

Committee for Social Development

OFFICIAL REPORT (Hansard)

Housing Executive: Windows/Hinge Specifications/Redecoration Grants

28 February 2013

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Alex Maskey (Chairperson)
Mr Mickey Brady (Deputy Chairperson)
Mr Sydney Anderson
Ms Pam Brown
Mrs Judith Cochrane
Mr Michael Copeland
Mr Mark Durkan
Mr Fra McCann
Mr David McClarty

Witnesses:

Mr David Adamson Northern Ireland Housing Executive Mr Gerry Flynn Northern Ireland Housing Executive

The Deputy Chairperson: I welcome Gerry Flynn and David Adamson. Gerry is director of housing and regeneration, and David is the Housing Executive's principal officer of policy and standards. Before we start, I want to put today's session in context. This is an ongoing saga, for want of a better word, and we will try to avoid any puns on hinges, windows and redecoration —

Mr F McCann: As long as they are left at the door.

The Deputy Chairperson: I think that we have had all of them. I am sure that you have made a note of them, Gerry, for future use.

On 8 May 2012, the Minister spoke in the Chamber in response to a Member's question on double glazing. The Minister stated:

"My concern is that the current process used by Housing Executive contractors is extremely and unnecessarily expensive, in that it involves the removal of plaster from around the windows, replastering, damage to tenants' decoration, with a resulting redecoration grant, and the form of hinges that they use cost five times the cost of industry standard hinges." [Official Report, Vol 74A, No 7, p340, col 2].

Since that statement, the Committee has been lobbied by a number of industry manufacturers asking that we seek clarification of the rationale behind changing the specification of hinges. There has been ongoing correspondence between the manufacturers and the Department since May 2012, and the Minister has answered an Assembly question on the issue of projected savings. On 10 January 2013, officials from the Department and the Housing Executive briefed the Committee. That was followed by

a briefing from the manufacturers on 17 January. Those briefings raised a number of issues to do with savings and the rationale for change, and the Committee subsequently wrote to the Minister to ask that the procurement of new contracts be delayed until a meeting between the chief executive of the Housing Executive and the manufacturers had taken place. In response to the Committee's letter, the Minister said that this was entirely an operational matter for the Housing Executive and that the Department does not have an approval role when the Housing Executive decides to change its specification. That brings us to today's briefing.

I advise members and officials that the session is being recorded by Hansard. I invite the officials to brief the Committee.

Mr Gerry Flynn (Northern Ireland Housing Executive): You have summed up well. We have been here before, and I will summarise quickly. The Housing Executive, in managing its programme of double glazing, is compliant with the Minister's target of ensuring that all its stock is doubled-glazed by March 2015. In light of that, we embarked on an exercise to look at three things: how we were installing the windows; the specification that we were using; and how we were delivering their installation.

First, the method of installing the windows involved significant disruption to our tenants' homes. In the main, that meant that every single person who had a window installed received a redecoration payment because the reveals around the windows were significantly disturbed. We have moved away from that since, I think, about the summer of last year. We have tried to minimise the disruption to our tenants' homes, although somewhere in the region of 10% to 15% will be disturbed because of the way in which the windows are installed. In the main, it has resulted in us stopping paying redecoration payments. That is where the bulk of the savings notionally identified in correspondence with the Committee and the Department were earmarked.

The second consideration was the specification, and David is quite well placed to deal with any specifics. We looked at the specification that we were using to determine whether there was any way in which we could improve the specification of the windows to benefit tenants living in Housing Executive stock, particularly on the basis of energy efficiency. To that end, we looked at improving the specification that we currently use, which is in advance of building regulations standards, to help tenants in their homes with energy bills coming down the track. So we have improved the standard. When looking at that part of the specification, we also looked at what we loosely call the "window furniture" that sits around the windows, with a view to evaluating whether we have furniture that is fit for purpose. We took the view that, in the main, we had a type of hinge that would be best served in certain types of our stock, but something that we would not need across all of our stock. Therefore, we began the discussion about casement windows, fully reversible windows and tilt-and-turn windows. That discussion is better left to the expert, who is David. That was the focus of much of our discussion with the Committee and industry about why we were changing the specification of the hinge, but that was only one part of what we were looking at.

The last part was looking at how we deliver the installation of our window programme. We use a number of contractors for all our planned works, be that external cyclical maintenance, kitchens or windows. As this was a dedicated programme of work to be completed by March 2015, we believed that we could derive significant savings if we went to the marketplace for a stand-alone programme of work to be called "double glazing", which is what we intend to do. As of yesterday, our board approved that approach, with a view to going to the marketplace to deliver the rest of the double glazing by open competition. It is our intention to go to the European Journal very shortly with the specification that we have provided to the Committee. I am happy to try to deal with any questions that members have.

The Deputy Chairperson: Thanks very much for that, Gerry. Before I bring members in, I have a few questions. If members will bear with me, I will go through some of the figures. The original estimated saving was £15·1 million as a result of switching from reversible to casement windows, £9·6 million of which was as a result of savings on redecoration grants. In the most recent letter from the Department, the breakdown of that figure is given.

The letter states:

"A breakdown of the savings achieved in relation to the change in specification of hinges and window installation ... and assuming 22,690 dwellings at 1 June 2012, the £15·1 million savings breakdown is made up of three components".

It then outlines the three components that you mentioned. When you were last here — I think that Michael Sands was here — I thought that you said that were only 13,000 dwellings still to have windows installed. Is that correct?

Mr Flynn: I will try to clarify that. We started, at the beginning of last year, with an assumption of the number. We then carried out a detailed survey, which identified the numbers that you have just quoted, Mickey: about 23,000 windows had to be installed. In the course of this financial year, we have installed in the region of 8,000 or 9,000 windows.

Mr Copeland: Is that the number of windows or houses?

Mr Flynn: Properties, so multiply that by six or seven, Michael. We have installed windows at 8,000 or 9,000 properties this year. As we move to the next financial year, we have about 13,000 still to install. That may be what Michael was commenting on.

The Deputy Chairperson: If there are 13,000 dwellings still to have windows installed, and the calculation is £9.6 million in savings in redecoration grants based on £500 per dwelling, that would be correct. On the previous figure of 22,690 dwellings, however, the savings would be £11.34 million. So where does the figure of £9.6 million come from?

Mr Flynn: The 23,000 properties were the job in front of us, and we would have paid out an average of £500 in redecoration payments for virtually every one of those properties. We took the view, based on our experience, that, using the new method of installation, in the region of 10% to 15% of properties would still require redecoration. When you do the crude sum — take 15% of 23,000 properties and multiply the result by £500 per property — you get somewhere in the region of £9 million to £10 million in savings. Some 50% of that saving has already been achieved in-year because we have not been making redecoration payments. So it is a crude assumption based on £500 per property and allowing for the 15% that will still be redecorated.

The Deputy Chairperson: The Minister said that £9.6 million was saved as a result of not needing redecoration grants following installation. It was stated in writing and at the Committee that reversible windows can also be installed without the requirement for redecoration. That was one of the issues raised. So there is, in fact, a projected but reduced saving of £5.5 million. Is that correct?

Mr Flynn: No, that is the second part of the savings. I will talk generally about that, but I really do not want to get into the specifics because we are about to go out to public procurement, and people who may be interested in bidding could very quickly do the sums. Suffice it to say that our general approach was to cost the delivery of windows to the 23,000 properties under the old way of buying, installing and paying for redecoration. We costed all that and came up with a figure, and the Committee will have the details of that.

We then looked at the new method of installation, which removes the potential for paying for redecoration, and a new specification for the windows. Then, going to the marketplace to procure the installation of those windows gave us a second figure. When you take one from the other and add it all up, you get a figure of about £15 million in projected savings. I do not want to get into the specifics.

The Deputy Chairperson: If you look at the saving of £5.5 million — I think that the original figure was £15.1 million — that would represent a saving of 36%. Do you agree with that, or is there any explanation for the discrepancy?

Mr Flynn: Some of that, Mickey, is based on our experience over the past 18 months, having gone to the marketplace for major procurements for response, grounds and heating maintenance. We have derived significant savings by going to the marketplace. Based on that experience, we built that in robustly to what we think we may derive, and we exercised the results in putting the installation of double glazing out to public procurement.

The Deputy Chairperson: I just want to get this right: the projected savings from the procurement exercise are 20% of the original cost.

Mr Flynn: Potentially, yes.

The Deputy Chairperson: So that is the £5.5 million, as stated in the letter, which is 36% of the original cost. That begs a question about public procurement. Public procurement to save 36%, or 20%, whichever applies, of the original estimated cost is as a result of widening the procurement exercise. Is that not being optimistic?

Mr Flynn: The total projected savings are about £15 million. Between £9 million and £10 million of that comes from the avoidance of redecoration payments. The rest will come from the public procurement exercise, which should drive down the installation costs by dwelling as a result of us going to the marketplace. That will contribute, as you quite rightly said, between £5 million and £5.5 million.

The Deputy Chairperson: There would have been a detailed analysis to arrive at those projected costs. Will you give some detail on the sort of data considered and the process?

Mr Flynn: The rule of thumb is that we took a proxy on the basis of what we derived from the three big procurements that we have just gone through. Potentially, similar people will be involved in bidding for this work, so we know that prices in the marketplace have come down significantly. We apply that experience to the number of properties. We know what we pay currently for the work. Applying a broad percentage delivers the broad savings that we are talking about.

The Deputy Chairperson: I will finish off and then open up the session to members. In a letter to the Committee, the Minister stated very clearly that the change in specification was:

"entirely an operational matter for the Housing Executive and neither I nor departmental officials have any approval role if they decide to change a specification."

Are you comfortable with that statement and with having responsibility and accountability for the decision?

Mr Flynn: It absolutely is our responsibility, which is why the board made the decision yesterday to approve the method of doing this work, thereby giving authority to the officers in the organisation to go to the marketplace to procure.

Mr F McCann: On redecoration grants, the bulk of the savings come from targeting vulnerable people who required these grants to repair their homes. Even after all of this, would you say that people still need to repair their homes — replacing blinds, wallpaper, and so on — because of the damage caused by having windows installed?

Mr Flynn: From looking at what we used to do, it is quite obvious that, when we disrupted decor, we paid out full redecoration payments because the way in which we installed the windows was pretty invasive. David can explain what we have done under the new approach, which is an attempt to minimise the physical disruption to property. You are quite right to say that the one area that probably does impact on people is having to replace blinds. In some cases, after installation, people's blinds no longer fit.

Mr F McCann: That is probably the biggest cost.

Mr Flynn: We have tried to avoid causing physical disturbance to the properties. The issue of blinds is for the tenants to deal with. I accept your point that, in some cases, people have had to replace their blinds, but we do not have a policy that includes reimbursement for fixtures and furnishings.

Mr F McCann: Did the Housing Executive, the Department or the Minister decide no longer to pay redecoration grants?

Mr Flynn: It was the Housing Executive.

Mr F McCann: What was that based on, given the consideration of the communities that you deal with?

Mr Flynn: Fra, we looked at the means by which we install the windows, and we stepped back and asked whether there was a better way to do it. David will maybe come in here. We then had a

discussion with the contractors who were installing the windows. Between us, we came up with a solution that involved putting in a slip around the windows, which resulted in less invasive disruption. We felt that that brought a benefit to the public purse, in that we could avoid paying public money, which has ultimately worked out to be between £9 million and £10 million. Yes, there is an impact on some tenants, in that they do not get a redecoration payment, but if we do not cause the disruption, they are not entitled to the payment. That was the view that we took, Fra.

Mr F McCann: Gerry, people often refer to public money, but many of the people having windows installed live on public money, so they have to pay public money to address the issue. Do you agree that, when these windows are installed, people still have a big outlay through having to replace blinds and wallpaper? Are there any circumstances under which redecoration grants are still paid?

Mr Flynn: If, by the method of installation, we still cause serious disruption to a tenant's home, we will pay for redecoration. That is why I quoted the figure of 10% to 15% of people who will still receive that grant. We will not pay for the replacement of blinds.

Mr F McCann: May we get a breakdown of the circumstances in which the grants are still paid?

Mr Flynn: Yes.

Mr F McCann: When you were here a couple of weeks ago, a number of contractors were also giving evidence. Do you refute their comment that they could provide the same job without redecoration grants having to be paid?

Mr David Adamson (Northern Ireland Housing Executive): Mr McCann, there are a couple of things to pick up on. As Gerry rightly said, we put in place the new protocol from 1 June. Again, as Gerry very rightly said, it was a very invasive process because we were going into dwellings with a Kango, if you can imagine, and chipping off reveals. That was affecting the surface fronting into the room. Now, we have in place something that minimises the damage and allows the use of a PVC extruded trim internally. That is totally consistent with what happens in private market installations.

Mr F McCann: Maybe people who get private market installations can afford that, but go to St James's, Ballyhackamore, or somewhere like that. That is where the people who raised this with me live, and they cannot afford to deal with the aftermath of installation. Those are the people I am talking about.

Mr Adamson: The protocol that we have in place is very consistent with the Glass and Glazing Federation documentation. It has a code of practice for window installation. I know that we discussed this at an earlier stage, but, again, this goes back to the fact that any type of window — casement, tilt and turn, fully reversible — can be fitted from the inside or the outside. We are required to fit a large percentage of our stock from the inside. If the Committee wishes me to explain that, I can, because I have the detail of a reveal that we encounter consistently. I am very confident. Already, since 1 June, we have probably installed 7,000 or 8,000 windows, and the feedback has been positive. This is being done in conjunction with the new protocol. We are acquainted with situations in which there has been slightly more damage to some reveals, and such damage does necessitate the payment of a redecoration grant. That is clearly accounted for in the code of practice under "by exception" situations.

Mr F McCann: As far as you are concerned, the new method of installation delivers the savings that you referred to. Would the other method not have delivered those savings, too?

Mr Flynn: No.

Mr Adamson: Using the other method, we were chipping off reveals, which was breaking the corner, and that was affecting the wall fronting into the room. That is what was necessitating the payment of redecoration grants. Also, the old method of installation was somewhere between a two- and three-day process. On the first day, we took the old window out, refitted and very quickly foamed round the new window. The next day, there was a plastering exercise, so somebody had to come along and make up the reveal and reform all of that. On the third day, somebody applied a sealant to the outside of the window. We have moved from a two- to three-day process back to a one-day process. So the overall disturbance to the tenant is minimal.

Mr F McCann: You are missing the point. I am not talking about the process. Regardless of whether it takes one day or three days, tenants end up with torn wallpaper and blinds that do not fit. In the past, they would have been given a grant to cover that. You have admitted that the saving in redecoration grants makes up the bulk of the savings being made. This goes back to what I said at the start: vulnerable tenants are being targeted to make the savings.

Mr Flynn: It is not so much that we are targeting them, Fra. We looked at a method of installing windows. The method that we used previously caused serious disruption to the properties, and that resulted in us paying out £10 million, potentially. We have found a new way of installing the windows, which minimises that disruption. We accept that there is an issue with the blinds. People will have to fund that themselves. The new way of installing windows saves the public purse nearly £10 million. I think that it is incumbent on the executive, as a major landlord, to find the most efficient way of installing the windows and to provide our tenants with the most efficient form of window solution, and that is what we are trying to do.

The Deputy Chairperson: Can the new method of installation be applied to reversible windows as well?

Mr Adamson: Absolutely.

Mr Flynn: It can be applied regardless of the type of window.

The Deputy Chairperson: I would like clarity on a couple of things. The £5.5 million of the £15.1 million is a 36% saving. Is that what you would expect to save?

Mr Flynn: That is a combination of two things: improving the specification of the standard of the solution provided; and going to the marketplace, thereby having more people competing for the work, which drives down the price.

The Deputy Chairperson: I want to ask about the detailed analysis. Is it possible for the Committee to get a copy of the business case for that?

Mr Flynn: For?

The Deputy Chairperson: For the analysis that was done. You mentioned the detailed analysis that applies to projected cost savings of 20% through a proposed procurement exercise.

Mr Flynn: We can show you how we calculated that.

The Deputy Chairperson: Is it possible to get a copy of that?

Mr Flynn: Yes.

The Deputy Chairperson: That is fine. Thanks.

Mr Copeland: I will begin by expressing disappointment that a request that I previously made in this Committee for sight of the original thought processes that led to the original decision to use the tophung sashes was not fulfilled. I asked for that and was assured that it would be forwarded to the Committee, but we did not get it.

Mr Flynn: I apologise for that. I will make sure that you get it.

Mr Copeland: We have now reached a point at which we understand that putting in new window frames from the inside is more efficient and less expensive. We have no issues with that, provided the overall reveal width remains the same. That abrogates the need for a consideration of blinds, although it will still entail checking in to the reveal to put the T-bars in, which I understand, but some redecoration may be necessary after that.

I will go back to the hinge issue. I do not want to get my transoms and mullions mixed up, but if you take a standard size frame of 1,500 by 900 millimetres, you can put in a top-hinged sash because

there is no stress on the hinges, given that they are at the top. If you place one handle low down, it means that anyone who is disabled or in a wheelchair can open it, flip it around and clean the inside.

My memory of wooden window frames is that you could go more than 650 millimetres wide, but my understanding is that the load bearing of most hinges will not allow you to have a casement wider than 650 millimetres. So you can have a 1,500 by 900 millimetre window frame with a top-hung hinge, one handle and a transom across the bottom. To get the same overall size using a side-hung casement, you have a transom across the bottom and a vertical mullion, which leaves three pieces of glass and a 650 and 250 millimetre balance. Was that taken account of in your cost process, or was it simply done on the individual price of the hinges?

Mr Adamson: Absolutely, Mr Copeland. I will refer back to the meeting that we had involving our chair and the window manufacturers, at which we discussed that in great detail. As I said to the Committee previously, we are dealing with retrofit situations so there are many fenestration permutations. If we were in a newbuild situation, we could have our window designs on two A4 pages, which is very easy, but we are encountering across all our stock and the remaining 13,700 dwellings as many as 200 or 300 different window designs or sizes.

Mr Copeland: If you take that from top-hinged to side-hinged, you have doubled it because a handling option is required.

Mr Adamson: In saying that, as was explained at our internal discussion, a large percentage of our 1980s and 1990s stock will have the larger opening sashes. Currently, they are perfect for fully reversible windows, but we are also using a variation of that hinge, which is called a flush casement. It is a top-swing arrangement, using the same hinge manufacturer and exactly the same quality of hinge. That has been in place since 2010, and these window manufacturers are using it.

Mr Copeland: The same hinge manufacturer?

Mr Adamson: Yes, the same hinge manufacturer.

Mr Copeland: As the current arrangement?

Mr Adamson: Yes, as the current arrangement. Again, it was explained in reasonable detail that from 2006 to 2012, all our window replacements within external cyclical maintenance schemes were based on a condition assessment. When a house came up for external maintenance, someone looked critically at every window. A reasonable percentage of houses under this new procurement will have had a partial replacement of windows. I will give you an example. Three out of seven windows could have been replaced with fully reversible windows, but the problem is that if a casement window were to be fitted, there would be an obvious visual difference in the fenestration. From 2010, these window manufacturers have been fitting, in all ground floor situations, flush casement windows that use the fully reversible profile but use a variation of the hinge. Therefore, that window is not fully reversible; it is known as a flush casement. Importantly, when it is fitted, the new window will look identical to the previously fitted window under the previous assessment. It has been explained to them that, in moving forward with the new procurement, they will encounter a significant number of situations such as that, and the default position is that it will not be a casement window but a flush casement window, which they already manufacture and supply to us.

I appreciate that, when I was at the Committee previously, I did not go into that level of detail lest, per chance, that would confuse. I have met all those representatives in my role in policy and standards. Therefore, they were part and parcel of that revision in 2010.

From 2006, we had fully reversible windows applied across all our stock. In 2010, we made a minor revision in consultation with them and, importantly, in consultation with the hinge manufacturer, which allowed a top-swing casement variation of its hinge to be used in all ground floor situations. That has been operational. Obviously, when we go to places in Belfast, we will encounter a completely different fenestration — perhaps smaller terraced houses in which the current default position is already storm-proof casement windows. The natural thing would be to look at adjacent fenestrations or, importantly, to look at the overall streetscape and replace those in a similar fashion.

All these window manufacturers are more than capable of manufacturing those windows. They do so for the private market, and they promote them on their websites. As an organisation, we are not introducing a window type that nobody is capable of making. All we are doing is varying our window

specification to allow a better application of a specific window type to match the fenestration that they are likely to encounter. Again, as was explained in detail to them, the code of practice is written in such a way that, if they were successful in the procurement, it would be the person — their surveyor or them — who would undertake the measuring and who would determine the actual window type installed. They would look at the fenestration of the house and, importantly, the adjacent fenestration, and they would decide whether that was suitable for a flush casement, a storm-proof casement or be fully reversible. I have given a bit more detail, and that is the rationale behind it.

Mr Copeland: That is useful. It is all becoming very complicated. If you have a standard size window that is top-hinged — it does not have to be left-handed or right-handed, it does not matter whether there is a dye factory 25 yards away and that the wind blows in a certain direction — you can open and close the windows. However, if you have a side-hinged window, it will funnel air into a property.

I want to ask about the technique used. We had some of those windows at home — mine were side opening — and the bottom channel was an absolute nightmare. I used to spend Sundays brushing out the bottom channel with WD-40. However, the difficulty is that not everyone who gets those windows will read the instructions, understand how they work and maintain them to the same degree. We have already stated that the current system, which I applaud the Housing Executive for employing in the first place, has not led to any claims under guarantee within the seven-year period, and there is a further 25 minus seven years remaining. I am frightened that, in some ways, this will require added maintenance on the part of a user. If you get anything at all into that bottom track or mess about with the opening restrictor, you have a serious problem. I am not saying that the hinges that I had were as good as the ones that you are specifying, but there were certainly occasions when some of our windows were very difficult to open. We are building in complications that will cost money. If a fitting team turns up to fit a set of windows, for example, and one is the wrong hand, is that installed anyway, or does that team have to get another one?

Mr Adamson: I am familiar with that drawing. I have put in place a performance specification. That was emphasised in detail, and it sets the standards. However, the window that is determined for those apertures at the measurement stage will be the responsibility of the supplier, installer or whoever.

The current arrangement is that, although I am aware that, as a rule of thumb, an opening size fully glazed is roughly 20 kilograms per metre squared, that is all I need to know. These guys are the experts; they make and glaze the windows. So the performance specification is such that they will put on a hinge with the appropriate weight capability to suit that window.

All that we will do as part of the specification is set in place the parameters. When a storm-proof casement hinge is used, the code of practice gives a notional figure for the height and width of that opening sash. However, it does state that a storm-proof casement will typically withstand an opening sash of up to only 24 kilograms. The fully reversible hinge arrangement, however, can withstand anywhere between 60 kilograms and 80 kilograms. However, the decision about the weight and the hinge appropriate to the weight lies with the window manufacturer or supplier.

Mr Copeland: Let me just think this through. Company X wins the tender, and it sends its man out to look at a property. Within his remit is the possibility of changing, according to a set of preset circumstances, the type of window involved. Is there a difference in cost between the windows that he may select?

Mr Flynn: He would have put a price for that.

Mr Adamson: Let us —

Mr Copeland: Could someone go out and choose to put into window aperture A frame types 1 or 2? If he chose type 1 instead of type 2, would there be a cost difference and could that difference be up or down? I am trying to pin down the savings.

Mr Flynn: Any successful contractor will have priced against the contract, so he will get a job based on the price he submitted.

Mr Copeland: However, is the selection of the window that will be used by the surveyor at the time a cost variant in the contract? Is it a variable?

Mr Flynn: No. People bid for the price and get the work on the basis that that is what they will be paid. I really do not want to get into detail.

The Deputy Chairperson: I think that we are getting into a lot of detail. I suggest that we all read the Hansard report, and perhaps Michael can explain it to us at a later date.

Mr Durkan: Windows for dummies.

The Deputy Chairperson: We are getting very technical.

Mr Copeland: In the past, a lot of contracts had difficulties because variations were built in for circumstances x, y and z. All I am asking is: will you be given a price per unit house for all the windows, no matter what frame they decide to use in any given circumstance? Is that the way it will work, or is there a variance?

Mr Flynn: In the main, like any job, when variables or additional issues are identified, those will be considered. However, people will be pricing against the specifications, with which we hope to go to the market very shortly, having got approval from the board last night. It will be a matter for the guys who are doing the work to bid the price that they want.

Mr Copeland: We have said that a top-hung sash comes with a 25-year guarantee, fitted for seven years and no claims. The guarantee that would pertain to the side-hinged opening —

Mr Adamson: The storm-proof casement style.

Mr Copeland: The casement style side-hinged variant — I am trying to use language that the Hansard reporters will understand. We already said that the manufacturer's specification contains a recommendation or requirement that the upper and lower tracks are kept clean and, to a degree, lubricated. Should that not take place, and should the hinge fail, that is contrary to the manufacturer's guarantee. Who falls for fixing that in such an unlikely scenario?

Mr Adamson: The fully reversible hinge also needs to be maintained.

Mr Copeland: At the top, so that stuff does not gather in it.

Mr Adamson: It still requires lubrication. If that is not lubricated —

Mr Copeland: These ones have not been lubricated in seven years.

Mr Adamson: Perhaps I need to restate something. We have 67,000 dwellings with storm-proof casement hinges, which were installed pre-2006. As a rule of thumb, there could be hinges that are well in excess of any 10-year guarantee, and we do not have any significant maintenance.

Mr Copeland: None?

Mr Adamson: No, we do not.

The Deputy Chairperson: We were told in previous briefings that there is a 10-year guarantee on 25 years with different types of hinges. When you are working out the costs, is that lifelong cost factored in? One would have to be maintained in and around 10 years' time, and some would have a longer lifespan of 25 years.

Mr Flynn: The issue is warranty. Some people assume that, once a warranty is up, these things are not fit for purpose, which is not the case. When a warranty expires, the liability for maintenance falls to us as the landlord. We have over 60,000 casement-style windows in place, and the maintenance bill for servicing them is not significant.

Mr Adamson: A window is a series of components, as you know. The glass element has only a 10-year guarantee.

Mr Durkan: You will be glad to know that I am not going to be as technical as Michael.

Mr Copeland: Sorry.

Mr Durkan: It will be windows for dummies, I think. Gerry, yesterday, the Housing Executive board moved for this to go out to public procurement. On what basis was it approved? Was it approved on the £15 million savings, which have subsequently been dismissed? Was it approved on the £5.5 million, which is fiercely contested? Was it approved on the £0.5 million, which other manufacturers thought was more realistic?

Mr Flynn: The board approved the double-glazing strategy, which is about acknowledging the new method of installation, the improvement in the specification and the fact that we will go to the marketplace to open up competition for delivering this. That is what the board approved.

Mr Durkan: Can you run through the final bit again, please?

Mr Flynn: We are going to the marketplace to get someone to provide us with the solution for installing the remaining 13,000 windows, because, at the minute, it —

Mr Durkan: With casement hinges?

Mr Flynn: With casement-style hinges.

Mr Adamson: And fully reversible.

Mr Flynn: Fully reversible hinges, where they are needed. People have got hung up on a tiny aspect of what we are doing. We are trying to improve the specification for tenants, improve the thermal efficiency of the windows and find a method that cuts down on the expenditure of public money to deliver the solution. The hinge is only one tiny aspect of all that.

Mr Durkan: Was the approval based on cutting down expenditure?

Mr Flynn: Absolutely.

Mr Durkan: By how much? Is it £15 million?

Mr Flynn: It is like everything else. As the Committee was advised, these are estimates. The true test is when we get the result of the competition. The true testing of any exercise is when you go to the marketplace.

Mr Durkan: Absolutely, but the notional savings based on the redecoration grant —

Mr Flynn: They are factual; they are not estimates. They are not in dispute. The redecoration is not in dispute.

Mr Durkan: So they were taken out of the equation before it went to the board.

Mr Flynn: They would be factored into it. The board would have received a strategy and asked some questions. How are we going to procure this? How are we going to manage this? What will the framework look like? How many contractors will we have? What is the method by which we are going to procure this? That is what the board approved yesterday. We should have been going to the Official Journal of the European Union today, but we were asked by the Committee not to do that until we gave evidence. That is what we have done. Assuming that there are no more outstanding issues, we will be out in the marketplace very shortly.

Mr Adamson: As for procurement, there is a real opportunity for window manufactures to supply and install the windows. That is unlike the current arrangement, in which there is a supply arrangement and a contractor does the installation.

As it stands, we know exactly what the average cost is for the supply and installation of windows per dwelling. That raw data for live contractor supply and installation costs for the window component is extracted from our internal approval process. For the past five years, we can tell how many windows we have installed, what we paid and, hence, the average cost.

Mr Durkan: You can tell that for the past five years?

Mr Flynn: Yes —

Mr Durkan: The initial estimates of how many windows needed to be double-glazed were out by how much? It was tens of thousands. It must not be that scientifically recorded.

Mr Flynn: There were two things, Mark. We estimated the number of windows that needed to be done from our database. We then did a detailed survey, and we are now dealing with actuals. We know that there are 23,000 windows to be done, we know what we paid out for double glazing over the last period, and we know what we paid, broadly speaking, for each dwelling. Over the past 18 months, we have managed to derive significant savings from the big procurements by going to the marketplace. Although we have improved the specification, we have also increased the competition, and we assume that we will create significant efficiencies. The true test will be the results of that market exercise.

Mr Durkan: I think that it is fair to say that we are about that as well.

The more I hear about this, the more confused I become. I do not know how much confidence I have in it.

Mr Copeland: I have a couple of very small afterthoughts. I have no issues with the method of installation from the inside if it works, provided it accords with building control. I presume that you have checked that.

Mr Adamson: We do not require building control approval for window replacements. As stated in Part A of the Building Regulations, all that we are required to do is to ensure that, when we do installations, we effectively comply with all aspects of the regulations. That also applies to the thermal efficiency aspect of windows. The installations also accord with the Glass and Glazing Federation code of practice for the survey and installation of windows and, I think, BS 8213.

Mr Copeland: It is not in compliance with the traditional norms of how it was done in Northern Ireland. I accept that, but anyway.

You will forgive me getting fixated on hinges. It strikes me that a decision was taken some time ago to take a certain course. I asked for sight of that, and you eventually agreed to give it to me. That must have been justified in some way or another. There was then this road to Damascus conversion, so to speak. I want to know where that conversion was conceived. Was it solely in the Housing Executive, in the Department or in the private office, or was it a conjunction of all three? In other words, did the Housing Executive, in search of efficiencies, arrive at this itself, or was it an idea that was hatched elsewhere that you had to sit on.

Mr Flynn: Specification is a matter for the Housing Executive.

Mr Copeland: I did not ask that.

Mr Flynn: Specification is a matter for the Housing Executive. We were already looking at the method of installing our windows. The Department wrote to us to challenge us on our expenditure and how we were installing them, and we responded by changing the method of installation. We were already looking at the specification because we knew that we were going to go for a dedicated programme of installation. Our work had begun before we were directed to do that.

Mr Copeland: So the Department communicated with you regarding how the windows were to be installed as opposed to which windows were to be installed.

Mr Flynn: No; the Department asked us to look at how we were installing the windows. It is a common record.

Mr Copeland: I understand that. When you were considering how you were installing the windows, did that give rise to consideration of what hinge type to use?

(The Chairperson [Mr Maskey] in the Chair)

Mr Flynn: We had already begun work on that. We were looking at the specification with a view to reviewing it. Those discussions took place, and correspondence came to our organisation after that.

Mr Copeland: If this proposal has a mother and a father, was it within the Housing Executive and nowhere else?

Mr Flynn: This is the man who looks at the specification.

Mr Adamson: We have what is called a standard specification, which has at least 26 different aspects. Every aspect has been considered and brought bang up to date in accordance with compliance standards. Windows were part and parcel of that overall data and rising to the standard specification.

Mr Copeland: I will go back to what I asked, with particular reference to the hinges. If this thing had a mother and father, was it solely resident in the Housing Executive?

Mr Flynn: Absolutely. It is our specification. If people challenge us about what is in it and come up with suggestions to improve it, I think that it is incumbent on us to look at that.

Mr Copeland: Did people challenge you in this case?

Mr Adamson: We are being challenged here and by tenants.

Mr Copeland: Outside of here. We are challenging — [Inaudible.]

Mr Durkan: — [Inaudible.] — reversible.

Mr Adamson: Remember, the standard specification is purely a performance specification. It sets the standards. People in the respective industries will have no difficulty in identifying with those standards. The standards are not written in a way that nobody can comply with them.

If suppliers produce composite component windows, they must be able to demonstrate compliance with that standard specification. Similarly, if a different hinge manufacturer comes along — there are different hinge manufacturers — they must also be able to demonstrate compliance with the relevant part of the specification. Audit then audits the installed component against the standard specification. That is a huge variation from the situation prior to 2006 when people came along and had their windows approved by the Housing Executive.

Putting in place a performance specification allows anyone to provide us with a component, provided they can demonstrate that it is correct. The onus is always on them.

The Chairperson: Gentlemen, I apologise for not being here earlier this morning to hear the start of your presentation. I was unavoidably detained.

Mr F McCann: Chair, I spoke earlier. One of the questions I asked was where the original decision came from, and whether it came from the Minister, the Housing Executive or the Department for Social Development. In the Hansard report of the debate in the House on 8 May 2012, the Minister stated:

"Following discussions with those in the glass and glazing industry, I now have considerable concern about the value for money of the Housing Executive's current specification to contractors for window installation."

The Minister also stated:

"I believe that significant savings could now be made". — [Official Report, Bound Volume 74, p246, col 1].

He went on to talk about redecoration grants and the new specifications. How does that match with your comments that the decision came from the Housing Executive and not the Minister?

Mr Flynn: I said that we were already looking at the specification and were putting together a package to go to the marketplace. We were already looking at what would be in that. We were then challenged by the Department on how we were fitting windows. There is no doubt about that. I can check, but I think that that resulted in our stopping the double-glazing programme pending our review. We looked at the method of installation with the contractors and changed how we put them in last year.

Mr F McCann: Did the Housing Executive or the Minister take the decision to stop it?

Mr Flynn: I need to check, but I think that we were stopped by the Department. I think that it asked us to cease installing those windows until we had examined how we were installing them. At that stage, we had already committed; we had orders out, and we continued to do the work. We very quickly reviewed the method of installation.

Mr F McCann: Gerry, I asked these questions earlier because the redecoration end of it concerns me, as does the other. My point is that you said earlier that the decisions to stop the redecoration grants and to go with the new specifications were made by the Housing Executive, yet it clearly says in there that the initial direction came from the Minister.

Mr Flynn: No; there were two separate issues. We were already looking at the specification, and we were then tasked to review the method of installation by the Department. By looking at how we install windows, the organisation decided that, against our current policies, there was no need to make redecoration payments. We did not change the policy on redecoration. If you do not cause invasive disturbance to tenants' homes, they are not entitled to a redecoration payment.

Mr F McCann: Have either of you visited any of the houses of those who have had these windows put in to look at possible disturbances?

Mr Adamson: I have. At the launch of the new protocol, I was personally involved with each of the Egan contractors. There was one in Poleglass with, I think, that particular Egan contractor, where they actually removed the window. We then put the new window back, without any disturbance.

Mr F McCann: If I knew you were coming out, David, I am sure that I would do exactly the same.

Mr Adamson: It is possible to do it, and we have been doing it.

Mr F McCann: Would you accept that when people have contracts and are going in to get the windows in as fast as possible, they are not going to take their time putting the window in unless you are about? They would do it much quicker, and, therefore, there is a possibility that redecoration grants would later be required.

Mr Adamson: I would dispute that to some extent. If you were getting windows in your house, and you went to a window manufacturer, they would be in and out in one day. That is how they do it.

Mr F McCann: People who live in Housing Executive houses have no choice. You choose the contractors. If you live in your own house and are paying for it, you have a choice of contractor, but these people do not.

Mr Flynn: If someone did not do a good enough job and caused disturbance to a tenant's home, it is incumbent on us, Fra, to pay for redecoration where that is warranted.

Mr F McCann: Gerry, live in the real world, will you?

Mr Flynn: We have moved away from paying for redecoration in every case to paying where it is warranted. There has been a significant reduction in the number of redecoration grants paid as a result of that.

Mr Anderson: As a recent recruit to the Social Development Committee, I think, like everyone else, that we are becoming real experts on window installation. Maybe we could make a bid for the contract.

Mr F McCann: Do not be applying for a redecoration grant then, Sydney.

The Chairperson: That would be a window of opportunity for someone.

Mr Anderson: I do not think you will hear much about redecoration from here on. Are we on course to deliver for 2015? I am getting a lot of questions from constituents about windows and new windows. Is that on course for 2015 or will there be slippage?

Mr Flynn: Based on our current performance, we have about 13,000 left to do. We did about 9,000 this year. We are about to go to the marketplace. I was at the board that approved this yesterday. For example, if we go to the marketplace today to place an ad, we would hope to have contractors in place by about May. So, you would have from May this year until March 2015 to finish the last nine-odd thousand. There is also the high-rise element, which is a different beast altogether. We have a number of high-rise dwellings to do, but the current projections are that we will be finished by March 2015, based on the current performance.

Mr Anderson: Are those all complete refits of new PVC windows?

Mr Flynn: Yes.

Mr Anderson: Are there no more wooden windows?

Mr Adamson: The standard specification applies, and is very much for pre-finished timber windows. We cannot exclude that, and we never would. There are window manufacturers who do provide timber, fully reversible windows. I did say to the Committee the previous time I was here that it is actually easier to achieve an A rating with a timber window than a PVC window. Timber, stormproof, flush-casement, fully reversible windows are very much part of the 2012 revised specification.

Mr Anderson: Would there, at any time, be timber and PVC windows in a row of terraced houses? You said earlier that that might not look well. Is there a possibility that that could happen?

Mr Adamson: That is an interesting area to discuss. Northern Ireland has, I think, a PVC culture. Most people have PVC windows. Yet, when you go to Europe, timber is the big material. In fact, the drive now is towards aluminium-clad timber windows, where you can have a nice powder coating or colour externally and natural wood internally. That is where Europe is. We are very much about PVC. We are still installing some timber windows, but it is a very, very small percentage. Basically, timber and PVC are still part and parcel of a contractor's project wish list. However, he is obviously coming forward with a better price from the PVC window manufacturer than the timber window manufacturer. And yet, as I say, there are a number of timber window manufacturers that, if a fully reversible window has to be installed, can provide exactly the same window — using, incidentally, exactly the same hinge — and achieve the same energy efficiency. That window would be fitted in exactly the same way.

Mr Anderson: Let me again go down the line of appearance. The possibility is that you could have one home in private ownership and an adjacent Housing Executive home. Will the Housing Executive make every effort to ensure that those windows will, in some way, match the adjoining ones? Do you see where I am coming from here?

Mr Adamson: To be fair, we are very particular about streetscapes. Let us be honest; where we have leaseholders and where people have bought their house, generally what goes in is a particular style of stormproof casement, which is very much at odds with our properties. We have always tended to come from the point of installing our windows on a like-for-like basis, especially because there is the

potential that we would ruin the whole fenestration. We generally consider things on a streetscape basis or a terraced or semi-detached basis.

The Chairperson: In answer to Sydney's first question, you said that you are on course to complete all the houses by 2015. You then said "but". Can you elaborate on what the "but" might be?

Mr Flynn: The "but" will be driven by the procurement and how long it takes us to get to the marketplace. Under the current proposals, which we are hoping to get to the European journal very shortly, we hope to be on site by May. There is always a "but". Based on current performance, to install 13,000 windows between now and March 2015 is a doable job, and one that is in the Programme for Government.

Mr Adamson: That is backed up by the fact that, from last year to March this year, we have delivered on 9,000 dwellings.

The Chairperson: Thank you for that.

Mr Brady: I just want you to clarify the redecoration criteria for me. It used to be that more than one wall had to be affected. You say that there is less need for redecoration. Is that still the criteria?

Mr Adamson: To be honest, you would have been affecting every aspect of the window reveal. Importantly, what we were doing was pulling out the old window sills. Now, we are cladding those with a PVC trim. That is how that is done. Every single room would be done in that fashion. Previously, not only did you have the very invasive destruction of the actual physical reveal, pulling the sill out was probably causing the most damage.

Mr Brady: So, it is assessed more or less on an individual basis.

Mr Flynn: It is. We have not changed the redecoration policy. That is why we estimate that, in 10% to 15% of cases, we are still paying redecoration grants. Although we have a new method of approach, depending on the job that you encounter, you could have significant disruption to a tenant's home.

Mr Brady: Fra made the point earlier about blinds. Obviously they are not factored in, and yet they are a significant cost for people who can least afford it.

Mr Flynn: I accept that.

Ms Brown: Mickey touched on what I wanted to ask about the criteria of the redecoration grant. It might be useful to have something in writing for our constituents.

Mr Flynn: We can send you a copy of the policy, if that helps?

Ms Brown: We are getting a lot of queries about that. Can you reassure us that anybody who considers that they have damage after a window installation is still entitled to ask for an assessment and request a redecoration grant?

Mr Flynn: If any individual feels that, as a result of the installation, we have caused serious disruption or damage to a tenant's home, we will make sure that we look at that. If that is the case, and the disruption is such that it satisfies the rules, we would pay a redecoration grant.

Mr F McCann: What do you class as damage? That is the argument here.

Ms Brown: That is why I asked for that clarification in writing.

Mr Flynn: Compare it to the method that we used to use to install. It caused significant disruption and tore out all the plaster. It was quite obvious. The new method is what you would see in any private home.

Mr F McCann: You still admit that damage is still done.

Mr Flynn: If you take out a window and tear a tiny strip of the paper and put a plastic reveal over it and there is no obvious damage, we will not pay for redecoration. I will be clear on that: we will not pay for decoration. However, if someone comes in and puts a plastic reveal around the window and you can still see disruption and damage to the decor, then that would be considered for payment.

Mr F McCann: Do they have that in writing?

Mr Adamson: As we stressed earlier, until they start to remove the window, no one knows what state the reveal is in. It could look perfectly acceptable before the removal takes place, but there could be delamination of the entire reveal. It could just be hanging there, and it could just fall off with the slightest nudge of the hammer. Clearly, a redecoration grant is payable in that case.

Mr Flynn: The shift is that redecoration has moved from being the norm to being the exception, and that is the fundamental aspect.

Mr Copeland: Is there anything built into the contract to make those who are responsible for fitting the windows take care that redecoration grants are not necessary? In other words, if someone fits a window and does not occasion the necessity for a redecoration grant, does that count in their favour? Is there the potential that the same people who make good the reveals and carry out the work would fit the windows?

Mr Adamson: The code of practice deals with the specification, supply and installation of windows. Therefore, the person who fits the windows is responsible for complying with the standard specification and the associated code of practice. That is the guidance document that basically lays out the protocol and tells you how you go about that, and that very much aligns with where the Glass and Glazing Federation sits and how you treat those reveals as a result of fitting that new window.

Mr Copeland: In other words, they do their job, and if the tenant says, "I think I need a redecoration grant", you go out and judge whether they need a redecoration grant?

Mr Adamson: Certainly, the procedure is there to allow that to happen.

Mr Flynn: The Housing Executive deals with that end of it.

Mr Copeland: I understand that. The speed with which you do things generally dictates the cost, and, generally, the speed militates against taking care, if you follow what I mean. Is there anything in the contract to ensure that a bonus is payable if a redecoration grant is not payable, or if, as a result of that work, a redecoration grant is payable, there is —

Mr Flynn: I do not know exactly, but I will check that. However, I imagine that if the guy did not do a good enough job, the supervising officer who signed off the quality of that work would bring that to our attention.

Mr Copeland: You understand what I mean. A lot of these contracts are done cost-plus and, in some cases, cost-minus. People are in business and they have to make a profit somewhere, so there is a variable of around £300.

Mr Anderson: Thank you for coming back. We are trying to pin down who has overall responsibility. If the contractor replaces the window, and some work or disruption takes place that should not have taken place, will the Housing Executive take full responsibility to ensure that that is repaired, instead of the contractor? We do not want to see a game of ping-pong between the contractor and the Housing Executive that leaves the tenant as the fall guy. As my colleague said, there must be a set of criteria, and, at that stage, the Housing Executive must have overall responsibility.

Mr Flynn: As a landlord, if we enter into a situation where a contractor goes in and creates a botched job that results in serious disruption to a tenant's home, and, if it fits the rules, then, obviously, we will pay for the redecoration. What happens between us and the contractor is a separate matter. The tenant should not get caught in a relationship between the contractor and the landlord. At the end of the day, the Housing Executive is the landlord.

Mr Anderson: So we have that guarantee.

Mr Adamson: We have an inspection regime.

The Chairperson: No other member wishes to speak. I apologise for not being here earlier. However, I will reflect on the Hansard report of the meeting. Redecoration and the criteria for it are all very important, but this meeting is dealing with the process around decision-making and finding out who has the decision-making rights. Because of the complicated, convoluted way in which this has evolved — I said a few weeks ago that some of the policy on this seems to be have been made up as we went along — we wanted to get to the nub of the process. I understand that you have agreed to provide us with information on how you arrived at the 36% savings.

Mr Flynn: Yes; I thought that it had been provided in previous correspondence, but I am happy to give details of how we came up with that broad figure.

The Chairperson: To be very clear, we are getting reports and correspondence. I will not rehearse any of what was covered earlier, but the nub of the issue for us was that the Minister was saying one thing, the Department was saying something else, the Housing Executive was saying something else, and we were getting conflicting reports that do not merge. We are concerned about that, so we want to get to the core of that decision-making process. That information will, obviously, help the Committee.

Mr Durkan: On the 36% and 20%, I think there might be a wee bit of confusion. A 20% reduction in costs was the figure that you used, Chair, but when Mickey was in the Chair he referred to it being 36%.

Mr Flynn: Mickey calculated that.

The Chairperson: The figures that we were given throw up two different percentages. That is why we want to know —

Mr Durkan: The 5.5% is 36% of the 15 —

Mr Flynn: I will quickly try to deal with that and avoid getting into commercials. The 20% broad saving is an estimated saving based on our experience of going to the marketplace in the current climate. We have put big jobs out at the price that we used to get. We have experience, over the past 18 months, of response maintenance, grounds maintenance and heating, which have driven significant savings. The figure of 36% in the documentation seems to have been arrived at by someone calculating the value of the savings derived from the marketplace and expressing those as a percentage of the overall savings. They are two completely different things.

The Chairperson: I am trying to read through it, because there are a lot of different figures, and I want to get to the bottom of it. That is what the Committee is trying to do today. We will get to the bottom of those figures. The figures underpin the decision-making process, because people are telling us that it is going to achieve massive savings, and they are going through the process to make the savings, and then we are being told that the way that you are actually making the savings is mainly around redecoration grants.

Mr Flynn: That is the bulk of it.

The Chairperson: But the whole issue started around hinges. We have spent months talking about hinges. I have to say, as the Chair of the Committee, I am not much clearer on it. I appreciate that I missed a part of this meeting, but I have looked at all the correspondence. That is why I was keen that we should have the meeting this morning. We will reflect on the information that we have, but if we can get a further breakdown, Gerry, it would be very much appreciated.

Mr Flynn: I will do that.

Mr Durkan: Chair, for clarification, before you came in, Gerry told us that it had been approved at the board meeting yesterday to proceed with this. Does that proceed now?

The Chairperson: We recently asked the Minister, the Department and, I think, the Housing Executive to put it on hold until we get a bit more clarity. I am in the hands of the Committee as to what the Committee's view on that is. You are saying that you need to advertise it quickly and that you have already got board approval to do that. I do not know whether the Committee has a view on that or whether it wants to wait to get further information. How long will it take us to get that extra information, Gerry?

Mr Flynn: I can return to you today on where the £15 million is coming from. I can have that sent to you today.

The Chairperson: I do not know what the status of our request would be around the procurement. I presume that we do not have any particular authority as such, but the Committee has been keen to get to the bottom of it. If it is possible for us to get that information and then have our own discussion on it next Thursday, I think that would be helpful for the Committee and would enable it to complete its task. It is not so much about challenging you, it is about scrutinising, which is a statutory obligation of the Committee. How do members feel about that? Are members content that the Housing Executive will move on the procurement, as it indicated earlier, or hold it for a week? Does the Committee have a view on that?

Mr Durkan: We do not have authority. Who does?

Mr Flynn: I am not quite sure of the protocol. My understanding is, at the end of the day, we have not come across this. Is it —

The Chairperson: It is a matter for you. I assume that we do not have the authority to tell the Housing Executive what to do or what not to do. Our job is to hold people to account and scrutinise. The point that I was making is that, in the good will and the protocol around it, the Committee had angst about where all that had come from and where it was going to. In lieu of that, we need a further bit of information, which you promise to get. I am sure you can get it to us very quickly. I do not know whether a week to satisfy the Committee with information is going to make a difference. It would be helpful for the Committee if we had the opportunity until next week to formally discuss it.

Mr Flynn: I will feed that back to you today.

The Chairperson: Are members happy enough with that? Gerry and David, thank you very much for your attendance this morning and for answering the various questions of members.