Accounting for and processing Housing Benefit payments;
- Supporting and improving financial systems and reporting; and
- Providing an insurance and claims handling service.

As a support department, Finance Support Services provide services that support our customer facing colleagues and continually strive to improve the services delivered, whilst complying with accounting and statutory requirements. Finance Support Services are integral to developing the robust governance framework within which the Housing Executive works, including continuing to build a strong, effective working relationship with DfC.

Payments

Total payments of £719m were processed by the team. Approximately 451,000 invoices, grants, allowances, and other payments were processed. Of the invoices paid to suppliers, service providers and contractors, 92.5% were paid within 10 days and 98.2% within 30 days.

Project work continues to replace paper-based transactions and reduce manual keying to streamline processing.

Income

1.7m payments totalling £681m 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 £470.477m (excluding Discretionary Housing Payments), funded by DfC, was paid to tenants in both the public and private sectors. In addition, LIRR and LPA of £2.9m was paid out on behalf of Land and Property Services.

Payroll

Payroll Services were provided to 3,361 employees and former employees. The new HR/Payroll system was implemented in year. Again, it is hoped that advances in technology will offer opportunities to streamline processes and improve service to our internal customers. The next challenge is the implementation of the recently approved Pay and Grading review in conjunction with Human Resources. This seeks to address:

- The need to ensure compliance with equality legislation;
- The need to ensure alignment with pay and grading arrangements outlined by the National Joint Council for Local Government Services (NJC), the JNC for Local Authorities Chief Executives and the JNC for Local Authorities Chief Officers;

- The different Pay and Grading Structures for administrative, technical and Industrial staff;
- The excessive number of spinal points within some grades and therefore, the time taken to progress through these grades; and
- The lack of defined incremental progression at Level 9 and above.

The new pay scales will bring NIHE in line with other public bodies and assist with attraction and retention of staff, although implementation is a complex exercise.

Finance Systems Development and Compliance

The Finance Systems and Compliance Team maintain and support the key finance systems. The team manage the interfacing of payment and accounting information from a wide variety of business systems, manage system upgrades, implement business improvement projects, provide reporting/dashboards and support end users.

Focus this year has been on: the upgrade to the Finance System; the expansion of paperless processing of payments through the development of integrated finance forms; and development of a group billing arrangement for furniture storage. Input was also given to a range of organisational system projects facilitating critical interfaces into the finance system.

The team supported the divisional risk management processes, progression of audit recommendations and compliance activities for the wider Finance, Audit and Assurance Division.

Insurance & Claims

The team received 971 public liability claims in year, a slight increase on previous years. During the year focus has been on increasing the level of expertise within the Insurance and Claims 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 recruitment has continued as posts have become vacant and by providing training opportunities to all staff.

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. Improved processes for assisting colleagues dealing with litigated claims have been put in place. 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.

Finance Business Partnering

The delivery of key services by Financial Support Services continued throughout the year, integrating finance into every key decision for the Housing Executive through our Finance 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. Our Finance Business Partnering model operates across all divisions. An example of this is the continued support provided to our internal maintenance service, DLO. The Finance Business Partner team provided a financial accounting and analysis service to DLO. They are also involved in the Evolve project to improve processes within DLO and provide better integration with the Housing Services directorate in order to improve delivery to our customers.

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 2023/2024 Internal Audit successfully introduced a control risk self assessment (CRSA) process for Housing Benefit. This new and efficient approach to assurance provision for this business area resulted in a significant reduction in audit days. The team are now focused on identifying new business areas to implement the CRSA model.

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 65 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. As a result, 100% of assessment responses were provided within 10 working days of receipt, achieving the team's set target of 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; and worked to keep Housing Executive Business Case and Post Project Evaluation policy, procedures and guidance updated. Furthermore, the unit continues to assist the Housing Executive in meeting its audit responsibility by producing and circulating quarterly Post Project Evaluation Compliance reports to Housing Executive Management, and additionally by reporting yearly and half-yearly Business Case and Post Project Evaluation reports for the Housing Executive to DfC.

During the year ESU also undertook a Test Drill of a random sample of Social Housing Development Programme Business Cases, to provide assurances that the principals of appraisal and good governance were being applied below Executive Team expenditure approval thresholds. The overall the findings of the final report, due to be circulated by the end of September 2024, are reasonably positive. Where recommendations have been identified, these will be communicated to the Housing Executive Development Programme Group for dissemination to Housing Associations accordingly, to ensure a continual improvement in the quality of business cases and the processes applied.

Additionally, this reporting period ESU, working in collaboration with Housing Executive IT, completed development and launched the refreshed Housing Executive Business Case Management System in December 2023. The new system has reworked and streamlined the previous system, adding practical functionality and enhanced accessibility to assist Housing Executive users in monitoring and managing Business Case and Post Project Evaluation Terms of Reference details. Through this project we have implemented a faster, more efficient, user-friendly system.

Looking ahead, ESU Economists continue to input into ad hoc policy analysis, research and economic briefing. For example, ESU continue to produce and circulate the quarterly Housing Executive Economic Bulletin, first published in November 2022. 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 Housing Executive users of statistical publications that could be used as evidence to inform Housing Executive policy decisions. More recently ESU has joined the editorial team for the revitalised publication of the forthcoming Northern Ireland Housing Review.

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 and Assurance 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.

In 2023/24, the team supported the ongoing operation of the Board and its committees through provision of the support function, including administrative support. They also supported the continuous improvement of the governance structure through implementation of actions from the Board effectiveness review and committee effectiveness reviews. The team led on the development of a Board Leadership Programme, to be rolled out during 2024/25, supporting continuous development and strategic leadership of the Board.

In March 2024, three new members nominated from the Northern Ireland Housing Council were appointed to the Board of the Housing Executive, by the Minister for Communities. The team delivered a comprehensive induction programme for new members, to enable them to fulfil their roles as Board members. This programme of work will continue in 2024/25.

During 2023/24, the team led on the implementation of the new Arm's Length Bodies Partnership Agreement, which went live in August 2023, working in partnership with our sponsor Department, DfC. The new partnership agreement included a number of increases in internal delegated authority that enabled streamlining of decision-making.

The risk management team continued to develop the risk assessment and risk reporting framework with key customers and initiated a review of corporate risks to align with the strategic priorities in the Corporate Strategy 2022/23 – 2024/25. The outline approach was to engage with key internal stakeholders through an online survey and provide a baseline assessment of key risks. A report of the survey findings was used to inform qualitative

assessment of the risks with further engagement with stakeholders using a range of methods for example workshops, discussion groups. The final deliverable was a refreshed Principal Risk Register (PRR), which was approved in April 2024.

During 2023/24 the team delivered on a range of business activities, including co-ordination and production of key assurance framework related outputs, including the Governance Statement and Quarterly Assurance Statements. This provided assurance to internal and external stakeholders as to the Housing Executive's governance and control environment.

Corporate Services

Corporate services KPI Performance for 2023/24 is shown below.

Total KPIs/PIs/SOs	Green	Amber	Red	Monitoring	Not assessed using RAG
16	13	-	1	-	2

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 Remuneration and Staff Report in part two.

The key priorities and achievements of the team were:

- The total number of recruitment exercises increased to 256 (a 10.8% increase compared to last year) with 250 appointments to date from these exercises. 4,205 applications were received across these recruitment exercises which included large scale campaigns for Housing Advisors and Patch Managers, Finance Apprentices, Housing Graduates and a number of administrative roles;
- We achieved three accreditations during 2023/24. In October 2023 we were one of the first employers to be awarded the highest level of 'Take 5 Steps to Wellbeing' and this will enable us to embed a culture of wellbeing and inclusion in line with our People Strategy. In November 2023 we received the 'Work Well, Live Well Award', which recognises organisations that commit to improving the health and wellbeing of their employees. In March 2024 we were the first large public sector employer to be awarded the Silver 'We Invest in Wellbeing' accreditation by 'Investors in People'. The recommendations will help us to focus our action plan for 2024-2026 and will assist us to improve attendance;
- We launched a number of new policies this year. In June 2023 we launched a new Reasonable Adjustments Policy to set out a consistent approach to considering and implementing reasonable adjustments for people who have a disability. In September 2023 we launched a new innovative Flexible Working policy to improve the working

lives of our people while enabling us to continue to meet customer needs. In October 2023 a new Health & Wellbeing Policy was launched along with other guidance to support managers and employees in a range of areas including Wellbeing Action Planning, Stress and Menopause; and

- We delivered a range of People Management masterclasses across the organisation to further embed our core policies and equip managers to implement these in their areas of responsibility. The sessions have been well attended and received excellent feedback from both managers and trade union colleagues.

Our HR Advisory team had five KPIs, including a KPI shared with the Learning and Organisational Development Team (CS O 6.6.3) regarding compliance with Section 75 of the Northern Ireland Act 1998. Whilst the team successfully delivered three of their KPIs, there were two KPIs which were not achieved.

The HR Advisory team aimed to reduce absence to 5.5% (CS KPI 6.3.1). Despite significant work being undertaken to increase staff attendance by March 2024 our absence figure was 6.87% and the KPI was assessed as Red. A wide range of actions were taken to seek to improve attendance including robust implementation of our attendance policy, ongoing wellbeing action planning for individuals, improved absence case management, delivery of absence management masterclasses for line managers, and significant developments in terms of health and wellbeing support overall. During the year 15 Formal Case Reviews were held, 151 Wellbeing meetings took place and 148 Long Term Absence Meetings were conducted. Unfortunately, we did not meet our target and this area will continue to be a focus for 2024/25.

During 2023/24 we were unable to implement a new pay and grading structure across the Housing Executive, to ensure our people are remunerated appropriately and fairly (CS O 6.1.2). This was outside the Housing Executive's control as implementation could not be progressed without Departmental approval, and this was only received during Quarter 4. However, all actions within Housing Executive control were actioned and completed in a timely manner. Therefore it was not deemed appropriate to assess this (sub) Objective using a RAG status.

During 2024/25 we will focus on implementing an updated People Strategy Action Plan which was recently approved by the Executive Team and will continue to implement our Health & Wellbeing Strategy. This will include seeking to implement a new pay and grading structure across the Housing Executive (subject to trade union consultation), and further

embedding our new Flexible Working Practices policy and culture. We will implement a comprehensive workforce plan to continue to populate our structures and further embed our core people policies.

Learning and Organisational Development (L&OD)

The L&OD function was established in September 2021 and comprises four departments: L&OD, Programme Management Office (PMO), Business Planning and Performance (BP&P) and Equality, Diversity, Inclusion and Safeguarding (EDIS). In 2023/24 we strengthened the team to enable delivery against our KPI's and People Strategy objectives, ensuring an effective service continues to be provided to the organisation. A number of significant projects and advances have been made across all areas of Learning and Organisational Development and are highlighted below and in the Remuneration and Staff Report in part two.

The L&OD team ensure the development of our people to reach their goals and the objectives of the organisation now and in the future. Our focus for 2023/24 was on leadership development and developing behaviours that support our values, enabling a high performing team culture and clear expectations around our leadership standards. We continue to focus on our employer brand to ensure we attract people who are aligned to the work we do and the people we serve. Additionally we support the recruitment of a significant number of apprenticeships and graduates.

In this year we rolled out our engagement survey, 'The Big Listen', across all areas of the organisation, to better understand how we can improve the experience of our people and develop engagement plans across the organisation. We also trialled a new performance management process called GROW Conversations, which fully embedded our new Competency Framework and Leadership Charter. Initial feedback and positive results have enabled roll-out of this process on an organisation wide basis. Below are further details on some of the work carried out by the team during 2023/24:

GROW Conversation

During the year the L&OD team finalised our pilot GROW Conversation, which replaces our traditional Performance Management Programme (PMD). Further to feedback from the pilot, improvements were made to both the process and the online plan. The strength building GROW Conversation, which takes a coaching approach, has become a holistic process which incorporates Goal Setting, Health & Wellbeing, Values and Behaviours, Flexible

Working, Career and Personal development conversations. It is supported by our newly developed 'Leadership Charter and Competency Framework' which provides clear standards for behaviour, skills and knowledge and opportunities to provide constructive feedback and conduct a gap analysis. Linking performance management to our talent management and succession planning initiatives will ensure we are well placed to develop our people to their full potential and ensure future talent needs are considered. Plans are in place to pilot the GROW Conversation corporately in 2024/25 which will enable further feedback and full consultation on this important process.

Leadership Charter and Competency Framework

At our Annual Conference in September 2023, we introduced our new 'Leadership Charter and Competency Framework', which were developed 'by our people, for our people'. The Leadership Charter reflects our Leaders commitment to a set of value statements that defines the characteristics of good leadership within our Organisation. Our Competency Framework clarifies the knowledge, skills and behaviours that support our core values, and which drive successful performance within the Housing Executive. The Leadership Charter and Competency Framework will be integrated with many people-management processes going forward and has already been woven into the new GROW Conversation to structure and strengthen conversations regarding Leadership, Core Values and Behaviours.

Team Facilitation

Throughout the year the L&OD Team have worked with our business partners across the Housing Executive to grow and develop teams within various departments. Team facilitation has become a central focus for many managers, as its success strengthens and builds on team cohesiveness and provides action plans to create high performing teams.

NIHE Coaching Hub

As a development and support initiative we launched our Housing Executive Coaching Hub Pilot Programme, offering 3-6 coaching sessions per person, with one of three accredited internal Coaches. The Coaching Hub has proved very successful and feedback to date has been positive.

Learning Loop

In 2023/24 The L&OD team launched their first edition of 'The Learning Loop' online magazine. This magazine creates an opportunity for the organisation to find out about all the development programmes and courses available and how they can get involved. The first edition of 'The Learning Loop' created a high level of engagement, generating a number of

requests to take part in leadership programmes and increased usage of E-Learning offerings within the Learning Zone. The L&OD Team continue to work with the communications team to ensure this becomes a regular online magazine to support with the GROW Conversations.

Engagement: The Big Listen

With a view to ensuring the Housing Executive is a great place to work and one that attracts and retains great people, an Employee Engagement Survey called 'The Big Listen' was launched to all staff in May 2023. This provided an opportunity for everyone in the organisation to share their views on what is going well, what is important to retain, and what needs to change within the Housing Executive.

'The Big Listen', issued by People Insights on behalf of the Housing Executive, enabled benchmarking against other similar organisations, to give the Housing Executive an additional set of feedback to measure ourselves against. The Senior Leadership Team strive to ensure the culture of our organisation creates opportunities for all to do their work without barriers or blocks, where our people can work in an environment where they feel they belong and where they get to fulfil their potential. In response to the Employee Engagement Survey, and led by our Senior Management Team, plans are being put in place to address areas for improvement.

During 2023/24 the L&OD team successfully achieved a (sub) Objective to implement and embed actions from our Employee Engagement and Reward and Recognition strategies (CSO 6.1.3). An updated Reward and Recognition strategy was presented to the Executive Team in March 2024, which has now been accepted as the Housing Executive approach and includes an individual, team and organisational approach to Reward and Recognition. Many of the areas within this strategy have been shaped by ongoing 'Investors In People' work and committed engagement actions. We have communicated the outputs from our engagement survey via a number of 'Big Chats' to Managers and have incorporated key areas in our new GROW conversation framework (i.e. link to new competency framework, leadership charter, key strengths and flexible working check-in).

The Big Chat

The L&OD team continue to deliver a number of informal engagement opportunities through 'The Big Chat'. Staff are invited to take part, providing an opportunity to build networks across the organisation, receive information about upcoming initiatives and give feedback and opinions in relation to same. The 'Big Chat' was an effective way to build momentum for the introduction of the 'GROW Conversation.

Reporting on Key Metrics

During the year the L&OD team successfully achieved a PI to develop a dashboard of key metrics (CSPI 6.1.4). The dashboard includes mandatory training figures; PMD completions, our Engagement score (if available); the number of attendees at Leadership Development programmes; and Training Evaluation statistics. These are now included in monthly, quarterly, annual and ad-hoc Executive Team reports. The feedback received for all leadership programmes has demonstrated that engagement and collaboration are important elements for our leaders as they grow their skills and knowledge. We are seeing an increase in confidence and capability in our staff when completing their everyday tasks. The levels of increased knowledge, confidence and capability remain high and consistent, demonstrating an effective level of learning continues to be delivered.

Carbon Literacy eLearning

A PI to ensure at least 800 staff completed Carbon Literacy eLearning during 2023/24 (CSPI 2.8.1) was achieved and there were 1,802 staff completions of the course during the year. New start members of staff continue to be added to the course and receive notification emails and reminders during the first two months of their employment, which will continue to increase the completion figures. A new programme will be released and promoted for this course in the 2024/25 financial year.

Employer Branding

Following a decision to review the overall Housing Executive brand, we decided to gradually integrate our new Employer Brand using key messaging, graphics and placement in the labour market and successfully achieved the linked (sub) Objective (CSO 6.1.5). Our new Employer branding is currently being developed for our careers page and has been used in recent apprenticeship engagement opportunities at local colleges and schools. It has also been used on advertising for our work experience programme in June 2024 and our promotional materials for external circulation in job adverts and at various job fairs, and outreach events such as PRIDE and MELA. The Communication team are redesigning our Careers page to include the new branding, incorporate our chosen colour scheme and incorporate specific wording that demonstrates our Unique Selling Point as an employer (these updates will also be applied to all posts on social media).

Apprenticeships

The L&OD team have continued to support the recruitment, training and mentoring of a number of apprenticeships in the organisation and successfully achieved the corresponding

PI (CSPI 6.4.1). Since the 2022/23 financial year we have recruited 197 apprentices, traineeships and graduates across the organisation, surpassing our target of 120 apprenticeships. We will continue to liaise with the business to consider where entry level roles could assist with difficult to fill roles, or where new skill sets are required (i.e. green skills, construction skills etc.) and as part of our longer-term succession planning conversations linked to our GROW programme.

Leadership Development

In 2023/24 the L&OD team continued to deliver a comprehensive leadership development programme across all areas and all levels of the organisation. We successfully achieved the linked PI (CSPI 6.4.2). At year end, 227 participants had completed the Leadership Development Programmes. A Personal Skills Programme has also been successfully procured, which includes three mini programmes aligned to our skills survey and personal development requests. This will be launched as part of learning week (commencing 29 April 2024) and run from May – June 2024. Following evaluation of each programme and level of engagement in the business, we will continue to deliver this training via a mix of external and internal trainers.

Collaboration

We continue to collaborate with the wider sector and partner organisations to build industry specific skills and have successfully achieved the (sub) Objective (CS O 6.4.3). The L&OD team worked with Housing Services colleagues to support those completing the Open College Network 'Northern Ireland & Chartered Institute of Housing (CIH) Level 3 Housing Practice' qualification. This is delivered through North-West Regional College. 10 Housing Executive apprentices will commence year two in September 2024, followed by further recruitment of 12 apprentices in May 2024. In collaboration with our Asset Management directorate and following the launch of ARTES 2021 – 2023, we will commence work on the next steps for ARTES in 2024/25, alongside our Evolve requirements, and a planned review of our current apprenticeship programmes. This will include ongoing relationship building with colleges and private providers, development of a training awards event, implementation of an IT portal for recruitment and training opportunities, and ongoing actions to encourage greater representation of underrepresented groups.

Looking forward, in 2024/25 the L&OD Team will continue to develop effective business partner relationships and take a corporate approach to monitor, prioritise and share opportunities across the organisation, enabling synergies and innovations to be shared across Departments whilst retaining budget control.

Equality, Diversity, Inclusion and Safeguarding (EDIS)

The EDIS team ensure the mainstreaming of Equality, Diversity and Inclusion in the organisation through training, awareness building, advice giving and successful implementation of our Section 75 duties (CSO 6.6.3). In addition, the EDIS team has developed and implemented an Affirmative Action Plan to target areas of underrepresentation in our workforce, and the corresponding (sub) Objective was achieved (CSO 6.2.1). The EDIS team also provide a comprehensive safeguarding service to the organisation and liaise closely with the H&S Care Trust. Further details on the Affirmative Action Plan and the EDI Steering Group can be found in the Remuneration and Staff Report in part two.

During the year we were successful in our submission for the Silver level Diversity Charter Mark which endorses our hard work in seeking to create an inclusive & diverse workplace where all employees can feel valued, safe and respected.

The EDIS team is responsible for implementing the Housing Executive's Equality Scheme and during 2023/24 the team:

- Screened 20 Policies;
- Held 11 Equality Awareness Training Sessions and 10 Corporate Induction sessions, with 384 staff attending;
- Held two full meetings 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 and support to the Perceptions Survey and the Community Cohesion Strategy;
- Responded to 72 Information Requests, including Freedom of Information requests; and
- Provided a range of Communication Support Services including: 11,367 Telephone language Interpreting Calls (compared to 6,500 last year); 356 Requests for Document Translations; 29 Requests for Alternative Formats including large print; 69

Face to Face Interpreting Requests; 51 Sign Language Interpreting Requests; and 422 Video Relay Service (VRS sign language) Calls.

In relation to safeguarding and managing suicide risk, the EDIS team managed 191 safeguarding cases and 44 suicide risk reports. Further to this 11 Safeguarding and Managing Suicide Risk Awareness training sessions were held with 275 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, the DfC Safeguarding Forum and the Local Government Staff Networks Safeguarding Forum.

Corporate Business Planning & Performance and Programme Management Office (PMO)

The Corporate Business Planning & Performance and PMO teams are part of the Learning and Organisational Development team and are responsible for a wide range of functions including the development of and reporting against the Corporate Strategy and associated annual business plans. The two teams also support the development and delivery of a number of highly strategic and complex programmes and projects within the Housing Executive.

PMO provides a valued service through strategic reporting on the Housing Executive's portfolio of projects, providing specialist advice and guidance on project management methodologies and fulfilment of the requirements of the Integrated Assurance process. The PMO team have experienced significant change during 2023/24, including personnel changes whilst moving towards the end state structure, revised guidance from the DoF on engagement with the Assurance Process and streamlining of internal processes and procedures to adapt our services to suit the requirements of the business.

The team also continues to support the Programme Management Steering Group and Programme Board management arrangement on a bi-monthly basis, whilst looking at ways to streamline processes and enhance the service provided to ensure good governance and decision-making.

In 2023/24 the PMO team have continued to provide tailored support, advice and guidance to over 30 projects at varying stages of the project life cycle. From project start up, through inception, delivery, closure, and post project. During the year this support included providing additional learning and development opportunities for Housing Executive staff through the

delivery of an 'Introduction to Project Management' session to approximately 140 people. This will be further expanded in 2024/25 with more development opportunities offered to increase Project Management knowledge in the Housing Executive.

The Corporate Business Planning & Performance team is responsible for a range of functions including the development of and reporting against the Corporate Strategy and associated Annual Business Plans to DfC, 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.

In 2023/24 the team were responsible for delivering one PI: completion of part one (Performance) of the Annual Report and Accounts 2022/23 (FAAPI 6.6.2.1). This PI was successfully achieved and the document was approved by the both Housing Executive's Audit, Risk and Assurance Committee and Board, before being laid with the Northern Ireland Assembly Business Office in September 2023 (the Housing Executive's Annual Report & Accounts for 2022/23 can be downloaded from: <https://www.nihe.gov.uk/annual-report-2022-23>).

2024/25 will see the delivery of the final year of the current Corporate Strategy, 'Energising Communities'. Looking forward, in 2024/25 we will start the development process for a new Corporate Strategy, whilst also developing a 2025/26 One Year Business Plan.

Facilities & Accommodation

During 2023/24 the Facilities and Accommodation team delivered year one of the Accommodation Strategy, and successfully completed the corresponding (sub) Objective (CS O 6.5.3). Staff previously based at our Lanyon Place office completed their moves to the Housing Centre, and the Housing Executive no longer have a presence in the Lanyon Place office in Belfast. A high-level initial proposal was developed to consolidate our accommodation within the South Region, including the downsizing our office in Bangor and consolidation of the remainder of our accommodation within the rest of the South Region Estate. A review of accommodation options in Derry/Londonderry has been completed, and a high-level options appraisal has been developed. As a result, three potential options have been identified and will now be included in a full business case analysis in 2024/25.

Throughout 2024/25 we will review environmental and sustainability actions to continue to drive down our carbon emissions.

Health and Safety Services

Health and Safety Services provides organisational assurance that compliance with statutory requirements is coordinated and centrally monitored. Health and Safety Services consists of a number of different teams, each managed by one of the two Health & Safety Managers:

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

Health and Safety Services successfully delivered against (CSO 6.6.4) 'Ensure the Housing Executive meets its Statutory Health & Safety requirements and ensure compliance with policies and procedures', as demonstrated through key performance targets progressed throughout 2023/24 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 and Welfare inspections of each Principal Contractor for all Response Maintenance Projects at least twice per month, per contract, focusing on high-risk activities for all types of response maintenance activity;
- To undertake Health, Safety and Welfare inspections of each Principal Contractor, per month/per region for all planned schemes;
- To improve organisational capacity and capability to prevent and manage work related ill health; and
- Improve organisational capacity and capability to prepare for, respond to and recover from disruptions by developing a business continuity management system (CSO 6.6.5).

Key successes during 2023/24 included:

- Establishment of the new Emergency Planning & Business Continuity Team and Steering Group;
- The introduction of a consolidated programme for fit testing Respiratory Protective Equipment and a new Occupational Exposure Monitoring Service;
- Maintaining 'Safe-T-Cert' – an accredited health and safety scheme, co-ordinated by the DLO Health and Safety Team;
- The in-house development of Reducing the Risk of Needlestick injuries Video*, associated with work activities connected with social housing for staff in organisational roles at potential risk of such injuries;
- A satisfactory rating from Internal Audit focusing on incident reporting and internally delivered/mandatory training, with no priority 1 or 2 recommendations during October/November 2023;
- 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;
- Development of a new system for tablet based electronic construction site safety inspections; and
- Internal and external health and safety training programmes^{5*} such as manual handling, personal Safety, risk assessment, incident investigation, stress management, first-aid and automated external defibrillator (AED).

In March 2024 the Construction Health and Safety Team organised and presented a Contractor Health and Safety Awareness event for 150 delegates, including contractors working for the Housing Executive. This event focused on current issues in the construction industry such as Safety Work at Height, Gas Safety, Reducing the risk of needlestick injuries, the findings of the bi-monthly health initiatives, which formed part of the Health, Safety and Welfare Inspections on Contractors Sites during 2023/24; a presentation from Health and Safety Executive for Northern Ireland on respiratory health, keeping your people

⁵ Both initiatives were finalists in the Association of Safety Compliance Professionals Awards 2024 in their respective categories.

in the workplace safe and a presentation from Age NI on a new 50+ Men's programme. 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.

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 health & safety awareness courses, all of which are accessible through the dedicated Health and Safety Services section of the Housing Executive's intranet.

Plans for 2024/25 include:

- The development of an organisational action plan to address abusive behaviours towards staff with the assistance of a number of working groups, including the support of trade union colleagues, focusing on: Accessibility of Staff and Managing Customers Expectations; Support and Training for Staff; and Use of lone working devices;
- To enter the 2024 All Ireland Occupational Safety Awards NISO⁶/NISG⁷, which provides independent adjudication of the Housing Executive's health and safety management systems;
- To increase attendance at mandatory incident reporting and investigation training and general health & safety risk assessment training;
- Focusing on key safety issues associated with construction site during 2024/25 health, safety and welfare inspections for example mobile plants and equipment, excavations/underground services, welfare and emergency procedures and fire safety;
- Developing and leading on an annual Contractor Forum to build partnerships, promote compliance and good practice in construction;
- Reviewing the Health & Safety Management System within a department in each Housing Executive division;
- Developing new training and safety information initiatives, revising organisational health & safety policies and review organisational Control of Substance Hazardous to Health (COSHH) compliance;

⁶ National Irish Safety Organisation

⁷ Northern Ireland Safety Group

- To complete a programme of Business Impact Assessments with critical services identified in conjunction with the Emergency Planning/Business Continuity Planning (EP/BCP) Steering Group; and
- To consolidate the organisations current Emergency Plan and to introduce a new Business Continuity Planning Template.

Legal Services

Legal Services is a specialist and distinct function providing accessible niche legal services across a wide range of practice areas, reflecting the breadth of the statutory functions of the Housing Executive. These include:

- Housing and the housing selection scheme;
- Homelessness;
- Land and property;
- Grants;
- Vesting and compensation;
- Statutory house sales;
- The Scheme for the Purchase of Evacuated Dwellings (SPED);
- Housing support services; and
- Traveller accommodation.

The core functions of Legal Services are:

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

Information Governance

Throughout 2023/24 the Information Governance team continued to provide advice and guidance across the range of Data Protection, Freedom of Information, Environmental Information and records management issues. This includes advice on Subject Access Requests, Freedom of Information requests, Environmental Information Regulations requests, personal data breaches, data sharing agreements, data protection impact assessments, Publication Scheme, Freedom of Information Disclosure Log, RecordsNI file plan and the Disposal of Records Schedule.

Key outcomes during the year include:

- Significant improvement in timescales for Freedom of Information requests and Environmental Information Regulations requests has been achieved during 2023/24 with 86% of requests being completed on time compared with 76% for the previous year. Overall, 352 Freedom of Information requests and Environmental Information Regulations requests were completed during 2023/24, compared with 275 during the previous year;
- A new FOI tracker system is operational and staff have received further training in the preparation of Freedom Of Information responses;
- The Disclosure Log of Freedom of Information responses continues to be published monthly on the Housing Executive website. This promotes greater public awareness aligned to the principles of openness and transparency in relation to Housing Executive activities and information;
- The Data Protection Policy was reviewed and updated. This policy continues to provide the primary framework for meeting the organisation's statutory data protection obligations in processing personal data about customers, staff, and those who work and interact with the Housing Executive;
- A Personal Data Breach Management Plan is operational, providing clear and standardised guidance for staff on incident reporting. All breaches are triaged within one working day of being reported;
- An organisational Record of Processing Activities (ROPA) has been completed replacing the Information Asset Register, enabling effective information governance

and compliance with data protection legislation and in particular the principle of accountability;

- RecordsNI File plan has been completed with all business areas now storing files in the new system which will enable the organisation to manage information assets efficiently and assist in the provision of adequate responses to requests for information;
- The Information Governance Steering Group, chaired by the Senior Information Risk Owner (SIRO) and attended by all Information Asset Owners (IAOs) continues to meet on a six-monthly basis and aims to promote the effective management and protection of the Housing Executive's information assets.

The future work of the Information Governance team remains largely reactive, although plans are in place to review and update the Disposal of Records Schedule in 2024/25, which will require signoff by our Executive Team, Public Records Office of Northern Ireland (PRONI) and the NI Assembly.

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, Chair and Chief Executive Support Office, Public Affairs and Graphic Design. It is 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 2023/24 year include coordinating the annual staff conference in Armagh, which incorporated an awards ceremony; providing support to promote the Energy Symposium; coordinating responses to queries from the reestablishing Northern Ireland Assembly; a number of customer focused social media campaigns; the delivery of our tenant magazine "Streets Ahead" in December and beginning work on a number of rebranding projects and our staff intranet.

The team's Performance Indicator (CSPI 5.2.8; agree a baseline reputational score to enable future performance measurement and management) was not fully achieved as funding to deliver this was not secured, and it was not deemed appropriate to assess the

Performance Indicator using a RAG status. The team will now explore options for a 'reputational audit' to be carried out in 2024/25, in the new budgetary year, following the recent re-establishment of NI Assembly.

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

Grainia Long
Chief Executive

Date: 26 June 2024

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 2023/24 KPIs have been calculated on a reasonable basis with appropriate supporting evidence.



Adele Reilly
Assistant Director, Internal Audit

Date: 26 June 2024

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 2024.

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 for Communities 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 Non-Executive Board. All ten Non-Executive 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. The Non-Executive Board operated with four vacancies during the period from 17 May 2023 until 29 February 2024 following the conclusion of the terms of appointment of Members appointed via nomination from the Northern Ireland Housing Council. Three Non-Executive Board Members were appointed from the Northern Ireland Housing Council on 1 March 2024, although one resigned in June 2024. As of the date of this report, two Non-Executive Board Member vacancies remain.

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 or organisational structures, roles and responsibilities. During 2023/24 the Board oversaw improvements identified through the externally facilitated assessment of the Board’s effectiveness from the previous year. The introduction of the new Partnership Agreement in August 2023, was a significant milestone in the relationship with our sponsor Department, reflecting the constructive partnership working and growth in proportionate autonomy. A practical benefit of the introduction of the Partnership Agreement and increases in delegated expenditure authority was to streamline decision-making and reduce the volume of operational approval papers requiring Board approval, thus enabling a continued focus on strategic matters.

The Board governance framework was further enhanced during 2023/24 with the publication of a revised and updated Code of Conduct for Board Members, to ensure clarity around roles and responsibilities and underscore the standards and behaviours displayed by the Board. In addition, a Board Development Leadership

Programme has been procured in April 2024 and further underpin and enhance strategic leadership and personal development for Board Members.

During 2023/24, the Housing Executive Board convened a total of 10 times including: 9 formal Board Meetings and 1 Away Day with special or ad-hoc meetings called as necessary.

The Board is supported by an Executive Management Team led by the Chief Executive. Further details can be found at 'Who we are' on page 6.

Non-Executive Board Appointments

Non-Executive Board Members for the period 1 April 2023 - 31 March 2024

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.

Vice Chair – John McMullan (1 April 2024 to 31 March 2029)

- John McMullan was re-appointed for a second term to the role of Vice Chair of the Housing Executive Board by the Minister for Communities on 1 April 2024 for a 5 year term.

Other Non-Executive 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);
- Alderman Keith Kerrigan (appointed for a first term from 1 March 2024);
- Councillor Paul McCusker (appointed for a first term from 1 March 2024);
- Councillor Cathal Mallaghan (appointed for a first term from 1 March 2024 and resigned on 4 June 2024).

Former Non-Executive 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).

Independent Committee Advisers for the period 1 April 2023 - 31 March 2024

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 Committee:

- 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).

At 31 March 2024, the gender breakdown of the Non-Executive Board Members was:

- Female: 2
- Male: 7

At 31 March 2024, the gender breakdown of Independent Committee Advisers was:

- 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 website¹. In addition, any declarations shared during meetings are also captured within their respective Minutes.

¹ [Declaration of interest Register - Board and Independent Members \(nihe.gov.uk\)](https://www.nihe.gov.uk)

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 2024, 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 **£363.6 million** (2022/23: £415.8 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".

Early departure costs of **£90k** (2022/23: £74k) were incurred from staff who left early, **£9k** (2022/23: £13k) of which was 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, continue to show an asset in the pension fund. The Defined Pension Asset was valued at **£77.8 million** (2022/23: £15.6 million), where the fair value of employer assets exceeded the defined benefit obligation. The increase in the surplus in 2023/24 has resulted from an increase in the actual return on the pension assets over the year (approximately 10%), which was higher than the expected rate of return of 4.8%, leading to the higher than

expected return on the assets of around £49m. There was also a decrease in the Benefit Obligation (approximately £15m) due to the small increase in discount rate from 4.8% at 2022/23 year-end) to 4.9% at 2023/24 year-end. Note 22 provides further pension disclosures.

Property, plant & equipment

For year ending 31 March 2024 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 2024. 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 2023/24 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. They will be subject to a full revaluation in 2024/25, being the first year of the next quinquennial valuation exercise.

The 'Other Assets' category was revalued using appropriate March 2024 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 2024 resulted in an increase in value of £102.7 million which has been transferred to the Revaluation Reserve Account. A further £1.7 million revaluation decrease was transferred to the Statement of Comprehensive Net Expenditure. Of the amount transferred to the revaluation reserve, £101.8 million represented an increase in the housing stock valuation, which is reflective of an increase in the market value of the housing stock, before the adjustment factor, used in the valuation process is applied 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 £152k increase in the value of land as a result of the revaluation exercise undertaken by McKibbin Commercial Property Consultants. of which £175k revaluation increase was transferred to the revaluation reserve and £23k revaluation decrease was transferred to the Statement of Comprehensive Net Expenditure. 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 £9.4 million has been transferred to the Revenue Reserve Account from the Revaluation Reserve Account. During the financial year, the Housing Executive sold 349 dwellings, which includes 2 properties now fully sold through equity sharing. There were a further 13 properties partially sold under 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 2023/24 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.

During the year, the Housing Executive dealt with 598 Formal complaints across all divisions. There were 482 First Stage complaints and 116 complaints were then dealt with at Final Stage, with staff carrying out detailed investigations and addressing issues raised. In 2023/24 The Northern Ireland Public Services Ombudsman opened investigations into 20 complaints raised against the Housing Executive at assessment stage and 5 complaints at detailed investigation stage.

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 2023/24, a

total of **435,996** (2022/23: 445,911) payments were processed with **428,095 (98.19%)** (2022/23: 438,661 (98.37%)) being paid within 30 days of the invoice date. In relation to the 10 days payment target which relates to goods and services invoices only, a total of **403,116** (92.46%) (2022/23 401,450 (90.03%)) 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. The 2024/25 annual budget (the NI block grant), including the budget allocations to the Northern Ireland Departments was approved by the Northern Ireland Assembly on 25 April 2024. 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 for 2024/25, the funding position for the Housing Executive is expected to be challenging, especially in light of the additional pressures being faced from 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 is no similar cost for 2023/24. The cost of this exercise for 2022/23 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 Committee⁶

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 2024:

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 2023 to 31 March 2024. 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).

As a result of collaborative working between the Department for Communities (DfC) and the Housing Executive to replace the Management Statement Financial Memorandum and Dossier of Controls (MSFM), a Partnership Agreement was developed and came into effect on 11 August 2023.

The Partnership Agreement explains the overall governance framework within which the Housing Executive operates including the framework through which the necessary assurances are provided to stakeholders. Roles/responsibilities of partners within the overall governance framework are also clearly outlined.

The new Partnership Agreement contains the following commitments between the Housing Executive and Department:

- Working in partnership within distinct roles and responsibilities;
- Maintaining focus on successful delivery of Programme for Government outcomes and Ministerial priorities;
- Maintaining open and honest communication and engagement;
- Keeping each other informed of any issues and concerns, and of emerging areas of risk;
- Supporting and challenging each other on developing policy and delivery [when developing policy this may cut across more than one department];
- Seeking to resolve issues quickly and constructively; and
- Acting at all times in the public interest and in line with the values of integrity, honesty, objectivity and impartiality.

The Partnership Agreement, 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

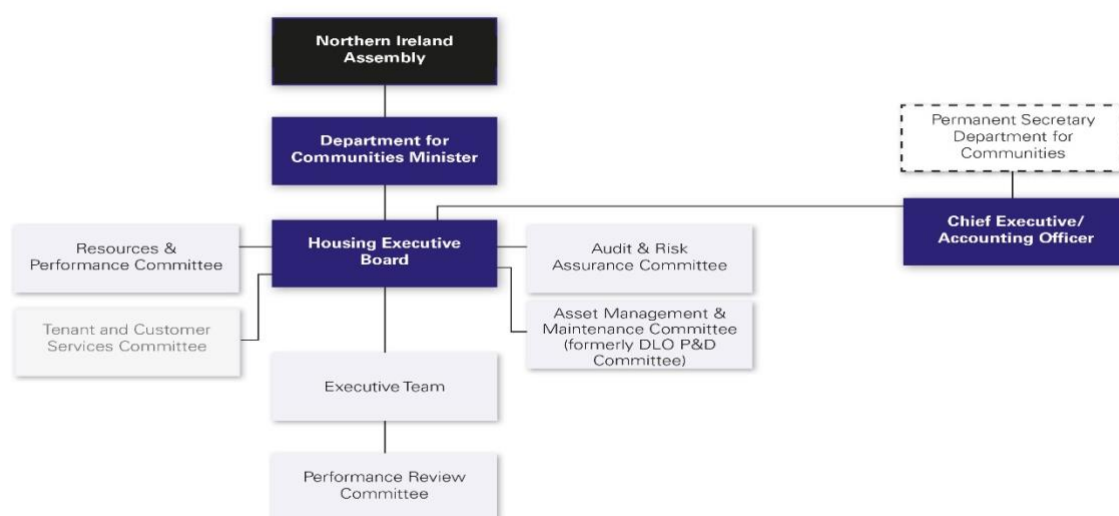
The Housing Executive operates a Governance Framework that is based on legislative requirements, principles of good governance, an effective system of internal controls and robust management arrangements and processes.

The Housing Executive maintained an effective system of internal control for the year ended 31 March 2024 in accordance with Department of Finance (DoF) guidance.

The Head of Internal Audit Annual Audit Opinion for the 2023/24 financial year provides a formal opinion on the governance, risk management and control arrangements in place within the Housing Executive. The overall opinion for this year is satisfactory, the detail of which is included at section 3A.

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 2023/24



Housing
Executive

The Board

The Board normally consists of ten non-executive members (including the Chair and Vice-chair) appointed by the 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 is responsible for providing effective leadership and strategic direction to the organisation and for ensuring the Housing Executive fulfils the aims and objectives agreed in the Corporate and Business Plans approved by the Minister. It is responsible for ensuring that the organisation has effective and proportionate governance arrangements in place and an internal control framework which allow risks to be effectively identified and managed. The Board sets the culture and values of the organisation and sets the tone for the organisation's engagement with stakeholders and customers.

The Board has established a committee structure to enhance 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 comprises of four Committees and one Board Member in the role of Senior Independent Director (SID).

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.

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 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 2023/24

Between April 2023 and March 2024, the Housing Executive Board held nine formal Board meetings, and a strategic planning day. The table below summarises the attendance of Board members and Independent Committee Advisers' record of attendance for 2023/24 at formal Board and Committee meetings.

	Members	Board	Audit & Risk Assurance Committee	Resources & Performance Committee	Asset Management & Maintenance Committee	Tenant & Customer Services Committee
Board Members	Nicole Lappin	9/9		1*	5*	3*
	John McMullan	8/9	5/5		6*	6/6
	Pauline Leeson	6/9		5/5	6/7	
	Jim McCall	7/9	4/5			6/6
	Chris Welch	8/9			7/7	
	Derek Wilson	8/9		5/5		
	Allan Bresland	1/1				
	Catherine Elattar	0/1				
	Amanda Grehan	0/1				
	Michael Ruane	0/1				
Independent Committee Advisers	Sharon Hetherington		5/5			
	David Peacock		5/5			
	Una Davey				3/7	
	Niall Sheridan				7/7	
	Parvesh Paul Sood			4/5		
	Mark Lowry			5/5		
	Linda Watson					6/6
	David Thompson					6/6

*In attendance as an observer

Performance of the Housing Executive Board 2023/24

During 2023/24 the Housing Executive Board continued to provide strategic direction and leadership to the organisation, ensuring the Housing Executive fulfilled the aims and objectives agreed in the Corporate Strategy and Business Plan. The Board operated during most of 2023/24 with reduced capacity with a composition of six members from 18 May 2023, pending the appointment of members from the Northern Ireland Housing Council (NIHC). Three new members were appointed from the housing council to the Board on 01 March 2024, however, due to timing of the next Board meeting, with attendance at Board/Committees not taking place until 2024/25. The previous Members terms expired on 18th May 2023 due to the Local Government Election.

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 requirements.

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 2023/24 the Board oversaw improvements identified through the externally facilitated assessment of the Board's effectiveness from the previous year. The introduction of the new Partnership Agreement with DfC in August 2023 was a significant milestone in the relationship with our sponsor Department, reflecting the constructive partnership working and growth in proportionate autonomy. A practical benefit of the introduction of the Partnership Agreement and increases in delegated expenditure authority was to streamline decision-making and reduce the volume of operational approval papers requiring Board approval, thus enabling a continued focus on strategic matters.

The Board governance framework was further enhanced during 2023/24 with the publication of a revised and updated Code of Conduct for Board Members, to ensure clarity around roles and responsibilities and underscore the standards and behaviours displayed by the Board. In addition, a range of administrative and logistical improvements were introduced during 2023/24 to further improve operational efficiency and support the Board and its Committees. This programme of work is ongoing to ensure continuous improvement and development.

Following an open tender procurement process, EY was appointed as the provider of the Board Leadership Development Programme in April 2024. The Development Programme will underpin and enhance strategic leadership and personal development for Board Members. Preparations are ongoing with EY in initiation of the programme and Board Members will be closely engaged on the design and roll out going forward.

Quality of information used by the Board

The Board continuously assesses the quality of information presented to it, and periodically reviews the style and format of papers submitted to ensure that the content is of sufficient quality to support effective, timely and informed decision making. Feedback from Board members during the year via periodic pulse surveys and qualitative feedback have been used to identify areas of best practice and scope for continuous improvement, with work progressed during 2023/24 to streamline Board information to ensure a focus on relevant issues. This work will continue during 2024/25 with further iterations of Board papers and increased use of dashboard reporting across business areas.

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

Board Member and independent advisors' 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 published on the website. Should a conflict arise due to declared interests, the Member may be asked to withdraw from the meeting, and not participate in any discussion or decision-making.

In this accounting period, there were six instances identified of potential conflicts of interest during meetings. On three of these instances, a recurring potential conflict was declared by the same Committee Member which was noted as a standing declaration by the Chair, with an assurance that there was no actual conflict of interest arising. In another two instances a recurring potential conflict was declared by one Committee Member who was also assured by the Chair that there was no actual conflict of interest. The remaining other instance identified was declared by a Committee Member and was assured there was no actual conflict of interest.

Board / Committee Members, Advisers and the Executive Team are required to declare any gifts or hospitality received / offered and these are presented quarterly to each ARAC meeting. The Housing Executive policy on the declaration and management of interests in place for all staff is set out in the Housing Executive's Resourcing Policy, Procedures, and the Code of Conduct for Housing Executive Officers, published on the Housing Executive website.

The Staff 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 Staff 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 to support the achievement of 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 and 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.

Performance Review Committee (PRC)

The Performance Review Committee (PRC) is chaired by the Accounting Officer 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.

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. Any impairments to independence and objectivity are monitored closely by ARAC and the safeguards to manage impairments are reviewed on an annual basis.

The Housing Executive's risk appetite statement enables the Board 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 in 2022 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 up to the end of March 2024 identified 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 were:

- **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 Housing Executive 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 the Housing Executive.
- **Governance:** Lack of effective governance arrangements within the Housing Executive leading to the Housing Executive not fulfilling its statutory duties.
- **Technology:** IT systems are not fit for purpose to deliver organisational objectives.

Review of Corporate Risks

During the Accounting period 2023/24, a review of corporate risks was undertaken, to align with the strategic priorities in the Corporate Plan 2022-2025.

A new strategic principal risk register went live in May 2024 following the required approvals from the Housing Executive Board.

In 2023/2024, the Housing Executive faced significant 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.

Budgetary Uncertainty

The 2023/24 Budget Submission was submitted to DfC for funding consideration in early March 2023. The Department (DfC) provided the Housing Executive with indicative funding allocations for Regional Services (RS) capital and revenue programmes, which fell significantly short of required levels of funding. Following the completion of an Equality Impact Assessment, DfC subsequently confirmed the Housing Executive opening allocations on 3rd October 2023.

The revised Regional Services capital programme was fully funded (accepting that the SHDP target was reduced from 2,000 starts to circa 1,500 starts in 2023/24 and suspension of the discretionary grants programmes). DfC agreed budget tolerances were adhered to for both capital and revenue.

However, there also remained a significant funding shortfall in relation to the Regional Services revenue programme, with several priority programmes suspended due to the funding shortfall for example:

- The 2023/24 Inflationary uplift for SP Providers
- SP Provider Investment Fund
- Some elements of the Research Programme.
- Strategic Prevention Measures: Homelessness.

Following confirmation of budget allocations, DfC advised that the Housing Executive must develop a plan to facilitate a break-even position against the confirmed revenue programme budget allocation. Following a series of meetings between the Housing Executive and DfC it was confirmed that the Housing Executive faced an unavoidable revenue programme overspend of circa £7.2m resulting from the delivery of statutory services and existing contractual commitments. Subsequent to this, it was confirmed that DfC was minded to tolerate a degree of pressure on the revenue budget.

A key aspect of the projected overspend was the continuance of increasing homeless accommodation demands, driven primarily a Home Office decision to accelerate 'leave to remain' decisions. A significant proportion of households, who are awarded 'leave to remain' have an entitlement to temporary accommodation from the Housing Executive. This demand is of an exceptional nature, with no historic reference point, making it difficult to accurately determine the quantum or timing of homeless accommodation demands expected from the Housing Executive. To date, the numbers of Asylum Seekers presenting to the Housing Executive has been materially lower than information received from the Home Office would initially have suggested.

Separately, significant progress was made in relation to recoupment of historic Supporting People restricted reserve balances from providers in the latter part of

2023/24. £4m was recouped during 2023/24 in relation to Supporting People providers' historic reserves.

This has resulted in an in-year one-off benefit in terms of additional budget, reducing in-year pressure.

DfC confirmed on the 08 March 2024 that they have been able to provide additional non-recurring funding of £3m (in addition to the current Housing Executive allocation) to help sustain housing related support to the vulnerable people within Supporting People schemes (excluding statutory bodies e.g. Hospital Trusts) and to support the crucial agencies delivering support and contributing to the prevention of Homelessness.

Demand for Homeless Services

There has been continuous pressure on Homeless services throughout 2023/24 and in particular the provision of temporary accommodation. Demand has been acute throughout 2023/24 and the Housing Executive continually exhausted its supply of traditional and retained single lets, and other standard temporary accommodation, and increasingly relied on hotel and bed and breakfast accommodation. Throughout 2024, the Housing Executive have consistently placed in excess of 400 households in hotels on any given night.

Temporary Accommodation provision is under severe pressure and a range of accommodation solutions are being considered and explored as a response.

Demand for temporary accommodation comes from both new and existing applicants; as households who already have 'full duty applicant' status, have seen their informal, and often unsustainable, sharing arrangements break down. As at December 2023 there were more than 28,614 households on the waiting list with full duty applicant status and the Housing Executive has an unending statutory duty to provide temporary accommodation to those households.

Asylum Seekers and Refugees (Mears Group)

Throughout 2023/24, the Housing Executive continued to deliver on key strategic and operational roles linked to the Executive Office (TEO) led programme to accommodate and support Ukrainian refugees arriving in Northern Ireland. It is estimated that since March 2022, 3,149 Ukrainians have arrived in Northern Ireland, with 2,362 here under the Homes for Ukraine Scheme, 324 under the Ukraine Families Scheme and 463 under the Ukraine Visa Extension Scheme.

On the 19 February 2024, the Home Office announced significant changes to the Ukrainian Visa Schemes. The Ukraine Family Scheme closed on 19 February 2024 and the Ukraine Visa Extension Scheme closed on the 16 May 2024. The Homes for Ukraine Scheme will continue but with changes to host eligibility. All existing Ukrainian Visas were due to expire in March 2025 but the Home Office announced details of the

Ukraine Permission Extension Scheme that provides a route for Ukrainians with existing visas to apply for a further 18 month extension beyond March 2025. The changes to the visa schemes had a significant impact on reducing the risk of large numbers of additional Ukrainian households arriving in Northern Ireland and requiring homelessness assistance.

A potential risk that the Housing Executive is currently monitoring closely is the large-scale leasing of House in Multiple Occupation (HMOs) by Mears Housing Group as an accommodation solution for asylum seekers and the potential impact on the housing market within Northern Ireland.

The implementation of Home Office priorities to reduce the backlog in asylum seeker applications has had a significant impact on the delivery of homelessness services. Since August 2023, there has been a substantial increase in the number of 'discontinuation of support' notices received by the Housing Executive from the Mears Group following a positive decision on an asylum application. From April 2021 – July 2023, the average number of notices received from the Mears Group was 31 per month. From August 2023 – February 2024, the number of discontinuation notices per month ranged from 90 – 274, with an average of 133 per month. Over the course of 2023, around 55% of the cases referred by Mears needed homelessness assistance and 42% required temporary accommodation.

There remains circa 2,500 individuals in Northern Ireland that are being supported by the Home Office whilst awaiting a decision on their application for asylum. Work continues with the Home Office to understand the expected number of decisions to be made across 2024/25, to inform service planning assumptions.

Asset Management

The Housing Executive Programme delivery has seen significant work delivered throughout 2023/24 by the procurement and contracts teams and as a result of this work, seven large contracts, both Planned and Response Maintenance, have been awarded with a cumulative value in excess of £250 million over the next 2 years. The contracts commenced during September 2023.

In addition, the Housing Executive has completed the Energy Efficiency in Social Housing project, which was part-funded by the European Regional Development Fund (ERDF) through the Investment for Growth and Jobs Programme for Northern Ireland 2014-2020, and by the Housing Executive through its landlord reserve.

The programme consisted of works to improve the energy performance of 1,406 homes across Northern Ireland. The overall scheme cost was £38.1 million. Taking a fabric first approach to non-traditional housing stock, the work included a variation of: external wall insulation, window/door replacement, cladding and roofing work, roof and floor insulation, replacing canopies, renewing rainwater goods/fascia/arge and providing ventilation to kitchens and bathrooms, where required. These

improvements will assist tenants in managing energy costs and reduce carbon emissions from the Housing Executive stock.

Separately, in November 2023, a number of retrospective overpayments were identified following an internal assessment. In response the Director of Asset Management commissioned an immediate review, with a series of actions agreed by Executive Team. Recovery of overpayments is underway, and as would normally be the case, the issue has been identified as an in-year priority for the Housing Executive's Internal Audit Team.

Ministerial Directions

There were no ministerial directions during the accounting period 2023/24.

Personal Data Breaches

During the accounting period 2023/24 no personal data breaches were notified to the Information Commissioner's Office (ICO).

3. Overview of Significant Reports/Issues

3a. Internal Reports

Head of Internal Audit Opinion

The 2023/24 Internal Audit Plan was approved by ARAC in March 2023 and is focused on priorities and key assurance requirements. Progress against the annual plan is monitored by ARAC over the course of the year. In addition to planned audit assignments Internal Audit have responded to a range of consulting requests, requests for advice and guidance and provided post-audit support. All of this work informs the Internal Audit opinion.

The Head of Internal Audit overall opinion is based on internal audit activity carried out during 2023-24 and cumulative assurances derived from internal audit activity during the previous three year period, with an overall Satisfactory opinion provided for 2023/24.

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.

Head of Internal Audit Opinion Housing Benefit

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). The Head of Internal Audit, on the basis of work carried out in 2023/24 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.

Limited Opinion Audit Reports

No limited opinion audit reports were issued by the Head of Internal Audit during 2023/24. Two priority 1 recommendations relating to the limited opinion in respect of Houses Sales, as referenced in the 2022/23 Governance Statement, remain outstanding. Management continue to progress the implementation of these recommendations. Progress is monitored on a monthly basis by Chief Executives Performance Review Committee and quarterly by ARAC.

Technical Inspection Unit (TIU) Reports

Since September 2023, TIU reported on 11 inspections:

- 10 Compliant
- 1 Health check (no opinion)

There were twenty inspection reviews on the 2023/24 approved TIU plan. Details on their status is set out below:

- 11 issued as final reports; (included in figures above)
- 2 issued as draft report;
- 3 have fieldwork complete;
- 0 are work in progress;
- 4 to be carried forward.

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 01/07/2023		Added		Closed		Closing Balance 26/06/2024	
TIU	18		78		83		13	
	P1	1	P1	1	P1	2	P1	0
	P2	17	P2	77	P2	81	P2	13

Update on Internal Investigations including potential Fraud Investigations reported in 2022/23 Annual Governance Statement

Of the cases reported in 2022/23 one case involving allegations of travel and subsistence fraud remains under investigation under the disciplinary procedures, one case involving a member of staff and a housing application has been closed with legal action being considered.

Internal Investigations 2023/24 (including Potential Fraud)

In 2023/24, six new cases of suspected fraud were investigated by the Corporate Investigation and Security Unit.

- One relates to a phishing attempt which was prevented by effective internal controls.
- A case that relates to retention of a wrongful credit was resolved through civil recovery.
- A case reported previously in 2019/20 relating to an electrical subcontractor was re-opened as concerns remain about the use of operatives with incomplete qualifications.
- One case relates to an incomplete housing file which came to light after an insurance claim, and this investigation is ongoing. There is an ongoing investigation into alleged misappropriation of assets worth £1,600 with most recovered and a total of £200 remaining outstanding.
- The final case relates to an alleged overpayment to a grounds maintenance contractor and following investigation it was found that no overpayment occurred.

Tenancy Fraud Unit Investigations (TFU)

From 01 April 2023 – 31 March 2024, of the 147 tenancy fraud cases that were referred to the TFU for investigation:

- 29 dwellings have been recovered;
- 4 fraudulent tenancies were recovered;

- 8 fraudulent housing applications were withdrawn or cancelled;
- 2 cases where housing selection scheme points had been awarded following fraudulent information, were withdrawn;
- 11 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

During the accounting period 2023/24, eight new whistleblowing cases were referred to the Head of Corporate Investigation and Security. Six of these cases have been closed and two remain under active investigation. Of the cases closed, one was substantiated and referred to HR, two related to Supporting People schemes and the remaining cases were closed with the allegations not substantiated.

All whistleblowing concerns were dealt with in accordance with Policy and the concerns regarding the SP schemes were dealt with through the agreed whistleblowing protocol with the Department.

4. Declaration of Significant Governance Issues for 2023/24

I can confirm that the significant governance issues raised in the Governance Statement for the accounting period 2023/24 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 it is considered that there is no fraudulent intent on the claimant’s part.”

The official DWP definition of official error is:

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

While the responsibility for Fraud and Error in respect of Housing Benefit transferred to the Department for Communities on 1 April 2017, the Housing Executive takes the prevention and detection of customer fraud and error seriously, and we aim to reduce overpayments of Housing Benefit where possible.

Throughout 2023/24, the Housing Executive has been committed to the principle of paying the right award, to the right person, at the right time. We aim to deliver prompt, accurate, secure payments and advice to customers, providing them with an efficient and informed benefits service.

The secure and accurate administration of Housing Benefit is a key priority for the Housing Executive. To support this a robust and thorough quality assurance process is in place throughout each of the six HB units.

As evidence of our commitment to this the following note sets out the activities and outcomes of work undertaken under the HB Fraud, Error and Overpayment prevention and detection strategies during the 2023/2024 financial year.

Assessing the Level of Customer Fraud, Customer Error and Official Error for 2023 calendar year (Rented Sector)

The Department for Communities Standards Assurance Unit has produced their estimates for Customer Fraud, Customer Error and Official Error levels in Housing Benefit administration for the calendar year 2023, based on a sample of cases and this is shown in the table below. Comparisons with the 2022 and 2021 calendar year are also shown.

At the time of writing this paper these are the latest statistics available to us from DfC Standards Assurance Unit in respect of Housing Benefit fraud and error for 2023.

% of Annual Expenditure	Customer Fraud	Customer Error	Official Error	Total Error
Jan 2023-Dec 2023	3.2%	0.7%	0.9%	4.8%
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 3.2% equals £14.8m, while the total estimate of fraud and error of 4.8% amounts to £22.4m of which £1.3m is underpaid HB due to customer error and official error. HB expenditure has reduced from £506.4m in the 2021-2022 financial year to £474.8m in the 2022-2023 financial year and £470.4m in the 2023-2024 financial year. The reduction in HB expenditure is in line with the HB caseload decline with working-age claimants moving to Universal Credit.

The Housing Executive has implemented mandatory annual HB fraud awareness training for all HB staff. In addition to this we encourage all our staff to make fraud referrals to DfC Benefit Security Division for investigation where they suspect fraud.

We also carry out a range of data matching and VEP (Verification of Earnings and Pension) exercises each month. In 2024/2025 we will continue with these exercises, as well as working in partnership with DfC Benefit Security Division to tackle fraud and error in the Housing Benefit system.

Assessing the Level of Customer Fraud, Customer Error and Official Error for 2023 calendar year (Owner-Occupier Sector)

On 1 June 2022, the Housing Executive became responsible for the administration of Housing Benefit (HB) (Rates) and Low Income Rate Relief for owner-occupiers, on behalf of Land and Property Services (LPS).

The Department for Communities Standards Assurance Unit has produced their estimates for Customer Fraud, Customer Error and Official Error levels for the LPS owner-occupier caseload for the calendar year 2023, based on a sample of cases and this is shown in the table below. Comparisons with the 2022 calendar year are also shown.

% of Annual Expenditure	Customer Fraud	Customer Error	Official Error	Total
Jan 23 to Dec 23	7.3%	2.8%	1.6%	11.7%
Jan 22 to Dec 22	6.8%	2.7%	2.6%	12.1%

The monetary value of the customer fraud estimate of 7.3% equals £2.2m, while the total estimate of fraud and error of 11.7% amounts to £3.5m of which £22,834 is estimated as being underpaid HB due to customer error.

At the date of this report, these are the latest statistics available to us from DfC's Standards Assurance Unit in respect of owner-occupier fraud and error for 2023.

The Housing Benefit department remains committed to minimising error and maximising the detection of fraud and error for the owner-occupier caseload. We will continue to work with DfC's Standards Assurance Unit and carry out a range of Data Matching and compliance exercises designed to identify, prevent and address fraud and error in the benefit system.

Means of Addressing Fraud and Error (Real Time Information)

Undeclared earnings and pensions are widely 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 daily and the Housing Executive review approximately 750 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 for Communities secured funding to carry out a range of "Invest to Save" initiatives for all social security benefits. The Housing Executive reviews cases where customers 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 for these cases are included in the table on

the following page. Other counter-fraud activities are also continuing, including data matching through the Housing Benefit Matching Service, and a small number of Housing Executive cases not considered suitable for referral to BSD (Benefit Security Division in the Department for Communities).

The results of all the above mentioned counter fraud activity are summarised below:

Apr 2023- Mar 2024	Claims Reviewed	Error/ Cases	% with Overpayment	Overpayments Raised	Forward Savings
VEP Alerts	6,130	1,384	23%	£253,204.79	£1,322,114.68
Invest to Save Review of Earned Income	7,042	1,343	19%	£243,452.21	£922,313.94
Invest to Save Capital Review	4,311	256	6%	£635,813.70	£885,334.42
Data Cleanse HBMS/NFI	344	58	17%	£26,911.25	£70,067.07
Total Compliance	17,827	3,041	17%	1,159,382.25	3,199,830.11

Partnership with Benefit Security Division

Since 1 April 2017, under new arrangements agreed with BSD (Benefit Security Division within DfC), the Housing Executive is 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, it does 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 2023 – Mar 2024	100	0

As well as investigating 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 is 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 2023 – March 2024	152	£1,278,154.44	13	1

HB Overpayment Recovery

A KPI had been agreed with DfC in respect of the recovery of HB overpayments, whereby the Housing Executive will recover £8.5m in overpaid Housing Benefit in the 2023/24 financial year.

This KPI target was met and exceeded in 2023-2024. The year to date overpayment recovery outturn on 31 March 2024 was £9,195,980.71, thereby exceeding the £8.5m target. The total amount of Housing Benefit overpayments raised for the period 1 April 2023 to 31 March 2024 was £9,230,430.91. The table below analyses this data further:

HB Overpayments	B/F from 01 April 2023 (exc. court costs)	Value of Overpayments raised	Value of overpayments recovered	Written Off	Outstanding on 31 March 2024
April 2023 to March 2024	£41,851,094.36	£9,230,430.91	£9,195,980.71	£1,093,423.98	£40,792,120.58

The main causes for overpayments are attributed to claimants not reporting changes of circumstances, including changes to income and their household.

A number of other initiatives are in place to minimise 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 processed 2,554,958 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) for the rented sector between 1 April 2023 and 31 March 2024.

HB Expenditure and Caseload

Over the course of the year, the Housing Executive paid £470.477m in Housing Benefit (excludes Discretionary Housing Payments), assessed 13,971 new claims for Housing Benefit and dealt with 160,411 changes to existing claims notified by claimants.

Additional financial assistance was delivered to 13,325 customers through the Discretionary Housing Payment Scheme, with awards totalling £5.9m being made over the course of the year. Distribution under Housing Benefit and the Discretionary Housing Payment scheme for the financial year totalled £476.4m compared with £479.7m for 2022/23.

Further help with rates charges was also provided through the Low Income Rate Relief (LIRR) and Lone Pensioner Allowance (LPA) Schemes. During 2023/24 a total of £1.23m was paid in LIRR to Housing Executive and housing association tenants, with an additional £0.86m paid in LIRR to tenants in the private rented sector. Total caseload including private rented sector is recorded as 8,963 at the end of March 2024. A further £142k in LPA was paid to Housing Executive and housing association tenants, with an additional £646k paid in LPA to tenants in the private rented sector. Total caseload including the private rented sector is recorded as 4,943 at the end of March 2024.

At the end of March 2024 there were 35,812 owner-occupiers claiming Housing Benefit (Rates) and Low-Income Rate Relief (LIRR).

Between 1st April 2023 and 31st March 2024, we paid out £33.35m in Housing Benefit (Rates) and LIRR, assessing 1,362 new claims for Housing Benefit (Rates) and dealing with 13,168 changes to existing claims notified by claimants and 983,568 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).

HB KPI Performance Outturns for 2023-2024

KPI Target 1 – On average clear new claims in 15 days or less.

Outturn for 2023/2024:

7.6 days 2023-24 YTD outturn – target achieved.

KPI Target 2 – On average clear changes in circumstances in less than 5 days.

Outturn for 2023/2024:

1.48 days 2023-2024 YTD outturn – target achieved.

KPI Target 3 – 60% (Percent) or higher of new claims assessed within 10 days.

Outturn for 2023/2024:

79.17% assessed within 10 days 2023-2024 YTD outturn – target achieved.

All clearance times are measured from the date of receipt of the claim or information to the date of calculation, this includes delays from any source whether internal or external.

KPI Target 4 – Pass 14 day rule in 97% of cases.

Outturn for 2023/2024:

99.88% passed 14 day rule 2023-2024 YTD outturn – target achieved.

(This is measured from the date of receipt of last information necessary to calculate claim).

KPI Target 5 - Recover £8.5 m from outstanding overpayments in 2023/2024.

Outturn for 2023/2024:

£9,195,980.71– target achieved.

KPI Target 6 – 99% financial accuracy for assessment of HB claims.

Outturn for 2023/2024:

99.56% - target achieved.

6. Conclusion

I can confirm that actions are in place to manage any issues identified and that the Housing Executive Team is 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 2024/25.

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 2023/24 was approved in January 2024.

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 2024.

REMUNERATION REPORT (continued)

Directors' Emoluments continued – Audited Information

	Date of Appointment	2024 Salary	2024 Bonus Payments	2024 Benefits In Kind	2024 Pension Benefits*	2024 Total	2023 Salary	2023 Bonus Payments	2023 Benefits In Kind	2023 Pension Benefits*	2023 Total
							RESTATED ***	RESTATED ***	RESTATED ***	RESTATED ***	RESTATED ***
		£'000	£'000	£	£'000	£'000	£'000	£'000	£	£'000	£'000
G. Long Chief Executive	01-Feb-21	145 - 150	-	-	47	190 - 195	140 - 145 *	-	-	37	175 - 180
C. McFarland Director of Finance, Audit and Assurance	01-Jul-16	105 – 110	-	-	16	125 – 130	105 – 110 *	-	-	(29)	75 – 80
S. McCauley Director of Regional Services (Left 9 October 2023)	01-Apr-12	155 – 160 ****105 -110	-	-	35	190 – 195	100 – 105	-	-	(7)	90 - 95
P. Isherwood Director of Asset Management	01-Jun-15	105 – 110	-	-	26	135 – 140	105 – 110 *	-	-	(1)	100 – 105

REMUNERATION REPORT (continued)

	Date of Appointment	2024 Salary	2024 Bonus Payments	2024 Benefits In Kind	2024 Pension Benefits*	2024 Total	2023 Salary	2023 Bonus Payments	2023 Benefits In Kind	2023 Pension Benefits*	2023 Total
		£'000	£'000	£	£'000	£'000	RESTATED *** £'000	RESTATED *** £'000	RESTATED *** £	RESTATED *** £'000	RESTATED *** £'000
D. Moore Director of Corporate Services	01-May-19	105 – 110	-	-	40	145 – 150	100 – 105 *	-	-	3	105 – 110 *
J. Hawthorne Director of Housing Services	01-Apr-22	100 - 105	-	-	45	145 - 150	100 – 105 *	-	-	242	340 - 345
E. Newberry Director of Regional Services	26-Sep-22	105 - 110	-	-	90	195 - 200	50 – 55 ** 95 - 100	-	-	13	65 - 70 **105 – 110

* 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

*** 2022/23 Remuneration for the Senior Staff has been restated due to revision to accrued Salary, which has resulted in amendments to the prior year salary bands.

**** Relates to full year equivalent salary for S. McCauley. Actual disclosure salary band includes severance payment paid, as disclosed below.

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.

Severance Payment

Siobhan McCauley left employment voluntarily on 9 October 2023 and received a severance payment of 81k. This amount is included in the salary band disclosed in the Remuneration Report.

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 2023/24 was £145,000 – £150,000 (Restated 2022/23: £140,000 - £145,000).

The remuneration for the lowest paid staff member was **£22,400** (2022/23: £20,200). No employee received remuneration in excess of the highest paid director in 2023/24 or 2022/23. Remuneration ranged from **£22,000 to £147,500** (Restated 2022/23: £20,000 to £140,000).

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

REMUNERATION REPORT (continued)

Directors' Emoluments continued – Audited Information

Pay Ratios

2023/24	25 th Percentile	Median	75 th Percentile
Total remuneration (£)	24,702	30,825	36,648
Pay Ratio	6.0	4.8	4.0
2022/23 RESTATED	25 th Percentile RESTATED	Median RESTATED	75 th Percentile RESTATED
Total remuneration (£)	22,369	28,371	32,909
Pay Ratio	6.4	5.0	4.3

For 2023/24, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments (inclusive of overtime and exclusive of severance payments).

The decrease in the pay multiple ratio between 2022/23 and 2023/24 in the median, 25th percentile and the 75th percentile is due to a higher percentage increase in the median remuneration of the workforce than the highest paid director. This is mainly due to a lower percentage increase in the pay award approved for the highest paid director than approved for staff. Pay disclosure for the highest paid director is calculated using the remuneration bands as disclosed in the 2023/24 Remuneration Report, but excluding any severance payments paid.

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:	2023/24 v 2022/23	2022/23 v 2021/22 RESTATED
Average employee salary and allowances	4.2%	5.7%
Highest paid director's salary and allowances	3.5%	11.8%

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 2024 & Related Lump Sum	Real Incr. (Decr) In Pension & Related Lump Sum At Pension Age	CETV at 31 Mar 2023 (or date of joining) RESTATED **	CETV at 31 Mar 2024 (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 *	73	118	25
P. Isherwood Director of Asset Management	45 – 50 Plus 60 – 65 Lump Sum	0 – 2.5 Minus 0 – 2.5 Lump Sum	773	859	25
C. McFarland Director of Finance and Assurance	60 – 65 Plus 90 – 95 Lump Sum	0 – 2.5 Minus 2.5 – 5 Lump Sum	1,213	1,328	25
S. McCauley Director of Regional Services	40 - 45 Plus 45 - 50 Lump Sum	0 – 2.5 Minus 0 – 2.5 Lump Sum	719	781	13
J. Hawthorne Director of Housing Services	50 – 55 Plus 95 - 100 Lump Sum	2.5 – 5 Plus 0 - 2.5 Lump Sum	1,108	1,215	25
D. Moore Director of Corporate Services	40 – 45 *	2.5 - 5 *	569	651	35
E. Newberry Director of Regional Services (acting)	45 - 50 Plus 75 - 80 Lump Sum	2.5 - 5 Plus 5 - 7.5 Lump Sum	901	1,046	78

*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.

**CETV at 31 March 2023 restated as figures included in the previous year's disclosure were at 30 March 2023 (one additional day now included).

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 2023/24, employee contribution rates paid were in the 5.5% to 10.5% range and employer contribution rates were 19%.

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.

McCloud Remedy

In 2015, when public service pension schemes were reformed, protections for older members were introduced - the NILGOSC (NI) scheme changed from a final salary to a career average pension scheme and members who were within 10 years of their Normal Pension Age (usually age 65) on 31 March 2012 were provided with a protection called the 'underpin'. When a protected member takes their pension, the benefits payable under the career average (CARE) and final salary schemes are compared and the higher amount is paid.

In 2018, the Court of Appeal in England and Wales found that younger members of the pension schemes had been discriminated against as the changes did not apply to them. The changes made to the Scheme from 1 October 2023 are called the McCloud Remedy and remove the discrimination found in the McCloud court case. These changes are now backdated to 1 April 2015. More information on the McCloud remedy can be found on the NILGOSC website.

REMUNERATION REPORT (continued)

Non-Executive Board Members' Emoluments – Audited Information

Name and Title	Date of Appointment	Expiry of Term of Office	2024 Salary £'000	2024 Benefits In Kind (to the nearest £100)	2023 Salary £'000	2023 Benefits In Kind (to the nearest £100)
N Lappin Chair **	5 Nov 2022	4 Nov 2027	35 – 40	-	10 – 15 **30 - 35	-
J McMullan Vice-Chair	1 April 2019	31 March 2029	15 – 20	-	15 - 20	-

Emoluments for N Lappin disclosed above reflects her position as Chair for the Housing Executive during this period.

REMUNERATION REPORT (continued)

Non-Executive Board Members' Emoluments – Audited Information

Name and Title	Date of Appointment	Expiry of Term of Office	2024 Salary £'000	2024 Benefits in Kind £ (to the nearest 100)	2023 Salary £'000	2023 Benefits in Kind £ (to the nearest 100)
Board Members						
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. Welch	1 November 2020	31 October 2025	5 – 10	3,300	5 - 10	3,100
C. Elattar	1 January 2020	17 May 2023	0 – 5 **5 - 10	-	5 - 10	-
A. Bresland	1 January 2020	17 May 2023	0 – 5	-	5 - 10	-
M. Ruane	1 January 2020	17 May 2023	0 – 5 **5 - 10	-	5 - 10	-
A. Grehan	1 January 2020	17 May 2023	0 – 5 **5 - 10	-	5 - 10	-
P. Leeson	1 November 2020	31 October 2025	5 – 10	-	5 - 10	-
K. Kerrigan	1 March 2024	3 years or until the date of the next Local Government election	0 – 5 **5 - 10	-	-	-
P McCusker	1 March 2024	3 years or until the date of the next Local Government election	0 – 5 **5 - 10	-	-	-
C. Mallaghan	1 March 2024	6 June 2024	0 – 5 **5 - 10	-	-	-

REMUNERATION REPORT (continued)

Board Members' Emoluments – Audited Information

Independent Committee Advisers

Name and Title	Date of Appointment	Expiry of Term of Office	2024 Salary £'000	2024 Benefits in Kind £ (to the nearest 100)	2023 Salary £'000	2023 Benefits in Kind £ (to the nearest 100)
S. Hetherington ***	01 December 2017	30 Nov 2027	0 - 5	-	0 - 5	-
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 **0 - 5	-
D Thompson ** ***	01 September 2022	31 August 2027	0 - 5	-	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.

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

	2024			2023	
	Permanent Staff £'000	Others £'000	Board Members £'000	Total £'000	Total £'000
(a) Staff costs comprise					
Wages and Salaries	101,548	-	104	101,652	90,903
Social Security Costs	11,147	-	5	11,152	10,623
Seconded-in Staff	-	258	-	258	245
Agency Costs	-	14,302	-	14,302	14,210
Total Staff costs					
excluding Pension Costs	112,695	14,560	109	127,364	115,981
Other Pension Costs				22,264	38,653
				149,628	154,634
Less staff costs capitalised - IT Software				(745)	(442)
				148,883	154,192

Social security costs include **£531K** (2022/23: £408k) 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.

	2024 £'000	2023 £'000
Wages and Salaries	178	207
Social Security Costs	20	24
Other Pension Costs	33	40
	231	271

(b) Average number of persons employed

The average number of whole-time equivalent persons employed during the year is shown in the table below.

	2024			2023	
	Permanent Staff Number	Others Number	Board Members Number	Total Number	Total Number
Landlord Services	2,154	-	5	2,159	2,036
Regional Services	750	-	2	752	705
Agency Staff	-	496	-	496	539
Seconded In Staff	-	4	-	4	4
	2,904	500	7	3,411	3,284

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 2024 there were 3,119 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
Non-Executive Board Members	7	2	9
Landlord Services	1,310	982	2,292
Regional Services	350	463	812
	<u>1,668</u>	<u>1,451</u>	<u>3,119</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 2023/24 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 2023/24 is **6.2%** (2022/23 is 5.2%). The turnover percentage for agency staff has been calculated as **52.5%** (2022/23: 43.4%). 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

	2024		2023	
	Nos.	£'000	Nos.	£'000
The cost of early departure decisions taken this year and in previous years are shown in the table below:				
(a) Actuarial compensation paid by the Housing Executive for the early payment of pension benefits provided by NILGOSC to officers who retired early;	2	9	3	13
(b) Restructuring compensation paid and accrued by the Housing Executive to staff who left early;	1	81	3	61
		90		74
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;	366	875	390	857

During the year ending 31 March 2024, actuarial costs were incurred from staff leaving during the year under an approved early retirement NILGOSC scheme. Payments were also made to one staff member who left early and received a severance payment.

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 2023-24 - Audited Information

Exit Package Cost Band	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages by cost band
< £10,000	-	2	2
£10,000 - £25,000	-	-	-
£25,000 - £50,000	-	-	-
£50,000 - £100,000	-	1	1
£100,000 - £150,000	-	-	-
Total Number of Exit Packages			
2023-24	<u>-</u>	<u>3</u>	<u>3</u>
2022-23	<u>-</u>	<u>6</u>	<u>6</u>
Total Cost £'000			
2023-24	<u>-</u>	<u>90</u>	<u>90</u>
2022-23	<u>-</u>	<u>74</u>	<u>74</u>

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

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. During the year we delivered a range of People Management masterclasses across the organisation to further embed our core policies and equip managers to implement these in their areas of responsibility. The sessions have been well attended and received excellent feedback from both managers and trade union colleagues.

It is pleasing to report that we continue to have a relatively low number of formal employee relations cases across the organisation and this is largely due to a significant investment in informal resolution. This year we have introduced further improvements to our employee relations case management process to ensure we manage processes and timeframes effectively.

We launched a number of new policies this year. In June 2023 we launched a new **Reasonable Adjustments Policy** to set out a consistent approach to considering and implementing reasonable adjustments for people who have a disability. In September 2023 a new innovative flexible working policy to improve the working lives of our people while enabling us to continue to meet customer needs. In October 2023 a new **Health & Wellbeing Policy** was launched along with other guidance to support managers and employees in a range of areas including Wellbeing Action Planning, Stress and Menopause.

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 year a primary focus has been in the area of pay and grading. We have received approval to implement a new pay and grading structure across the organisation which will address concerns which have been raised by trade unions. Implementation is currently subject to consultation with trade union colleagues.

Health & Well-Being

Our Health & Wellbeing Team has responsibility for the implementation of the Housing Executive's Health & Wellbeing Strategy for 2021-2026. The Housing Executive achieved three accreditations during 2023/24. In October 2023 we were one of the first employers to be awarded the highest level of **'Take 5 Steps to Wellbeing'** and this will enable us to embed a culture of wellbeing and inclusion in line with our People Strategy. In November 2023 we received the **'Work Well Live Well Award'**, which recognises organisations that commit to improving the health and wellbeing of their employees. Then in March 2024 we were the first large public sector employer to be awarded Silver **'We Invest in Wellbeing'** accreditation by 'Investors in People'. The recommendations will help us to focus our action plan for 2024-2026 and will assist us to improve attendance.

The **Health & Wellbeing Steering Group** continued to meet quarterly throughout the year and additional subgroup meetings (which include our Health & Wellbeing Champions) take place for each of the five work streams (Physical Health, Healthy Mind, Financial Wellbeing, Personal Growth & Development and Be Connected) to address actions in the Health & Wellbeing action plan. We facilitate a wide range of training, webinars, awareness sessions, signposting and e-learning across all five Health and Wellbeing work streams. A calendar of events has been created to target specific health & wellbeing topics each month. Our Mental Health First Aiders continue to be promoted within the organisation and they continue to meet on a quarterly basis to share knowledge/experiences.

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. The H&WB Team deliver a 'Wellbeing Enabled Masterclasses' as part of the People Management Skills for Managers Programme and this has received excellent feedback.

We also continued to provide the opportunity for employees to take part in Health Assessments and 356 employees availed of the opportunity this year. 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. In addition to the counselling service, Inspire provide assistance in other areas such as early dispute resolution, team interventions and individual behavioural coaching.

Attendance Management

The objective this year was for absence to be 5.5% or less by March 2024. By February 2024 our absence figure was 6.82% compared to 6.4% for the same period last year. The increase reflects the trend across the UK with the CIPD reporting that employee sickness absence has hit the highest level in a decade (Simply Health 'Health & Wellbeing at Work Report 2023).

During the year a wide range of actions were taken to seek to improve attendance including robust implementation of our attendance policy, ongoing wellbeing action planning for individuals, improved absence case management, delivery of absence management masterclasses for line managers, and significant developments in terms of health and wellbeing support overall. Our HR Business Partnering Team continue to support line managers to promote good attendance and manage absence cases effectively. During 2023/24 15 Formal Case Reviews, 151 Wellbeing meetings and 148 Long Term Absence Meetings were conducted. During the period January - March 2024 106 cases were managed to a conclusion with 99 employees returning to work and 7 retiring due to ill health.

All of the actions taken were included in a Focus on Focus on Attendance Management presentation which was delivered to Senior Management to ensure a continued focus on this important issue. This is an area which requires further focus during 2024/25.

Employment, training and equality of opportunity.

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.

Of our employees, 3.8% consider themselves to have a disability under the Disability Discrimination Act (DDA) definition.

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:

- In June 2023 we launched a new **Reasonable Adjustments Policy** to set out a consistent approach to considering and implementing reasonable adjustments for people who have a disability.
- Our attendance management procedure also 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 recruitment and selection, the Housing Executive has comprehensive Resourcing Policies in place which 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 recruitment exercises increased to 256 (a 10.8% increase compared to last year) with 250 appointments to date from these exercises. 4,205 applications were received across these recruitment exercises which included large scale including Housing Advisors/Patch Managers (138 appointments), Housing Advisor Belfast (310), Finance Apprentice (84 apps), Housing Graduates x 2 (186, 128) and a number of administrative roles. We continue to enhance our advertising methods to include additional social media, radio and information sessions for larger exercises.

We continue to develop and implement our workforce plan in partnership with each Directorate, delivering a significant resourcing programme to ensure that we meet business need in a challenging labour market.

To maintain and promote a diverse and inclusive workforce, we ensure our policies and procedures support reasonable adjustments relating to disability.

Equality Diversity & Inclusion

Promoting Equality, Diversity and Inclusion continues to be a priority for the Housing Executive as we embrace inclusive ways of working and providing services to our customers. Our Corporate Strategy includes clear objectives to address housing inequalities experienced by our customers and our People Strategy commits us to building a diverse and inclusive workforce. **We actively encourage equality, diversity and inclusion in our working and thinking.**

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;
- The delivery of the Affirmative Action Plan and associated actions including developing and maintaining the EDI Steering Group and Work Streams;
- Providing Communication support to staff and customers who have a sensory disability or do not have a command of the English language;
- Maintaining a Safeguarding Service; and
- Fair Treatment Recruitment and Workforce Reporting (Article 55 and the annual return to the Equality Commission).

Affirmative Action Plan and the EDI Steering Group.

During the year we continued to implement our Affirmative Action Plan (AAP). 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 2023/24 our EDI Steering Group, comprised of senior managers from across the organisation, met formally three times and continued to provide strategic oversight on the delivery of the AAP. The EDI Steering Group has received regular reports on activities to meet AAP objectives, including statistical reports on recruitment activities, the review of advertising strategy, partnership working and other outreach activities (detailed below). In 2023/24 the EDI Steering Group also oversaw the delivery of an innovative new Autism Awareness Training programme in partnership with the Department of Health and the Cedar Foundation. Over 400 colleagues attended these sessions.

The EDI Steering Group continued to support the development of our new EDI workstreams to provide colleagues with the opportunity to support the delivery of our EDI objectives and identify actions to create a more inclusive culture. The work streams cover the following protected groups: Community Background, Disability, Gender/Sex, Race and Sexual Orientation (LGBTQ+). 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, Belfast Pride, Belfast Mela, Disability Pride Month and Baby Loss Awareness Month. Employers for Disability also continued to deliver awareness sessions as part of our Learn at Lunch programme, with sessions on sight loss, hidden disabilities, physical disabilities and the Disability Discrimination Act. Work streams have also been consulted on key policy reviews, including flexible working arrangements, and our feedback to statutory consultations, such as the Autism Strategy and Ending Violence Against Women and Girls Strategy.

We have taken proactive steps to increase our visibility as an employer and to promote the wide range of career opportunities here at the Housing Executive. This Outreach programme included working more closely with the DfC's Employment Team to promote vacancies through the JobApply NI website, and to help us access more job and careers fair events. We attended fairs across the country in 2023/24, targeting our presence in areas to help us address under-representation of applicants from Protestant community backgrounds. We have also been taking action to promote our careers to young people, including through the launch of a new Work Inspiration Programme in partnership with Business in the Community, and in June 2023 we also took part in Catalyst's Generation Innovation initiative to engage with young people through design thinking projects. Further to that, we continued to deliver our Apprenticeship and Graduate programmes, providing opportunities work and learn with the Housing Executive. We also worked closely with Women's Tec to raise awareness of our trades and technical roles, to help promote careers in traditionally male dominated roles.

In line with our objective of building a workforce reflective of our community and in support of our AAP, the Annual Fair Employment Monitoring Return was completed and submitted to the Equality Commission for Northern Ireland. In addition, regular and bespoke recruitment data reports were provided to support the Workforce Plan, Resourcing and Communications. Interview Panel Skills Training sessions were delivered monthly in partnership with the Human Resources Resourcing Team.

The EDIS team is responsible for implementing the Housing Executive's Equality Scheme and during 2023/24 the team:

- Screened 20 Policies;
- Held 11 Equality Awareness Training Sessions and 10 Corporate Induction sessions, with 384 staff attending;
- Held two full meetings 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 and support to the Perceptions Survey and the Community Cohesion Strategy;
- Responded to 72 Information Requests, including Freedom of Information requests; and
- Provided a range of Communication Support Services including: 11,367 Telephone language Interpreting Calls (compared to 6,500 last year); 356 Requests for Document Translations; 29 Requests for Alternative Formats including large print; 69 Face to Face Interpreting Requests; 51 Sign Language Interpreting Requests; and 422 Video Relay Service (VRS sign language) Calls.

In relation to safeguarding and managing suicide risk, the EDIS team managed 191 safeguarding cases and 44 suicide risk reports. Further to this 11 Safeguarding and Managing Suicide Risk Awareness training sessions were held with 275 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, the DfC Safeguarding Forum and the Local Government Staff Networks Safeguarding Forum.

Learning and Organisational Development (L&OD)

The Learning and Organisational Development (L&OD) function was established in September 2021 and comprises four departments: L&OD, Programme Management Office (PMO), Business Planning and Performance (BP&P) and Equality, Diversity, Inclusion and Safeguarding (EDIS). In 2023/24 we strengthened the team to enable delivery against our KPI's and People Strategy objectives and ensuring an effective service continues to be provided to the organisation.

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 2023/24 the L&OD team continued to deliver a comprehensive leadership development programme across all areas and all levels of the organisation. This programme equips 'new to role' managers, long established managers and senior leaders in the organisation to fully understand and develop into their role as a manager in the Housing Executive. 68 managers embarked on a leadership development programme or 'Aspiring Leaders' programme during the year, which has contributed to an overall figure of over 200 leaders being developed in the Housing Executive between 2021 and 2023.

In addition to our 4 key modules; Leading Self, Leading Others, Leading in the Organisation and Leading in the Community, we added an introduction to 'How we manage Projects at NIHE' and 'Leading Change' which has strengthened and built on already established skills, while also equipping our leaders with the skills to manage complex change and disruption, and deal with the changing needs of our people and environment.

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 employment, have an excellent starting experience in the Housing Executive. We currently employ 35 directly employed apprentices, 27 new entrant Trainee Apprentices, 19 Trade Apprentices and 35 other entry level roles.

In 2023/24, we rolled out our 'Foundations for Success' modules to our new apprentices with strength-based assessments and mentoring, and this has helped to improve our retention of new entrants to the organisation.

Entry Level Plan

In partnership with our recruiting managers throughout the organisation, and building on the success of our 2023/24 apprenticeships, graduates and placements, we have identified a further 50+ entry level roles for recruitment in the future.

Learning Management System

In 2023/24, we launched a new 'Learning Week' initiative across the organisation to encourage participation in online learning and access to a wide range of E-Learning content. In the first quarter of 2023/24, we saw levels of e-learning engagement rise to

approximately 6,000 interactions on our Learning Zone platform. In turn this has contributed to completion rates of mandatory training averaging around 85-95%.

Investors in People

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

- Established an Investors In People Steering Group in January 2024;
- Established Working Groups to consider 'Leading', 'Supporting' and 'Improving', and also to evaluate our processes and practice against Investor In People Indicators, and subsequently agree key actions; and

Prioritising and planning ownership and delivery of actions in accordance with the improvement journey we are already on, aligned to Investors In People indicators.

NIHE Leadership programme - developing a culture of interdependent leadership

This programme has been a major success and ensures that we establish a strong leadership culture within the organisation. This allowed us to agree our new Leadership Charter, as well as shaping the competencies we believe are needed to lead our people to fulfil their potential and meet our corporate objectives.

We continue to extend 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.

The feedback received for all leadership programmes has demonstrated that engagement and collaboration are important elements for our leaders as they grow their skills and knowledge. The Aspiring leaders programme has had 99 attendees in 18 months and follow up evaluation proves that levels of increased knowledge, confidence and capability remain high.

Learning & Development

In response to a number of learning needs analysis surveys, the L&OD Team procured several 'Professional Skills Development Programmes' which will be opened up to our people in the coming year. These programmes include 'Mastering Personal Communication'; Emotional Intelligence; Influencing and Negotiating; Line Manager Supervisory and Leadership Impact (which focuses on mastering tough conversations for

.positive outcomes); Hybrid Excellence; Coaching for Success; and 'Excellence in Personal Productivity'.

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 2023/24 (2022/23: 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 **£132k** (2022/23: £23k) on consultancy projects during the year.

The Housing Executive also spent **£14.3m** (2022/23: £14.2m) 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

	2024		2023	
	Number	£'000	Number	£'000
Claims Waived (Amounts Written Off):				
Rent & Rates	2,208	1,245	1,979	1,108
Recoverable Charges - Damages	148	124	139	86
Recoverable Charges - Legal	203	370	173	87
Hostels	40	18	55	24
Travellers	1	1	1	1
Rent & Rates - Debt Relief Orders	38	145	55	130
Housing Benefits Overpayments	2,196	1,093	2,610	1,123
	4,834	2,997	5,012	2,560
Special Payments over £250,000	-	-	-	-
Ex Gratia Payments	109	130	140	196
Public Liability Claims	162	2,029	148	1,245
Contractual Claims	1	2	1	120
Other Write Offs and Cash losses - numerous	31	184	121	716
	5,137	5,341	5,422	4,837

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

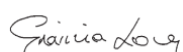
The Housing Executive does not have material income generated from fees and charges, with the exception of rental income collected from the Housing Executive's Landlord Services tenanted properties. The rental income charges increase is approved by the Minister for Communities and is not full cost recovery. Income for Landlord Services tenanted properties is £404m (inclusive of interest receivable and pension financing charges) against total cost of £417m (inclusive of financing charges). Further details can be found in the annex on page 265. This note is provided for fees and charges purposes and not for the International Financial Reporting Standard (IFRS) 8 purposes.

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: **26 June 2024**

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 2024 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 2024 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 £479.2 million. The level of estimated fraud and error within Housing Benefit expenditure are overpayments of £20.8 million and underpayments, due to official error, of £0.3 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. 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 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 the 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 the Chief Executive, as Accounting Officer, 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 the 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 the Chief Executive, as Accounting Officer, 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;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be 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, payments based on complex scheme rules and contract management arrangements to determine eligibility and value, 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

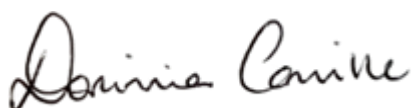
statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate, and undertaking procedures 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

4 July 2024

FINANCIAL STATEMENTS

Northern Ireland Housing Executive

Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Income			
Rental Income	4	321,449	302,385
EU Income	4	84	1,246
Other Income	4	65,746	59,792
Total Housing Benefit Income	7	<u>471,773</u>	<u>471,784</u>
Total Income		<u>859,052</u>	<u>835,207</u>
Expenditure			
Staff Costs	5	(148,883)	(154,192)
Other Expenditures	6	(573,046)	(578,894)
Total Housing Benefit Costs	7	(471,773)	(471,784)
Depreciation, Amortisation, Write Offs & Write Down	10(a)	<u>(33,545)</u>	<u>(32,783)</u>
Total Expenditure		<u>(1,227,247)</u>	<u>(1,237,653)</u>
Net Expenditure before Interest		(368,195)	(402,446)
Interest Receivable and Similar Income		16,107	4,672
Financing Charges	8	(12,224)	(13,218)
Pension Financing Charges	22(d)	722	(4,934)
Net Expenditure before taxation (C/Fwd)		<u>(363,590)</u>	<u>(415,926)</u>

Northern Ireland Housing Executive

Statement of Comprehensive Net Expenditure (Continued) for the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Net Expenditure before taxation (B/Fwd)		(363,590)	(415,926)
Tax on ordinary activities	9(a)	-	101
Net Expenditure after taxation		(363,590)	(415,825)
Other Comprehensive Net Expenditure			
Items that will not be reclassified to net operating costs:			
Net (loss)/gain on revaluation of Property, Plant & Equipment and Intangible Assets		103,546	(99,218)
Net (loss)/gain on revaluation of Pension Actuarial Gains & Losses	22(e)	63,678	207,888
Other Comprehensive Net Expenditure		167,224	108,670
Total Comprehensive Net Expenditure for the year ended 31 March 2024		(196,366)	(307,155)

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

The notes on pages 197 to 264 form part of the accounts.

Northern Ireland Housing Executive

Statement of Financial Position as at 31 March 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Property, Plant & Equipment - Operational	10(a)	2,632,278	2,560,797
Property, Plant & Equipment - Non Operational	10(b)	1,427	1,061
Intangible Assets	10(c)	1,968	1,866
Right of Use Assets	10(d)	8,959	10,555
Defined Pension Asset	22(c)	77,811	15,627
Trade and other receivables	14 & 15	29,416	14,975
Total non-current assets		2,751,859	2,604,881
Current Assets			
Short Term Investments	11	292,000	270,500
Assets Classified as Held for Sale	12	2,247	2,514
Inventories	13	1,623	1,320
Trade and other receivables	14 & 15	70,990	58,844
Cash and cash equivalents	16	36,070	49,050
Total current assets		402,930	382,228
Total assets		3,154,789	2,987,109
Current Liabilities			
Trade and other payables	17	(227,809)	(245,717)
Provisions	21	(4,803)	(1,683)
Total current liabilities		(232,612)	(247,400)
Net Current Assets		170,318	134,828
Non-current assets less net current liabilities		2,922,177	2,739,709
Non-current liabilities			
Trade and other payables	17	(26,992)	(36,206)
Loans Outstanding	18	(96,724)	(108,276)
Provisions	21	(1,673)	(1,124)
Defined Pension Liability	22(c)	-	-
Total Non-current liabilities		(125,389)	(145,606)
Assets less Liabilities (C/Fwd)		2,796,788	2,594,103

Northern Ireland Housing Executive

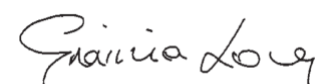
Statement of Financial Position (Continued) as at 31 March 2024

	2024 £'000	2023 £'000
Assets less Liabilities (B/Fwd)	2,796,788	2,594,103
Taxpayers' Equity		
Statement of Comprehensive Net Expenditure Reserve	1,557,229	1,447,864
Revaluation Reserve	1,239,559	1,146,239
	2,796,788	2,594,103

The financial statements on pages 191 to 264 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: 26 June 2024

The notes on pages 197 to 264 form part of the accounts.

Northern Ireland Housing Executive

Statement of Cash Flows for the year ended 31 March 2024

		2024	2023
	Note	£'000	£'000
Net Cash Outflow from Operating Activities	23(a)	(357,939)	(311,639)
Cashflow from Investing Activities	23(b)	(36,809)	(49,908)
Cashflow from Financing Activities	23(c)	395,894	341,824
		<hr/>	<hr/>
Increase/(Decrease) in Cash & Cash Equivalents in the period		1,146	(19,723)
		<hr/> <hr/>	<hr/> <hr/>
Cash and Cash Equivalents at beginning of period		34,924	54,647
		<hr/> <hr/>	<hr/> <hr/>
Cash and Cash Equivalents at end of period	23(d)	36,070	34,924
		<hr/> <hr/>	<hr/> <hr/>
Cash and Cash Equivalents are represented by:			
Cash and Cash Equivalents	16	36,070	49,050
Bank Overdraft	17	-	(14,126)
		<hr/>	<hr/>
Cash and Cash Equivalents at end of period	23(d)	36,070	34,924
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 197 to 264 form part of the accounts.

Northern Ireland Housing Executive
Statement of Changes in Taxpayers' Equity
for the year ended 31 March 2024

	SOCNE Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
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
Changes in reserves 2023/24			
Comprehensive Net Expenditure for year	(299,912)	103,546	(196,366)
Grant from Sponsoring Department	399,051	-	399,051
Transfers between reserves	10,226	(10,226)	-
Balance at 31 March 2024	1,557,229	1,239,559	2,796,788

The notes on pages 197 to 264 form part of the accounts.

Notes to the Accounts

Note 1

Accounting Policies

Introduction

These financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by the Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Housing Executive for the purpose of giving a true and fair view has been selected. The particular accounting policies adopted by the Housing Executive are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The accounting policies which have a material impact on the accounts are as follows:

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

The policies which have a material impact on the accounts are as follows:

a) *Accounting Conventions*

- The revenue and capital accounts are maintained on an accruals basis. This means that expenditure and income are recognised in the accounts in the period in which they are incurred or earned, not as money is paid or received.
- Income is matched with associated costs and expenses in so far as their relationship can be established or justifiably assumed.
- Income has only been disclosed in the accounts where there is reasonable certainty, and proper allowances have been made for all foreseeable losses and liabilities.
- Consistent accounting policies have been applied both within the year and between years. Where accounting policies are changed, the reason and effect have been separately disclosed.
- The accounts have been prepared on a going concern basis.
- Where estimating techniques are required to enable the accounting practices adopted to be applied, then the techniques which have been used are, in the Housing Executive's view, appropriate and consistently applied. Where the effect of a change to an estimation technique is material, a description of the change and, if practicable, the effect on the results for the current year is separately disclosed.

Note 2 provides detail of material changes to estimating techniques for the current reporting year. There were none to report for 2023/24.

- 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.
 - **IFRS 18** Presentation and Disclosure in Financial Statements was issued in April 2024, replacing IAS 1 (Presentation of Financial Statements), and is effective for accounting periods beginning on or after 1 January 2027. IFRS 18 will be implemented, as interpreted and adapted for the public sector if required, from a future date (not before 2027-28) that will be determined by the UK Financial Reporting Advisory Board in conjunction with HM Treasury following analysis of this new standard. 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. As disclosed last year, a similar review was carried out in NI and became applicable in 2022/23. This brought Northern Ireland departments under the same adaptation (after agreement by the Northern Ireland Executive in December 2016). From 2022/23, the accounting boundary for departments and its arms length bodies (ALBs) in Northern Ireland changed, with an impact on departments around the disclosure requirements under IFRS 12. As a result, Arms Length Bodies apply IFRS in full with its consolidation boundary also changed.

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 2024, where valuers carried out an internal inspection of each sample dwelling. The next full valuation is due to be carried out at 31 March 2029.

Between 31 March 2025 and 31 March 2028, the housing stock will be subject to an annual 'desk-top' revaluation by Land & Property Services to reflect changes in stock numbers and market values. The valuation process will be based on the beacon approach adopted in year one of the five year valuation cycle with the revised open market value being adjusted by the adjustment factors. The adjustment factors will be updated in intervening years in accordance with changes to market conditions. This follows the guidance issued by the Department of Communities & Local Government.

To obtain Existing Use Value for Social Housing, the market value for each property archetype is adjusted by a factor which reflects the valuation for the properties if they were to be sold with sitting tenants enjoying tenant's rights. This method of valuation is carried out using guidance issued by the Department of Communities & Local Government in England titled 'Stock Valuation for Resource Accounting 2016 : Guidance for Valuers'. The Adjustment Factor measures the difference between private open market rented and socially rented property at a regional level. During 2023/24, 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

Land	Not depreciated
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

Housing Executive as a lessee

Initial recognition

At the commencement of a lease (or the IFRS 16 transition date of 1 April 2022 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.

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.

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, 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 Change in Accounting Policy

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

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	2024			2023		
	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	-	23,884	23,884	-	28,493	28,493
Dwelling Related Costs	25,890	183,252	209,142	55,249	163,037	218,286
Misc. Expenditure	-	57,967	57,967	-	52,618	52,618
Employee and Admin Expenses	-	112,765	112,765	-	107,132	107,132
Commissioned Services Expenditure	-	4,624	4,624	-	4,025	4,025
Corporation Tax	-	-	-	-	(101)	(101)
Other	5,268	-	5,268	5,308	-	5,308
	<u>31,158</u>	<u>382,493</u>	<u>413,650</u>	<u>60,557</u>	<u>355,204</u>	<u>415,761</u>
Less Rental & Miscellaneous income	-	(386,603)	(386,603)	-	(356,311)	(356,311)
Less Commissioned Services Income	-	(14,337)	(14,337)	-	(15,169)	(15,169)
Less Capital Receipts	(23,232)	-	(23,232)	(35,201)	-	(35,201)
Total Expenditure	<u>7,926</u>	<u>(18,448)</u>	<u>(10,521)</u>	<u>25,356</u>	<u>(16,276)</u>	<u>9,080</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	2024			2023		
	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	-	74,632	74,632	-	78,519	78,519
Employee and Admin Expenses	-	36,975	36,975	-	37,137	37,137
Commissioned Services Expenditure	-	14,337	14,337	-	15,169	15,169
Private Sector Grants, & Energy Efficiency	28,474	-	28,474	28,834	-	28,834
Misc. Public / Private Prog	-	4,602	4,602	-	4,360	4,360
Homelessness	-	33,319	33,319	-	26,424	26,424
Social Housing Development Programme	161,833	-	161,833	184,317	-	184,317
Right of Use Asset	1,898	-	1,898	4,074	-	-
Other	2,269	3,683	5,951	1,654	8,514	10,168
	<u>194,474</u>	<u>167,547</u>	<u>362,021</u>	<u>218,879</u>	<u>170,123</u>	<u>389,002</u>
Less Rental & Miscellaneous income	(252)	(4,023)	(4,275)	(126)	(3,492)	(3,618)
Less Commissioned Services Income	-	(4,624)	(4,624)	-	(4,025)	(4,025)
Total Expenditure	<u>194,222</u>	<u>158,900</u>	<u>353,122</u>	<u>218,753</u>	<u>162,606</u>	<u>381,359</u>

Included in reportable segments above are:

- 1) 'Other' segment within Regional Services (Revenue) - £1,083k relating to impairment of non-operational property as disclosed in Note 10 (b).
- 2) 'Loan Charges' segment within Landlord Services (Revenue) - £11.98m 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>	2024 £'000	2023 £'000
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The table on the previous page reflects information provided monthly to the Board on outturn against budget.

A reconciliation is provided below to reconcile the outturn to the Financial Statements.

Total Net expenditure reported for Operating Segments:

Landlord Services	(10,521)	9,080
Regional Services	353,122	381,359
	<u>342,601</u>	<u>390,439</u>

Adjustments in the Budgeted Outturn and not in the Statement of Comprehensive Net Expenditure:

Redevelopment Land Additions	(1,061)	(1,109)
Assets held under Construction	(399)	(60)
Other Non Operational Assets	-	(52)
Operational Assets Additions	(21,353)	(39,201)
Right of Use Asset Landlord Services	(1,026)	(5,708)
Right of Use Asset Regional Services	(1,898)	-
Receipts (net of expenses) for Sale of Land & Property	23,232	35,334
Loans Principal Repayments	(12,456)	(16,004)
Other adjustments	176	-
	<u>(14,785)</u>	<u>(26,800)</u>

Adjustments in the Statement of Comprehensive Net Expenditure and not through Budgeted Outturn for Landlord Services:

Depreciation, Amortisation, Write Offs & Write Down	31,481	30,698
Provisions for Liabilities and Charges movement	3,214	405
IAS 19 Pension Adjustment - Landlord Services	1,173	21,141
Other adjustments	(93)	(58)
	<u>35,775</u>	<u>52,186</u>

Total net expenditure per the Statement of Comprehensive Net Expenditure

	<u>363,590</u>	<u>415,825</u>
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Notes to the Accounts

Note

4 Income

The Housing Executive's core business activity is the provision of a public sector housing service and the rental income from this service is a principal source of income.

	2024 £'000	2023 £'000
Rental Income		
Dwellings	320,155	300,818
Unattached Garages	3,374	3,070
Commercial Properties	2,251	2,218
Lands	234	302
Hostels	1,051	898
Travellers, Hostels and Req. Properties	159	147
	<u>327,224</u>	<u>307,453</u>
Less: Abatements		
Dwellings & Garages	(927)	(740)
Commercial Properties	(169)	(191)
Travellers	-	(2)
	<u>(1,096)</u>	<u>(933)</u>
Less: Voids		
Dwellings & Garages	(3,958)	(3,482)
Unattached Garages	(343)	(306)
Redevelopment	-	(1)
Commercial Properties	(209)	(192)
Hostels	(129)	(115)
Traveller Sites	(40)	(39)
Requisitioned Properties	-	-
	<u>(4,679)</u>	<u>(4,135)</u>
Total Rental Income (C/Fwd)	<u>321,449</u>	<u>302,385</u>

Notes to the Accounts

Note		2024 £'000	2023 £'000
4	Income (Continued)		
	Total Rental Income (B/Fwd)	321,449	302,385
	EU Income	84	1,246
	Other Operating Income		
	Revenue grants	34	30
	Capital Grant	-	-
	Rates Income from properties	26 41,876	39,903
	Income from Land & Property Services:		
	Rates Collection	26 4,760	4,506
	Low Income Rates Relief Income	26 4,614	4,137
	Lone Pensioner Allowance	26 141	139
	Recoverable Income	842	1,066
	SPED Income	280	-
	Income from Hostels	913	732
	Income from Homelessness	8,296	6,055
	Refugee/ Asylum Seekers Income	31	-
	Leasehold Income from sold flats	3,908	3,179
	Miscellaneous Income	51	45
		65,746	59,792
	Total Income (excluding Housing Benefit Income)	387,279	363,423

Notes to the Accounts

Note	2024				2023
	Permanent Staff £'000	Others £'000	Board Members £'000	Total £'000	Total £'000
5 Staff costs					
Staff costs comprise					
Wages and Salaries	101,548	-	104	101,652	90,903
Social Security Costs	11,147	-	5	11,152	10,623
Seconded-in Staff	-	258	-	258	245
Agency Costs	-	14,302	-	14,302	14,210
Total Staff costs excluding Pension Costs	112,695	14,560	109	127,364	115,981
Other Pension Costs				22,264	38,653
				149,628	154,634
Less staff costs capitalised - IT Software				(745)	(442)
				148,883	154,192

Social security costs include **£531K** (2022/23: £408k) 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.

	2024 £'000	2023 £'000
Wages and Salaries	178	207
Social Security Costs	20	24
Other Pension Costs	33	40
	<u>231</u>	<u>271</u>

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	2024 £'000	2023 £'000
6	Other Expenditure		
	Direct Employees Costs	1,494	1,526
	Travel and Subsistence Costs	1,512	1,460
	Premises Related Costs		
	Leasing Costs	-	-
	Other Premises Related Costs	8,986	9,813
	Supplies, Services, Write - Offs & Other Costs	22,868	18,386
	External Audit		
	Auditor's Remuneration	210	210
	National Fraud Initiative	-	17
	Bank Charges	292	306
	Dwelling Related Costs	(a) 194,995	186,365
	Rates paid on properties	42,982	40,563
	Public Liability Charges	2,905	1,910
	Social Housing Development Programme	(b) 161,833	184,317
	Supporting People	74,515	78,519
	Private Sector & Energy Efficiency Grants	(c) 28,778	29,588
	Other Grant funded programmes	(d) 6,387	5,860
	Travellers Expenditure	139	165
	Homelessness & Hostels	(e) 42,232	32,193
	Refugee Programmes	(f) 2,242	2,153
	Low Income Rates Relief Expenditure	4,614	4,137
	Lone Pensioner Allowance (LPA)	141	139
	SPED	(g) 285	23
	Impairment	10 1,083	1,027
	Restructuring Costs	102	80
		598,595	598,757
	Less:		
	Recharges - salaries & overheads	(h) (25,549)	(19,863)
		573,046	578,894

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 2023/24, Dwelling Relating Costs are analysed as follows:

	2024 £'000	2023 £'000
Planned Maintenance	39,500	57,250
Cyclical Maintenance	50,806	45,914
Response, Void & Disabled Adaptations		
Maintenance	103,778	82,314
Other Dwelling Related Costs	911	887
	194,995	186,365

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

	2024 £'000	2023 £'000
HAG* - New Build	107,729	126,497
HAG - ESP	437	630
HAG - Off the Shelf	3,131	13,599
HAG - Rehabilitation	2,337	4,458
HAG - Re-Improvement	464	306
HAG - Sundry Payments	4	-
HAG - Offset Recoup	(3,027)	-
HAG - Covid 19	-	496
HAG - Covid 19 Inflationary Uplift	7,202	7,450
HAG - Adaptations	5,136	3,033
HAG - Covid 19 Adaptations	21	-
HAG - Voluntary Purchase Grant	3,026	5,529
HAG - Advance Land Purchase	-	(1,525)
Housing for all Incentives	1,927	3,095
HAG - Housing For All	33,446	20,749
Recoupment of SHDP grant	(198)	(194)
Grant recouped & paid to Department	198	194
	161,833	184,317

* HAG - Housing Association Grant

£198k (2022/23: £194k) 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:

	2024 £'000	2023 £'000
Affordable Warmth Grants	14,603	16,830
Disabled Facilities Grants	12,116	10,173
Boiler Replacement Grants	139	628
Repairs Grants	473	456
Renovation Grants	575	1,124
Other Grants	813	309
Group Repairs	2	(2)
Grant Administration Costs	57	70
	28,778	29,588

(d) Other Grant funded programmes is analysed as follows

	2024 £'000	2023 £'000
Community Funded Programmes	4,529	4,959
Other Expenditure	1,858	901
	6,387	5,860

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

	2024 £'000	2023 £'000
Homelessness:		
Temporary Accommodation Costs	36,739	25,856
Community Prevention & Support	4,048	5,308
Strategic Prevention Initiative	411	71
Hostel running costs	1,034	958
	42,232	32,193

(f) Refugee Programmes is analysed as follows:

	2024 £'000	2023 £'000
Syrian Refugee Programmes	1,049	1,469
Afghan Refugee Programmes	313	236
Ukrainian Refugee Programmes	880	448
	2,242	2,153

(g) £10k has been netted of SPED costs, relating to profit on sale of SPED properties sold during the 2023/24 year. There were no SPED properties sold during 2022/23.

Notes to the accounts

Note

6 Other Expenditure (Continued)

(h)

	2024 £'000	2023 £'000
Direct Labour Organisation	(20,953)	(16,274)
Homelessness	(504)	(503)
Rates Relief & Lone Pensioner Allowance	(2,498)	(2,028)
Other Programme Cost delivery	(1,594)	(1,058)
	<u>(25,549)</u>	<u>(19,863)</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:

	2024 £'000	2023 £'000
Non Operational Assets	-	-
Staff Costs	2,635	-
Public Liability Charges	2,567	1,881
Dwelling Related Costs	245	(22)
Rental Income	18	18
Supplies, Services & Other Costs	223	234
	<u>5,688</u>	<u>2,111</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:

	2024 £'000	2023 £'000
Housing Benefit - Public & Private	479,160	479,721
Housing Benefit - Overpayment recoveries	(8,683)	(9,674)
Net Funding from the Department	<u>470,477</u>	<u>470,047</u>
Transfer of Housing Benefit overpayment movement to overpayment debtor account	1,085	904
Increase in HB Overpayment Provision	211	833
Total Housing Benefit Costs / Income	<u><u>471,773</u></u>	<u><u>471,784</u></u>

8 Financing Charges

	2024 £'000	2023 £'000
Loan Interest Charges	11,979	13,120
Leases finance charges	245	98
	<u><u>12,224</u></u>	<u><u>13,218</u></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	2024 £'000	2023 £'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)
Interest & penalties	-	-
	<u>-</u>	<u>(101)</u>

As part of the UK Government's Budget announcement in March 2021, it was confirmed with effect from 1st April 2020, the Northern Ireland Housing Executive was granted exemption from paying Corporation Tax. The measure is intended to ensure consistency of tax treatment for the provision of state funded housing across the whole of the UK. The Housing Executive did not previously have Crown exemption status in relation to Corporation Tax. As a result of the exemption, there is no Corporation Tax charge due on current year Income from 2020/21 onwards.

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

	2024 £'000	2023 £'000
Interest Receivable - current year	-	-
Chargeable / Net Rental Income	-	-
Chargeable Gains	-	-
	<u>-</u>	<u>-</u>
Net Rental Income & Interest Receivable multiplied by the effective rate of Corporation Tax in the UK for the current year.	-	(101)
Adjustments to the tax charge in respect of previous periods	-	-
Interest & penalties	-	-
Current tax charge	<u>-</u>	<u>(101)</u>

An overcharge of £101k is recognised in 2022/23, relating to overpayments made in previous financial years. The Corporation Tax process is now complete, after liabilities and amounts overpaid were finalised with HM Revenue & Customs in 2022/23.

(c) Deferred tax

No provision for deferred tax has been made as at 31 March 2024 and for previous financial years.

Notes to the Accounts

Note

10 (a) Property, Plant & Equipment

Operational

Cost or Valuation

At 31 March 2023

	Housing Stock £'000	Land £'000	Commercial Property £'000	Office Premises £'000	Hostels £'000	Travellers Sites £'000	Other Assets £'000	Total £'000
At 31 March 2023	2,424,069	60,667	18,000	40,726	17,972	3,591	14,609	2,579,634
Additions	17,904	23	-	110	-	-	2,302	20,339
Disposals	(8,181)	(1,093)	-	(553)	-	-	(2,500)	(12,327)
Demolitions	-	-	-	-	-	-	-	-
Write off Adapt to Leased Offices	-	-	-	(22)	-	-	-	(22)
Transfer from Operational Assets	-	-	-	-	-	-	17	17
Transfer to Operational Assets	(17)	-	-	-	-	-	-	(17)
Transfer from Non-Operational Assets	-	-	-	42	-	-	-	42
Transfer to Non-Operational Assets	-	(175)	-	-	-	-	-	(175)
Transfer to Non Current Assets Held for Sale	(2,582)	-	-	-	-	-	-	(2,582)
Transfer from Non Current Assets Held for Sale	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Revaluation Adjustments - SOCNE	(1,606)	(23)	-	-	-	-	-	(1,629)
Revaluation on reclassification uplift - SOCITE	-	893	-	-	-	-	-	893
Revaluation Adjustments - SOCITE	66,976	175	-	22	477	95	167	67,912
At 31 March 2024	2,496,563	60,467	18,000	40,325	18,449	3,686	14,595	2,652,085

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 2023	-	-	(1,706)	(3,299)	(1,997)	(304)	(11,531)	(18,837)
Charged in year	(34,804)	-	(570)	(1,059)	(685)	(104)	(982)	(38,204)
Written back on Revaluation	34,804	-	-	1	-	-	9	34,814
Backlog Depreciation	-	-	-	-	(58)	(9)	(47)	(114)
Disposals	-	-	-	38	-	-	2,496	2,534
Depreciation on demoltions	-	-	-	-	-	-	-	-
Depreciation on transfer to Housing Stock	-	-	-	-	-	-	-	-
Depreciation on transfer to Non Operational Assets	-	-	-	-	-	-	-	-
Written back on Impairment	-	-	-	-	-	-	-	-
At 31 March 2024	-	-	(2,276)	(4,319)	(2,740)	(417)	(10,055)	(19,807)
Carrying amount at 31 March 2023	2,424,069	60,667	16,294	37,427	15,975	3,287	3,078	2,560,797
Carrying amount at 31 March 2024	2,496,563	60,467	15,724	36,006	15,709	3,269	4,540	2,632,278
Asset financing:								
Owned	2,496,563	60,467	15,724	36,006	15,709	3,269	4,540	2,632,278
Finance Leased	-	-	-	-	-	-	-	-
Carrying amount at 31 March 2024	2,496,563	60,467	15,724	36,006	15,709	3,269	4,540	2,632,278

Notes to the Accounts

Note

10 (a) Property, Plant & Equipment

Operational

Cost or Valuation

At 31 March 2022

	Housing Stock £'000	Land £'000	Commercial Property £'000	Office Premises £'000	Hostels £'000	Travellers Sites £'000	Other Assets £'000	Total £'000
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

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 demolitions	-	-	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 (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 2024 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 2024.

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 £209k 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 disruption, caused by the pandemic, 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. As reported previously, the valuation uncertainty was lifted for the Housing Stock and Land categories only. This valuation uncertainty therefore continues at 31 March 2024 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. Since the other property assets will be subject to a full revaluation during 2024/25, it is expected the valuation uncertainty currently reported will be removed in the 2024/25 Financial Statements.

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 2024 £'000	At 31 March 2023 £'000
Motor Vehicles	2,593	1,744
Plant and Machinery	91	116
Estate Management Equipment	560	248
Office Furniture	159	188
Office Equipment	12	2
Hostels Furniture & Fittings	176	95
Computer Hardware	334	518
Community Centre	615	167
	4,540	3,078

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

	At 31 March 2024 £'000	At 31 March 2023 £'000
Depreciation including adjustment for Backlog Depreciation	38,213	37,525
Amortisation - IT Software	695	528
Depreciation - Right of Use Assets	3,184	4,725
Revaluation Adjustments - Housing Stock	1,606	1,942
Revaluation Adjustments - Other Assets	-	52
Revaluation Adjustments - Land	23	(58)
Writeback / writedown in Assets Held for Sale	-	(95)
(Profit)/Loss on Sale of Surplus Land	396	409
(Profit)/Loss on Sale of Land held for sale	-	(55)
(Profit)/Loss on Sale of Housing Stock	(7,320)	(10,137)
(Profit)/Loss on Sale of Housing Stock HFS	(2,586)	(3,530)
(Profit)/Loss on Sale of Other Property Asset	(769)	39
(Profit)/Loss on Sale of Other Assets	(94)	(38)
Losses on Demolished Property	-	-
Write off Adaptations to Leased Offices	22	6
Loss on Disposal - Housing Association	175	1,470
	33,545	32,783

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 2022	9	1,243	281	330	355	-	2,218
Expenditure in year	60	1,109	52	-	-	-	1,221
Transfer of Property (to)/from Operational Assets	150	310	-	-	(155)	-	305
Transfer to Assets Held for Sale	-	-	-	-	-	-	-
Disposals	-	(1,470)	-	-	(135)	-	(1,605)
Revaluation Adjustment	-	-	(52)	-	-	-	(52)
Revaluation - SOCNE	-	-	-	-	2	-	2
Impairment	-	(1,028)	-	-	-	-	(1,028)
At 31 March 2023	219	164	281	330	67	-	1,061
Expenditure in year	399	1,061	-	-	-	-	1,460
Transfer of Property (to)/from ULS Land	-	175	-	-	-	-	175
Transfer to Assets Held for Sale	-	-	-	-	-	-	-
Disposal	-	(175)	(215)	-	-	-	(390)
Revaluation - SOCNE	-	-	-	-	-	-	-
Revaluation - SOCITE	-	-	13	-	-	-	13
Impairment	-	(850)	-	-	-	-	(850)
Transfer to Offices	-	-	(42)	-	-	-	(42)
At 31 March 2024	618	375	37	330	67	-	1,427

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 development and delivering of 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).

Redevelopment Land

The majority of the impairment write down relates 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 2023	10,846
Additions	1,015
Reclassification Uplift	-
Disposals	(1,451)
Impairments	(291)
Revaluation Adjustments	34
At 31 March 2024	<u>10,153</u>
Amortisation	
At 1 April 2023	(8,980)
Charged in year	(695)
Backlog Amortisation	(15)
Disposals	1,447
Impairment Amortisation	58
At 31 March 2024	<u>(8,185)</u>
Carrying amount at 31 March 2023	<u>1,866</u>
Carrying amount at 31 March 2024	<u>1,968</u>
Asset Financing:	
Owned	1,968
Carrying amount at 31 March 2024	<u>1,968</u>
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>1,866</u>
Asset Financing:	
Owned	1,489
Carrying amount at 31 March 2023	<u>1,866</u>

Notes to the Accounts

Note

10 (d) Right-of-use lease assets

The Northern Ireland Housing Executive adopted IFRS 16 'Leases' from 1 April 2022. Most leases were recognised as operating leases until 31 March 2022 but 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 Housing Executive'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 2023	9,352	5,902	26	15,280
Initial Recognition	-	-	-	-
Additions	-	1,829	-	1,829
Reclassifications from PPE	-	-	-	-
Revaluations	-	-	-	-
Derecognition	(285)	-	(4)	(289)
Remeasurement	(307)	69	(3)	(241)
At 31 March 2024	8,760	7,800	19	16,579
Depreciation				
At 31 March 2023	(2,748)	(1,966)	(11)	(4,725)
Charged in year	(1,166)	(2,009)	(9)	(3,184)
Revaluations	-	-	-	-
Decognition	285	-	4	289
At 31 March 2024	(3,629)	(3,975)	(16)	(7,620)
Carrying amount at 31 March 2023	6,604	3,936	15	10,555
Carrying amount at 31 March 2024	5,131	3,825	3	8,959
	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	(2,748)	(1,966)	(11)	(4,725)
Charged in year	(2,748)	(1,966)	(11)	(4,725)
Revaluations	-	-	-	-
Decognition	-	-	-	-
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

	2024 £'000	2023 £'000
11 Short Term Investments		
Fixed Term Deposits (greater than 3 months)	292,000	270,500
	<u>292,000</u>	<u>270,500</u>

12 Assets classified as held for sale

	Land £'000	Housing Stock £'000	Total £'000
At 1 April 2022	2,535	3,497	6,032
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
	<u>25</u>	<u>2,489</u>	<u>2,514</u>
At 31 March 2023			
Transfer from Operational Assets	-	2,582	2,582
Transfer to Operational Assets	-	-	-
Transfer from Non-operational Assets	-	-	-
Disposals	-	(2,849)	(2,849)
Revaluation Increase	-	-	-
	<u>25</u>	<u>2,222</u>	<u>2,247</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.

£25k 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. There was no revaluation movement in 2023/24.

£2.2m 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.

	2024 £'000	2023 £'000
13 Inventories		
Consumable Stores	1,075	945
SPED (Net of the Allowances at Note 15)	548	375
Total	<u>1,623</u>	<u>1,320</u>

Notes to the Accounts

Note

	2024 £'000	2023 £'000
14 Trade and Other Receivables		
Amounts falling due within one year:		
Trade Receivables (Net of the Allowances at Note 15)	18,110	15,246
Other receivables	2,317	90
Corporation Tax	-	-
VAT	4,718	5,443
Prepayments and accrued income	45,845	38,065
	70,990	58,844
Amounts falling due after more than one year:		
Trade Receivables (Net of the Allowances at Note 15)	15,284	14,916
Prepayments and accrued income	14,132	59
	29,416	14,975
Total	100,406	73,819

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 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
Movement in allowance in year	2,144	(1,291)	293	(25)	1,121
Movement in long term debt discount	26	1,502	19	-	1,547
At 31 March 2024	12,492	26,154	879	16	39,540

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 2.05% (as set by HM Treasury - see note 20(c)).

Notes to the Accounts

Note

16 Cash & Cash Equivalents

	2024 £'000	2023 £'000
Balance at 1 April	49,050	80,243
Net Change in Cash & Cash Equivalent Balances	(12,980)	(31,193)
Balance at 31 March	<u>36,070</u>	<u>49,050</u>

The following balances at 31 March were held at:

	2024 £'000	2023 £'000
Commercial Banks and Cash in Hand	2,937	704
Investments in Money Market Funds	33,133	31,346
Short Term Deposits (less than 3 months)	-	17,000
Balance at 31 March	<u>36,070</u>	<u>49,050</u>

17 Trade and Other Payables

	Note	2024 £'000	2023 £'000
Amounts falling due within one year:			
Bank Overdraft		-	(14,126)
Trade Payables		(10,491)	(6,276)
Taxation and social security		(2,291)	(1,946)
Other Payables		(4,977)	(8,077)
Right of Use Asset Liability	19	(3,858)	(3,978)
Property, Plant & Equipment accruals		(4,313)	(5,778)
Accruals and deferred income		(190,327)	(193,080)
Loan Repayments		(11,552)	(12,456)
		<u>(227,809)</u>	<u>(245,717)</u>
Amounts falling due after more than one year:			
Other Payables		(12,267)	(10,213)
Right of Use Asset Liability	19	(6,365)	(7,814)
Accruals and deferred income		(8,360)	(18,179)
		<u>(26,992)</u>	<u>(36,206)</u>
Total		<u>(254,801)</u>	<u>(281,923)</u>

Notes to the Accounts

Note	2024 £'000	2023 £'000
18 Loans Outstanding		
At 31 March 2023	(120,732)	(136,737)
Loan Principal repayment	12,456	16,005
At 31 March 2024	(108,276)	(120,732)
Loans from the Government Loans Fund & Former Local Authorities maturing: <u>Due within one year</u>		
Due within one year (disclosed in note 17)	(11,552)	(12,456)
<u>Due greater than one year</u>		
Later than one year and not later than five years	(45,126)	(45,795)
Later than five years	(51,598)	(62,481)
	(96,724)	(108,276)
Total loans outstanding	(108,276)	(120,732)

- (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:

	2024 £'000	2023 £'000
Obligations under operating leases comprise:		
Property		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	-

With leases now being accounted for under IFRS 16 from 2022/23, there is no lease commitment remaining in respect of operating leases.

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.

	2024 £'000	2023 £'000
Obligations under finance leases for the following periods comprise:		
Buildings		
Not later than one year	(4,092)	(4,085)
Later than one year and not later than five years	(4,050)	(5,048)
Later than five years	(2,845)	(3,225)
Less Interest element	767	582
Present Value of obligations	<u>(10,220)</u>	<u>(11,776)</u>
Other		
Not later than one year	(3)	(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>(3)</u>	<u>(16)</u>
Amounts falling due within one year	(3,858)	(3,978)
Amounts falling due after more than one year	(6,365)	(7,814)
	<u>(10,223)</u>	<u>(11,792)</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	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Financial assets at amortised cost	15,284	14,916	317,641	308,983
Financial assets at fair value through profit or loss	-	-	33,133	31,346
Total Financial Assets	<u>15,284</u>	<u>14,916</u>	<u>350,774</u>	<u>340,329</u>

	Long Term		Short Term	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Financial Liabilities at amortised cost	<u>123,716</u>	<u>144,483</u>	<u>227,809</u>	<u>245,717</u>

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 2024 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	-	11,980
Interest payable and similar charges	-	11,980

Financial Assets

	Assets at Amortised Cost £'000	Assets at Fair Value through Profit or Loss £'000
Impairment Loss - Interest payable and similar charges	2,693	-
Interest and Investment Income	13,303	2,804

(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 2.05%, 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:

	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value Restated
	£'000	£'000	£'000	£'000
Financial Liabilities				
Consolidated Loans Fund	105,416	154,503	117,458	176,199
Non Consolidated Loans Fund	2,861	3,410	3,275	3,966
Total Debt	108,277	157,913	120,733	180,165
Loans and receivables				
Total Investments - Long term Debtors	17,849	15,284	15,934	14,916

Long term trade receivables are stated at amortised cost using a rate issued by HM Treasury. An assessment is made on the future collectability of the receivables based on historic trends which is profiled over future years. For 2023/24, the cash flows are discounted using the effective interest rate of 2.05%. 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 one year.

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 2023/24 the foreign currency losses incurred amounted to £24k (2022/23: gain of £22k).

Fair Value

The fair value of loans outstanding after one year at 31 March 2024 for the Government Loans Funds is £133m (2023: £153m) and the estimated fair value of Local Authority Loans is £2.8m (2023: £3.3m). The figures have been restated to reflect updated calculations.

Notes to the Accounts

Note

21 Provision for Liabilities and Charges

2023/24

	Redevelopment Area Purchases £'000	Repayment of Lease Income £'000	Contractual Claims £'000	Public Liability Claims £'000	Legal Claims £'000	Total £'000
Opening Balance -						
At 31 March 2023	(134)	(88)	(38)	(2,018)	(529)	(2,807)
Provided in the year	-	(18)	(245)	(2,567)	(3,051)	(5,881)
Provisions not required written back	-	-	-	-	193	193
Provisions utilised in the year	-	-	-	2,018	-	2,018
At 31 March 2024	(134)	(106)	(283)	(2,567)	(3,387)	(6,477)
Amount due for settlement:						
Within 12 months	(134)	-	(283)	(999)	(3,387)	(4,803)
After 12 months	-	(106)	-	(1,567)	-	(1,673)
At 31 March 2024	(134)	(106)	(283)	(2,566)	(3,387)	(6,476)

- (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 £106k 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 £283k has been provided for in respect of 2 contractual claims 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) An amount of £3.4m (2022: £529k) has been provided for in respect of legal cases issued against the Housing Executive.

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)

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 2023). 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 2024	31 March 2023
Rate of Inflation (RPI)	3.00%	3.10%
Rate of Inflation (CPI)	2.70%	2.70%
Rate of Increase in Salaries	4.20%	4.20%
Rate of Increase in Pensions	2.70%	2.70%
Discount Rate	4.90%	4.80%

Breakdown of Life Expectancies

Life expectancy for mortality tables used to determine benefit obligations at:	31 March 2024	31 March 2023
Male member aged 65 (current life expectancy)	22.3	22.3
Female member aged 65 (current life expectancy)	25.1	25.0
Male member aged 45 (life expectancy at age 65)	23.3	23.2
Female member aged 45 (life expectancy at age 65)	26.2	26.1

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	963,165	996,137	970,567	993,650	988,083
Assets	1,040,974	1,040,974	1,040,974	1,040,974	1,040,974
Total Scheme shortfall	(77,809)	(44,837)	(70,407)	(47,324)	(52,891)
Funding Level	108%	105%	107%	105%	105%
Increase in Liabilities	-	32,972	7,402	30,485	24,918

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 2024	Assets at 31 March 2023
	£'000	£'000
Equities	413,249	386,355
Bonds	339,271	356,746
Property	96,359	108,079
Cash	129,141	63,234
Other	62,956	52,511
	1,040,976	966,925

The above asset values as at 31 March 2024 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 2024	31 March 2023
	£'000	£'000
Fair Value of Employer Assets	1,040,976	966,925
Present value of Funded Liabilities	(955,971)	(943,574)
Net Underfunding in Funded Plans	85,005	23,351
Present value of Unfunded Liabilities	(7,194)	(7,724)
Unrecognised Actuarial (Gain) / Loss	-	-
Unrecognised Transition (Asset) / Liability	-	-
Net Asset	77,811	15,627
Amounts in the Statement of Financial Position		
Liabilities	-	-
Assets	77,811	15,627
Net Asset	77,811	15,627
Funding Level	108%	102%

Notes to the Accounts

Note

22 Pensions (continued)

(d) Notes to the Statement of Comprehensive Net Expenditure

	Year End 31 March 2024		Year End 31 March 2023	
	£'000	% of Payroll	£'000	% of Payroll
Amount Charged to Employee Costs				
Current Service Cost	(18,882)	(19.7%)	(36,554)	(43.7%)
Past Service Cost	-	-	-	-
Administration Expenses	(479)	(0.5%)	(418)	(0.5%)
Insurance premiums for risk benefits	(1,914)	(2.0%)	(1,672)	(2.0%)
Curtailment and Settlements **	-	-	(25)	-
Decrease in Irrecoverable Surplus	-	-	-	-
Total Operating Charge (A)	(21,275)	(22.2%)	(38,669)	(46.2%)

	Year End 31 March 2024		Year End 31 March 2023	
	£'000	% of Payroll	£'000	% of Payroll
Amount (Debited)/Credited to Other Financing costs				
Interest Income on Scheme Assets	45,903	48.0%	30,053	35.9%
Interest on Pension Scheme Liabilities	(45,181)	(47.2%)	(34,987)	(41.8%)
Net Return (B)	722	0.8%	(4,934)	(5.9%)

Net Revenue Account Cost (A) - (B)	(20,553)	(21.4%)	(43,603)	(52.1%)
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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 2024 £'000	31 Mar 2023 £'000
Actuarial Gains / (Losses) on Plan Assets	48,500	(126,935)
Actuarial (Losses) / Gains on Obligation	15,179	334,823
Actuarial Gain Recognised in Statement of Changes in Taxpayers Equity	63,679	207,888

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 31
	March 2024	March 2023
	£'000	£'000
Opening Defined Benefit Obligation	(951,297)	(1,249,547)
Current Service Cost	(18,882)	(36,554)
Past Service Cost	-	-
Interest Expense	(45,181)	(34,987)
Members Contributions	(6,096)	(5,401)
Unfunded Benefits Paid by Employer	875	891
Benefit Payments from Plan	42,238	39,503
Plan Curtailment	-	(25)
<i>Actuarial movements:</i>		
Effect of changes in demographic assumptions	-	1,198
Effect of change in financial assumptions	15,178	419,847
Effect of experience adjustments	-	8,906
Impact of Short term high Inflation	-	(95,129)
Closing Defined Benefit Obligation	(963,165)	(951,298)

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 31
	March 2024	March 2023
	£'000	£'000
Opening Fair Value of Employer Assets	966,925	1,083,670
Employer Contributions	18,183	16,329
Members Contributions	6,096	5,401
Interest Income	45,903	30,053
Contributions in respect of Unfunded Benefits	875	891
Unfunded Benefits Paid	(875)	(891)
Benefits Paid from Plan	(42,238)	(39,503)
Administrative expenses paid from plan assets	(479)	(418)
Insurance premiums for risk benefits	(1,914)	(1,672)
<i>Actuarial movements:</i>		
Return on Plan Assets	48,500	(100,157)
Rebasing to 2022 Valuation asset data	-	(26,778)
Closing Fair Value of Employer Assets	1,040,976	966,925
Net Pension Asset/(Liability)	77,811	15,627

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 £963m (2023: £951m) and for 2023/24 financial year, has resulted in a net overall surplus balance of £78m (2023: £16m) 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. The employer contribution rate was **19%** for 2023/24 (2022/23: 19.5%). Deficit recovery contributions were not due in 2023/24.

- (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				
	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
Fair Value of Employer Assets	1,040,976	966,925	1,083,670	1,029,649	877,490
Present Value of Defined Benefit Liability	(963,165)	(951,298)	(1,249,548)	(1,265,726)	(1,108,080)
Net Pension Deficit	77,811	15,627	(165,878)	(236,077)	(230,590)
Experience Gains/(Losses) on Assets	48,500	(100,157)	47,318	147,162	(55,550)
Experience Gains on Liabilities	-	8,906	-	-	1,738
Actuarial Gains/(Losses) on Employer Assets	48,500	(100,157)	47,318	147,162	(55,550)
Actuarial (Losses)/Gains on Obligation	15,179	334,823	47,401	(134,557)	34,693
Rebalancing due to Valuation	-	(26,778)	-	-	(85,126)
Actuarial (Losses)/Gains recognised in Statement of changes in Taxpayers' Equity	63,679	207,888	94,719	12,605	(105,983)

Notes to the Accounts

Note	2024 £'000	2023 £'000
23 Notes to the Statement of Cash Flows		
23(a) Reconciliation of Net Expenditure before interest to Operating Cash Flows		
Net Expenditure before Interest	(368,195)	(402,447)
Taxation paid	-	15,895
Depreciation of Property, Plant & Equipment	38,213	37,524
Amortisation of Software	695	528
Depreciation - ROU Assets	3,184	4,725
Impairment	1,083	1,027
(Increase)/Decrease in Inventories	(302)	19
(Increase)/Decrease in Receivables	(20,906)	15,613
Increase in Payables and Provisions	(5,380)	25,471
Pension Asset movement	2,216	-
(Profit)/Loss on Disposals, Write Offs & Revaluation Movements	(8,547)	(9,994)
Net Cash Outflow from Operating Activities	<u>(357,939)</u>	<u>(311,639)</u>
23(b) Cashflow from Investing Activities	2024 £'000	2023 £'000
Payments to Acquire Non-Current Assets		
Land and Buildings	(19,749)	(34,484)
Other Operational Assets	(1,844)	(819)
IT Hardware and Software	(1,156)	(985)
Non Operational Assets	(1,268)	(1,627)
Total Expenditure	<u>(24,017)</u>	<u>(37,915)</u>
Income from Sale of Non-Current Assets and Grants		
House Sales (Inc. Land & Buildings)	21,410	35,413
Commercial Properties & Travellers Sites	1,500	184.00
Plant & Equipment	101	39
Total Income and Grants	<u>23,011</u>	<u>35,636</u>
Repayment of Loans		
Repayment of Loan Debt	<u>(12,456)</u>	<u>(16,004)</u>
Short Term Investments		
Investment in Fixed Term Deposits (greater than three months)	<u>(21,500)</u>	<u>(20,500)</u>
Financing Charges		
Loan Interest charges	(12,030)	(13,168)
Right of Use Asset Finance Charge	(245)	(98)
	<u>(12,275)</u>	<u>(13,266)</u>
Interest Receivable	<u>10,428</u>	<u>2,141</u>
Net Cash Outflow from Investing Activities	<u>(36,809)</u>	<u>(49,908)</u>

Notes to the Accounts

Notes to the Statement of Cash Flows

Note	2024 £'000	2023 £'000
23(c) Cashflow from Financing Activities		
Right of Use Leased Asset - Repayment	(3,157)	(3,489)
Grant from Sponsoring Department	399,051	345,313
	<u>395,894</u>	<u>341,824</u>

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

	At 1 April 2023 £'000	Cash Flows £'000	Other Changes £'000	At 31 March 2024 £'000
Cash at Bank and in Hand	49,050	(12,980)	-	36,070
Overdrafts	(14,126)	14,126	-	-
Total	<u>34,924</u>	<u>1,146</u>	<u>-</u>	<u>36,070</u>

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

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

	2024 £'000	2023 £'000
Net increase/(decrease) in Cash & Cash Equivalents in	1,146	(19,723)
Cash & Cash Equivalents at 1 April 2023	34,924	54,647
Cash & Cash Equivalents at 31 March 2024	<u>36,070</u>	<u>34,924</u>

Notes to the Accounts

Note

24 Contingent Liabilities and Assets

Liabilities

Holiday Pay Liability

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can extend as far back as 1998. However, the PSNI appealed the Court of Appeal's judgment to the Supreme Court. The hearing was held in December 2022 and the judgment was delivered on 4 October 2023. A provision has been included (in Legal Claims within note 21) for an estimated amount from April 1999 through to 31 March 2013 in 2023/24. There are still some significant elements of uncertainty around this estimate for a number of reasons. Firstly, legal advice is now required following the Supreme Court judgment. There is also a lack of accessible payroll data for years prior to 2013 and negotiations with Trade Union and their legal representatives are not concluded. Amounts due for the period from 2013/14 onwards have been recognised in the Statement of Comprehensive Net Expenditure throughout the current / past 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 British Board of Agreement's (BBA) 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 2024, there were 2 claims received, which cannot be disclosed for commercially sensitive reasons.

Public Liability Claims

At 31 March 2024, there is a contingent liability of £9.1m (2023: £8.5m) for public liability claims, representing claims notified and not finalised and where it is considered a payment is probable.

Pension liability - Goodwin judgement

The Housing Executive has recognised a Pension Asset of £77.8m (2023: £15.6m) 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 2024 is £963m.

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 2024 the Housing Executive has entered into contracts which will incur expenditure of **£209.8m** (2022/23: £193m) in future years. Of this, capital commitments represent **£177.4m** (2022/23: £164.3m) and revenue commitments represent **£32.4m** (2022/23: £28.7m). Capital commitments include private sector grant & energy efficiency grant approvals up to 31 March 2023 of **£21.7m** (2022/23: £23.3m) 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 £593k 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 £662k to the Department of Finance in respect of two office building, one of which was vacated in June. 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 2023/24 to LPS amounted to £43m. An allowance of £4.8m is received from LPS and Rates collected from tenants during 2023/24 of £47.6m. 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 £4.6m and £141k 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 2024 (2023: £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 2023 to 31 December 2023, these reports highlighted an estimated amount of £20.8m overpaid (customer fraud £14.8m, customer error £2.2m and official error of £3.8m) and £1.6m underpaid (customer error £1.3m and official error £0.3m) through fraud and error in Housing Benefit for tenants. The Housing Benefit overpaid represents approximately 4.4% 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 £468.7m.

Notes to the Accounts

Note

28 Fraud and Error (continued)

	Monetary value of error £m		23/24 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 (%)	
	23/24	22/23	23/24	22/23	23/24	22/23	23/24	22/23	23/24	22/23
Overpayments										
Customer - fraud	14.8	9.5	8.7	5.2	21.6	14.6	3.2	2.0	4.6	3.1
Customer - error	2.2	1.2	0.7	0.5	4.2	2.1	0.5	0.3	0.9	0.4
Official error	3.8	1.3	0.6	0.2	7.8	3.0	0.8	0.3	1.7	0.8
Total	20.8	12.0	10	5.9	33.6	19.7	4.5	2.6	7.2	4.3
Underpayments										
Customer underpayments	1.3	1.4	0.6	0.5	2.1	2.5	0.3	0.3	0.4	0.5
Official Underpayments	0.3	0.7	-	0.3	0.8	1.2	0.1	0.2	0.2	0.3
Total	1.6	2.1	0.6	0.8	2.9	3.7	0.4	0.5	0.6	0.8

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 2023-24 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 4 July 2024 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 2024 - Unaudited

	Landlord 2024 £'000	Regional 2024 £'000	Total 2024 £'000	Landlord 2023 £'000	Regional 2023 £'000	Total 2023 £'000
Income						
Rental Income	321,412	37	321,449	302,360	25	302,385
EU Income	(88)	172	84	1,169	77	1,246
Other Income	52,366	13,380	65,746	49,151	10,641	59,792
Total Housing Benefit Income	-	471,773	471,773	-	471,784	471,784
Capital Grant Income	932	175	1,107	1,845	1,470	3,315
Commissioned Services Income	14,337	4,624	18,961	15,169	4,025	19,194
Total Income	388,959	490,161	879,120	369,694	488,022	857,716
Expenditure						
Staff Costs	117,627	31,256	148,883	119,715	34,477	154,192
Other Expenditures	251,785	321,261	573,046	240,753	338,141	578,894
Total Housing Benefit Costs	-	471,773	471,773	-	471,784	471,784
Depreciation, Amortisation, Write Offs & Write Down	31,423	2,122	33,545	30,698	2,085	32,783
Commissioned Services Charge	4,624	14,337	18,961	4,025	15,169	19,194
Capital Grant Charge	-	932	932	-	530	530
Capital Grant in Kind	-	175	175	-	2,785	2,785
Total Expenditure	405,459	841,856	1,247,315	395,191	864,971	1,260,162
Net Expenditure before Interest (c/fwd)	(16,500)	(351,695)	(368,195)	(25,497)	(376,949)	(402,446)

Annex: Statement of Comprehensive Net Expenditure - split by service (cont'd)
for the year ended 31 March 2024 - Unaudited

	Landlord 2024 £'000	Regional 2024 £'000	Total 2024 £'000	Landlord 2023 £'000	Regional 2023 £'000	Total 2023 £'000
Net Expenditure before Interest (b/fwd)	(16,500)	(351,695)	(368,195)	(25,497)	(376,949)	(402,446)
Interest Receivable	14,631	1,476	16,107	4,244	428	4,672
Financing Charges	(12,124)	(100)	(12,224)	(13,174)	(44)	(13,218)
Pension Financing Charges	566	156	722	(3,872)	(1,062)	(4,934)
Net Expenditure before taxation	(13,427)	(350,163)	(363,590)	(38,299)	(377,627)	(415,926)
Tax on ordinary activities	-	-	-	101	-	101
Net Expenditure after taxation	(13,427)	(350,163)	(363,590)	(38,198)	(377,627)	(415,824)

Northern Ireland Housing Executive
Statement of Financial Position split by service - Unaudited
as at 31 March 2024

	Landlord Services	Regional Services	Total	Landlord Services	Regional Services	Total
	2024	2024	2024	2023	2023	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets						
Property, Plant & Equipment						
- Operational	2,629,009	3,269	2,632,278	2,557,510	3,287	2,560,797
Property, Plant & Equipment						
- Non Operational	986	441	1,427	831	231	1,061
Intangible Assets	1,968	-	1,968	1,866	-	1,866
Right of Use Assets	5,134	3,825	8,959	6,619	3,936	10,555
Defined Pension Asset	61,088	16,723	77,811	12,265	3,362	15,627
Trade and other receivables	3,075	32,424	35,499	4,704	10,271	14,975
Total non-current assets	2,701,260	56,682	2,757,942	2,583,795	21,086	2,604,881
Current Assets						
Short Term Investments	292,000	-	292,000	270,500	-	270,500
Assets Classified as Held for Sale	2,247	-	2,247	2,514	-	2,514
Inventories	1,076	547	1,623	945	375	1,320
Trade and other receivables	31,862	33,045	64,907	20,117	38,727	58,844
Cash and cash equivalents	33,630	7,543	41,173	49,050	14,091	63,141
Intercompany balance	870	-	870	10,541	-	10,541
Total current assets	361,685	41,135	402,820	353,667	53,193	406,860
Total assets	3,062,945	97,817	3,160,762	2,937,462	74,279	3,011,741
Current Liabilities						
Trade and other payables	(100,856)	(75,548)	(176,404)	(118,392)	(141,416)	(259,808)
Provisions	(4,025)	(778)	(4,803)	(1,467)	(216)	(1,683)
Intercompany balance	-	(870)	(870)	-	(10,541)	(10,541)
Total current liabilities	(104,881)	(77,196)	(182,077)	(119,859)	(152,174)	(272,033)
Net Current Assets/(Liabilities)	256,804	(36,061)	220,743	233,808	(98,981)	134,828
Non-current assets less net current liabilities	2,958,064	20,621	2,978,685	2,817,603	(77,894)	2,739,709
Non-current liabilities						
Trade & other payables	(5,172)	(78,328)	(83,500)	(5,780)	(30,426)	(36,206)
Loans Outstanding	(96,724)	-	(96,724)	(108,276)	-	(108,276)
Provisions	(1,673)	-	(1,673)	(1,124)	-	(1,124)
Pension Liability	-	-	-	-	-	-
Total Non-current liabilities	(103,569)	(78,328)	(181,897)	(115,180)	(30,426)	(145,606)
Assets less Liabilities (C/Fwd)	2,854,495	(57,707)	2,796,788	2,702,423	(108,320)	2,594,103

Northern Ireland Housing Executive

Statement of Financial Position split by service (Continued) - Unaudited
as at 31 March 2024

	Landlord Services 2024 £'000	Regional Services 2024 £'000	Total 2024 £'000	Landlord Services 2023 £'000	Regional Services 2023 £'000	Total 2023 £'000
Assets less Liabilities (B/Fwd)	2,854,495	(57,707)	2,796,788	2,702,423	(108,320)	2,594,103
Taxpayers' Equity						
Statement of Comprehensive Net Expenditure Reserve	1,616,341	(59,112)	1,557,229	1,557,494	(109,630)	1,447,864
Revaluation Reserve	1,238,154	1,405	1,239,559	1,144,929	1,310	1,146,239
	2,854,495	(57,707)	2,796,788	2,702,423	(108,320)	2,594,103

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 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 sets out the reasons why I have qualified my regularity audit opinion on the Housing Executive's 2023-24 financial statements.
4. The Housing Executive spent £479.2 million on Housing Benefit during 2023-24. The level of fraud and error, deemed to be irregular, within this expenditure has been estimated to be £21.1 million. I consider this estimated level of fraud and error within public monies to be material by its value and nature, and have qualified my regularity audit opinion on this basis. Fraud and error in Housing Benefit expenditure has been a long-standing issue and the

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 Executive's accounts have received equivalent qualified audit opinions in previous years. I am concerned to note the estimated level of irregular expenditure of public money has increased considerably in the current year.

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 Department's 2023-24 Annual Report and Accounts.

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** - when customers deliberately seek to mislead the Housing Executive;
 - **Customer error** - when customers make inadvertent mistakes with no fraudulent intent; and
 - **Official error** - when Housing Benefit is paid incorrectly due to inaction, delay or a mistake by the Housing Executive.
7. The criteria used to determine entitlement to Housing Benefit, and the method 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 the SAU's testing in 2023-24

8. The SAU reports the results of its testing on a calendar year basis to facilitate the timetable for the production of the financial statements. I consider there are no underlying factors which mean the error rate for the 2023 calendar year cannot be applied to the financial year 2023-24.
9. The 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 the SAU, and I am content that the results produced by them remain a reasonable estimate of the total fraud and error in the Housing Benefit system.
10. Note 28 to the accounts (entitled 'Fraud and Error') details the estimated level of fraud and error, based on the SAU's work, in 2023 (see Table 1 below). This shows that the total amount of estimated irregular payments in 2023-24 was £21.1 million comprising:
 - Overpayments due to customer fraud or error and official error of £20.8 million (4.4 per cent of Housing Benefit payments); and
 - Underpayments due to official error of £0.3 million (0.1 per cent of Housing Benefit payments).

Table 1


	2019	2020	2021	2022	2023
	£m	£m	£m	£m	£m
Calendar Year Spend	562.1	529.8	506.4	474.8	468.7
Overpayments:					
Customer fraud	15.4	14.5	11.3	9.5	14.8
Customer error	6.4	6.0	4.7	1.2	3.8
Official error	1.5	3.1	0.9	1.3	2.2
Total Overpayments	23.3	23.6	16.9	12.0	20.8
As a % of Total Spend	4.1%	4.5%	3.4%	2.5%	4.4%
Underpayments:					
Official error	0.9	1.2	0.9	0.7	0.3
Total Underpayments	0.9	1.2	0.9	0.7	0.3
As a % of Total Spend	0.2%	0.2%	0.2%	0.1%	0.1%
Total Fraud and Error	24.2	24.8	17.8	12.7	21.1

11. The total level of estimated Housing Benefit overpayments has increased considerably in the past year from £12.0 million to £20.8 million, largely due to significant increases in the values of estimated customer fraud and customer error. The Housing Executive told me that the 2023 end of year estimates are disappointing, but not unexpected. The Public Sector Fraud Authority has noted a greater propensity for fraud generally in society and this is potentially borne out in the results with increasing levels of fraud and error across most benefits this year.
12. The largest element of Housing Benefit overpayments is customer fraud which has increased from £9.5 million to £14.8 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.

13. The downward trend in the estimated level of Housing Benefit fraud and error reported in recent years has disappointingly reversed in 2023, with the percentage of fraud and error in Housing Benefit expenditure returning to the level experienced in 2020. The Housing Executive told me work is ongoing to enhance collaborative working between the Department's Benefit Security Division and Housing Benefit, as they explore opportunities to strengthen their processes to help prevent, detect and correct potential fraud and error.

Qualification of regularity opinion due to estimated level of fraud and error in Housing Benefit payments

14. In reaching the decision to qualify my audit opinion, I recognise that there is an inherent risk of fraud and error in the administration of a complex benefit system which makes it difficult for the Housing Executive to reduce the estimated rate of fraud and error further from its current level.
15. Nevertheless, the estimated level of fraud and error in Housing Benefit expenditure remains material by both its value and nature at £21.1 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 2023-24 in this area.
16. In last year's report I explained I would consider removing the qualification of my regularity opinion if the downward trend in the value and percentage of fraud and error in Housing Benefit expenditure continued. However, increases in the estimated value and percentage of fraud and error mean the qualification has been retained. I strongly recommend the Housing Executive review the reasons for the increased levels of estimated fraud and error in the current year, and undertake urgent actions to address the issues arising, including applying measures and continuing to work with partner bodies to remove fraud and error from Housing Benefit expenditure.


A handwritten signature in black ink that reads "Dorinnia Carville". The script is cursive and fluid.

Dorinnia Carville
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4 July 2024

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