



Northern Ireland
Assembly

Committee for Social Development

OFFICIAL REPORT (Hansard)

Housing Executive:
Facing the Future Strategy

28 February 2013

NORTHERN IRELAND ASSEMBLY

Committee for Social Development

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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 Mark Durkan
Mr Fra McCann

Witnesses:

Dr Heloise Brown	Department for Social Development
Ms Deirdre Ward	Department for Social Development
Mr Jim Wilkinson	Department for Social Development

The Chairperson: I welcome formally to the Committee departmental officials Jim Wilkinson, Deirdre Ward and Dr Heloise Brown. Obviously, you are here to advise the Committee on the housing strategy. We have kept you waiting for a while this morning, folks, so, without any further ado, I am happy to let you make your presentation to the Committee.

Mr Jim Wilkinson (Department for Social Development): Thank you, Chair and members. As you know, we previously briefed the Committee on our consultation exercise on the housing strategy, which was launched in October 2012. Today, we want to advise the Committee of the responses that we received to that consultation, some of our comments and what we propose to do with regard to next steps and actions.

Facing the Future, the housing strategy, identified three main roles for government. The first role is to help to create the right conditions for a stable and sustainable housing market, so that it supports economic growth and prosperity while we do what we can to ensure that the supply of housing meets longer-term need — that is, need across all sectors — and that those who have difficulty accessing or sustaining homes, either as tenants or homeowners, receive the appropriate level of support. The second role is to provide support for individuals and families, particularly the most vulnerable people, to access housing. That means looking at how we use public resources as effectively as possible to meet housing need, prevent homelessness and support those who have complex needs to live independently. The final role that is suggested in the strategy is to set minimum standards for new and existing homes and for how the rented sector is managed, be that the social rented sector or the private rented sector. That is really what we put forward as the key role for government in our strategy.

We also set out the Minister's vision for housing in Northern Ireland over the next five years, which really focuses on, quite simply, ensuring that everyone has the opportunity to access good housing at a reasonable cost. It also recognises the very significant role that housing can play in helping to support and sustain economic recovery, create employment and regenerate the most deprived and neglected communities. Giving effect to the Minister's vision, our approach in the strategy is to develop proposals for housing or, if you like, suggestions for what we might do with regard to housing across all tenure types, which recognises the need for a balanced housing market that provides households in Northern Ireland with a range of good-quality housing choices at a price that people can afford.

With regard to the consultation process, as I said, we launched the strategy in October 2012. We also held two separate events, one in Belfast and one in the north-west, specifically to offer opportunities for stakeholders to come and offer their views in a setting where we allowed people to exchange views and ideas. We also responded to three specific requests for briefings from organisations and from the Construction Employers Federation, the Northern Ireland Housing Council and, indeed, the Housing Executive's tenants' forum to go through the strategy and solicit views. In addition to the comments that we captured, we received a total of 90 responses to the consultation. We had up to 60 or 70 attendees to our two consultation events and other events. We received comments from a range of bodies, including housing professionals, private developers and members of the public, and from a wide variety of organisations. We analysed over 700 pages of comments that we received, including notes that we had captured from those events, and we compiled the consultation summary, which we have submitted to the Committee for its consideration.

The consultation asked stakeholders what they thought about the themes and aims of the strategy in general. It also asked specific questions about the proposals. On the strategy's key themes, there was clear support for our approach, with most people — 94% — either agreeing or making no objections.

We were very keen to take people's views on the need for a housing supply forum. One of the questions that we asked was what more government could do to pull together relevant stakeholders and how we could increase housing supply. There was clear support for this approach. A number of consultees suggested appropriate members for the forum. However, the clear feeling was that we wanted to ensure that, if a forum were established by government, it would be truly representative of all of those who could have an impact on supply and that it would not be a talking shop. If we move to establish a housing supply forum, it needs to have clear objectives and outputs. There were a wide range of suggestions on how government could work more effectively with the private sector to increase the supply of housing across all tenure types.

We asked how housing need — the allocation of social housing — should be assessed. We received divided views on that. One quarter of people took the view that need should be the only consideration when allocating social homes. One quarter took the view that place-making and the need to create sustainable neighbourhoods should also be a factor in allocation — creating balanced communities with regard to demographics and possibly other factors, such as income and wages. The remaining 50% made no comment about how allocations should proceed. However, they did give views on the definition of housing need that is currently used.

There was, however, strong support for the view that we should commission research into housing need, and the Committee has been briefed on that. Indeed, we anticipate that the outcome of that research will become available within the next month or two. Of course, we will come back to the Committee on that.

There was strong support for a new form of tenancy to make best use of adapted dwellings. However, an equality issue was highlighted, namely that it would not be appropriate to give a disabled or elderly person a less secure form of tenancy simply because he or she requires an adapted property. That certainly was not the policy intention of the proposal. Of course, we have been mindful of equality issues in taking any work forward on that suggestion.

The only question in the strategy that met with a clear majority against it was that of whether owner-occupiers should be expected to make a contribution towards disability adaptations if they are required. We will explore those comments further and seek more detail from consultees on how we can ensure that we continue to support disability adaptations as part of our joint consultation exercise with the Department of Health, Social Services and Public Safety on those issues. Officials will be able to brief the Committee on the detail of that consultation exercise and any responses that we receive.

You will also be aware that certain proposals in the strategy relating to the impact of welfare reform are creating a great deal of debate. I know that the Committee has been focused on that issue, and there will be more discussion and debate on it. There is also the question of getting the structures right, with particular focus on any proposals for the Housing Executive. Again, the Committee has been briefed by the Minister on that. With regard to the consultation exercise, we received broad agreement for the proposals and suggestions that were made on what we were looking at in those two areas. A number of useful suggestions were made on the way forward. People welcomed the flexibilities that the Minister had secured on welfare reform with regard to direct payment as something that would help to mitigate the impacts in Northern Ireland. Many respondents acknowledged the work that the Housing Executive had created but also recognised that it was time for change with regard to sustainability.

Members will be aware that the housing strategy contained commitments across all the key themes, one of which is ensuring access to decent, affordable, sustainable homes across all tenures; the second is meeting housing needs and supporting the most vulnerable; the third is understanding the housing impacts of welfare reform and ensuring that we have appropriate services in place, particularly with regard to housing; the fourth is driving regeneration and sustaining communities through housing and greater integration with housing regeneration. The final theme is getting the structures right.

Apart from the issue of financing adaptations, most consultees raised no objections either to those themes or, indeed, the commitments. Indeed, we received suggestions for additional commitments rather than saying that they did not want us to proceed with one of the proposals that we had brought forward. They will, therefore, form the basis of our work. To implement the strategy, we propose to publish an action plan as soon as possible that takes account of the commitments in the strategy and respondents' views. Of course, officials will be able to brief the Committee on the draft action plan before it goes out for publication. The idea is that the action plan will try to see our commitments with timescales, deliverables and expected outcomes from those deliverables, and will set out the work that we plan to do up to 2017 to implement the strategy's proposals and see how far we can make progress towards achieving its key themes.

I will touch on some of the commitments in more detail to give you a flavour of what was under some of the themes. Under theme 1, which is about ensuring access across all tenures, we are looking to increase the supply of affordable housing by developing and launching a scheme to deliver affordable homes. We have already had some success in securing additional funding under the Get Britain Building scheme, which is specifically focused on affordable homes, rather than social homes. We are looking at developing a scheme with housing associations to get access to that fund of possibly £19 million to allow it to increase supply. The fund will have two focuses: the purchase of vacant and repossessed homes by housing associations to allow them to fix them up and sell them at a more affordable price; and a variation of existing co-ownership schemes to allow housing associations to build and market homes for shared equity. It is about using what funding we can to increase supply. We hope to be successful in securing that funding and to make an announcement on it and to brief the Committee shortly. That was just one commitment.

One of the things about meeting housing supply need and supporting the most vulnerable was, as I said, strong support for a proposed review of the allocations policy. Therefore, we have commissioned independent consultants to look at our allocations policy and those across the UK; to talk to stakeholders about what we are achieving; and to bring forward proposals and recommendations. We await that report, which we will consider carefully. We will also ask the report's authors to brief the Committee on what is an important issue. We are also looking at how we create the right conditions for a stable housing market and move forward on those bases.

The implementation of the action plan will support the Programme for Government commitments through the increased provision of decent and affordable sustainable housing for the benefit of the whole community. We also believe that, if we get it, some impetus would be a significant stimulus to economic growth and provide support for economic recovery, through construction in particular.

I hope that that brief summary has been of use to the Committee. We are happy to answer any questions.

The Chairperson: I will raise three specific points before bringing in members. Your document states that only 28 of the 90 written responses:

"answered some or all of the consultation questions"

and:

"Most respondents did not comment directly on the questions asked and many commented on only some of the themes".

I am not sure what that tells us.

Mr Wilkinson: That revealed that many of the responses — Heloise may go into this in more detail — provided a detailed written response about general issues affecting housing. We provided a pro forma to answer questions, which some used. Those who did not use the pro forma gave us a 10- or 15-page response, which we analysed and addressed across the different issues. We were not able to do direct analysis because they did not answer the questions, but we were able to theme the responses and, as we analysed it, we said, " Well, you are giving us a commentary on, for example, housing supply, and in that commentary you say that more needs to be done that aligns with the broad theme."

The Chairperson: I presume that it is understandable that people will respond in their own particular field of influence or interest. They may not take a holistic view.

Mr Wilkinson: Yes; absolutely.

The Chairperson: I am just trying to establish the quality of the responses overall.

Mr Wilkinson: Heloise, would you like to say something about our analysis?

Dr Heloise Brown (Department for Social Development): There was a great deal of detail, so there was a lot of read-in to the detail on each issue. We collated those in a table that went to everyone who worked on those particular areas so that they could see the detailed comments made against some of their proposed actions. Some detail was qualitative and there was some quantitative stuff that we were able to pull together. It was not possible to get a quantitative analysis where somebody did not give a yes or no answer, but it still meant that we got a lot of useful information that we can build into taking this forward if —

Mr Wilkinson: And we are committed to publishing our analysis and all the detailed responses unless someone has specifically asked us not to.

The Chairperson: That is helpful.

I see that you had responses from the private rented sector's Tenants' Forum, but we do not have a similar platform for Housing Executive tenants. How did you elicit their views?

Mr Wilkinson: One of the presentations that we did was to the —

Ms Deirdre Ward (Department for Social Development): It was to the Central Community Network, which is the Housing Executive tenants' representative group. It is the central body that draws elected representation from all its regional groups. We did a specific presentation to its members, taking them right through the strategy.

The Chairperson: Much of this depends on consultation, decision-making, legislation, and so on. We know the business that is taking place around the Housing Executive in particular. We hope to have structures in place by the end of the mandate, which is a challenge that we can hopefully meet. In the meantime, will you assure us that work is not stayed? Over the next couple of years, there will still need to be a building programme, home maintenance programme, and so on. I am conscious that the Department handed back £17 million last year, and I know that there were reasons for that, some perhaps unavoidable. It may take a couple of years to get all the structures right, but we still need to make sure that we deliver on meeting need.

Mr Wilkinson: Absolutely. That is why we made it clear that the strategy provides us with a good overall document; it picks up every area of work, not just the structures. We are clear that the strategy

sets out a whole agenda, and we will have a variety of actions that need to take place over the next two years to make improvements. That is about adding to our schemes, not stopping or re-doing.

That is why I mentioned the affordable housing supply. Part of the strategy involves seeing whether we can access additional funds. Even while we were consulting and arrived at the view that we should do something, we were working to access the UK Get Britain Building fund. We are coming fairly close to being successful in getting £19 million from that scheme.

In addition, the consultation tasked us with looking at how we can improve the delivery of the social housing development programme and, in particular, seeing whether we can get more homes delivered or whether there are new ways of delivering. Similarly, the consultation asks us to look at developer contributions, and we will pursue that. Those are all major issues for us to pursue, irrespective of the structures, and we will continue to do that.

The Chairperson: OK. That is what we were looking for.

Mr Brady: Thank you for your presentation. I was looking at theme 3 in the document, which is to do with housing and welfare reform. You say that you will implement welfare reform in the North:

"in a way that best reflects our circumstances making use of operational or policy flexibilities where available".

A representative of the Chartered Institute of Housing (CIH) was on the radio this morning. Its figures indicate that 32,000 households will be affected by under-occupancy, which is more than double that in Britain. The Housing Executive told us specifically that if the under-occupancy rules were to be implemented in the morning, it would not have the stock.

The strategy is a long-term one for the next 30 or 40 years, which is laudable. The difficulty is that downsizing is simply not there. The CIH representative also mentioned the segregation of housing in the North. We have been talking about that, and single-identity housing, in the Committee for a long time. The difficulty is that people will not be able to downsize because the stock is not there.

If you went to the Housing Executive or a housing association in the morning to say that you wanted to downsize, you are being sanctioned for non-compliance with their policy, but you have no choice because the housing stock is simply not there. You are trying to comply, but you cannot because you do not have the opportunity. That is a huge issue, given the numbers.

We talked about the need for social housing where you have approximately 40,000 people on the waiting list, quite a few of whom, perhaps 20,000 or 25,000, are deemed to be in housing stress. I wonder how that will be dealt with in the short term. You also mentioned discretionary housing benefit, which is a short-term measure. You will reach a point at which people will not be able to access that. The most vulnerable will be in even more difficulty and may even face deprivation and destitution.

The other issue with benefit changes is that because of the changes in mortgage interest, people who are owner-occupiers will not be able to maintain that. Inevitably, you will have more homelessness. The Housing Executive estimates that 6,000 people a year are paying single-room rent. How can all that be factored in in the short term? We are talking about a long-term strategy and about how that will be dealt with.

Mr Wilkinson: I heard some of those figures; they were not exactly right. The figure of 34,000 is about right, but the total at working age is about 51,000, so it is a percentage of that. Many people of working age are fully occupying; that is what I was trying to get at.

The Minister has talked to the Committee a number of times about the major challenges of welfare reform, as he sees it. He has also expressed his concern about some of the changes in the housing sector. You are quite right: there are short-, medium- and long-term challenges. The Minister asked the Housing Executive and the Federation of Housing Associations to develop action plans on how they will support tenants with the proposed welfare reform impacts. Those action plans were received last week, and we are studying them. Some people will want to move home, and there will be a challenge in seeing how can we accommodate that with the nature of our stock, given its size and the single units, and a lot of work is being done on whether we can adapt stock to make more single units available and to see how many new units we can build. The Housing Executive has said that if every

person who is affected decides that they want to downsize, it could take several years to work the changes and moves through the system. However, the Housing Executive has worked with the federation to judge tenants' attitudes, and it is clear that most tenants will not downsize but will look at how they can sustain the home that they have. In many ways, that implies that we need a portfolio of supports in place for individuals, because each individual's response might give rise to an individual challenge. Some of that work may be on budgeting advice, and there are limits. For some, it may be about other aspects and increasing income. One of the changes that we are looking at is whether — it has a raft of ranges — someone can take in lodgers, and there is also the side issue that specific groupings with particular needs will be penalised. We have to look at that.

In the short term, there is a raft of work to do on how we support people through the changes that are proposed through welfare reform. The Minister is actively engaged with the Committee on those changes and on the proposals in Northern Ireland, and we are doing a great deal of work on the housing services side. We are looking at the nature of the stock, and we are well aware of the challenges. We are doing a great deal to increase the supply of smaller units, but that is a longer-term solution. You are quite right that, in the short term, discretionary housing payment has been increased, and we will look at the amount that we have increased it by and, taking account of views offered by the Committee and others, whether we need some prioritisation in discretionary housing payment for particular groups or, indeed, for the length of time that it may or may not be paid. We need to consult and look at the guidelines. Finally, we have been working very closely with the movements. There is no doubt that there are challenges, but there could be a range of answers, and we need to make sure that every possible service is available when an individual is affected.

The Chairperson: I do not want to stray into a welfare reform discussion; this is about what we do in the future. There will be short-term implications for welfare reform, but the longer term has to be about house sizes and what is available for people. That is the key point.

Mr Brady: You said that many people do not want to downsize. The policy deals with houses; those people deal with homes. Therein lies the difference. The difficulty is that, in the short term, if under-occupancy is implemented and even if people do want to downsize, they do not have that choice yet. They will still be penalised for non-compliance even though they are, ultimately, doing their best to comply. They cannot be held responsible, but if it is implemented, ultimately they will be.

The Chairperson: I appreciate that. It is a very important point, but it is already in the melting pot.

Mr F McCann: I did not want to debate under-occupancy, but it has reared its head. Take into consideration that 18,500 Housing Executive properties alone will be under-occupied by at least one room and 7,500 will be under-occupied by two rooms. Many people applied, even before this came in, to be moved to a smaller property, and that cannot be facilitated at present. A year on, we are still looking at actions that may have been passed from housing associations, many of which they do not believe they will be able to put into operation for at least two or three years, and that will have a major impact on those most in need.

I remember last year, when Jim brought the housing strategy document to the Committee; it was extensive and it covered quite a lot of issues. I thought then that it put the cart before the horse because the strategy needed to fit into whatever new structures and procedures are coming in the funding.

It says:

"Meeting housing needs and supporting the most vulnerable"

in society is one of the key objectives. How can you say that when we face one of the biggest crises in housing: under-occupancy?

How much did it cost to publish the consultation?

Mr Wilkinson: I cannot say exactly; we do not have figures. We published about 1,000 documents.

Mr F McCann: I am talking from start to finish.

Mr Wilkinson: We made about 1,500 hard copies, which we printed internally. We also held two modest events and provided tea and biscuits in community centres. I can get a cost for it, but it was fairly modest.

Mr F McCann: From start to finish, it was just the cost of the document? No other costs were attached to it?

Mr Wilkinson: There was the cost of the document, and the cost of hiring two community centres and providing tea and coffee.

Mr F McCann: What status does the consultation have in the housing strategy?

Mr Wilkinson: I think that it added three major pieces of value. The first was that stakeholders, and those who responded, endorsed the general direction of travel. That was very important, because this document was produced by the Department. They agreed the key themes and raised further issues that should be looked at. Some contributions asked us to look specifically at the proposals on adaptations. We also had proposals on what we are doing to support homeowners who face difficulties; for example, mortgage challenges. There were also suggestions on improving the supply and engagement in the delivery of social housing. It was important for us to consult on the strategy to ensure that we are on the right direction of travel; elicit new ideas and things that we should deliver, which will appear in the review; and also to help us to have a strategy and vision that have widespread support and that we can work towards over the next two to three years.

Mr F McCann: How many people bothered to reply to the survey?

Dr Brown: Ninety people replied.

Mr Wilkinson: I know that consultations —

Mr F McCann: Sitting here five weeks ago, I spoke to the Minister about a consultation that is being done on something else. I asked him whether, if all the consultees had come out against the policy, he would have accepted that. He said that he would not. Forgive me, therefore, if I am cynical about these exercises. Some of them end up being meaningless because they are not taken on board.

Objective need is another issue. You can match objective need to other ways of dealing with housing, which, I take it, means regeneration. That seems to be the direction that the Minister is pushing, although he continues to say that objective need is the biggest decider of where housing goes. Will it remain the key decider?

Mr Wilkinson: The strategy clearly says that our focus is on delivering for objective need. One of the responses was that there is a balance to be struck. There is addressing objective need, and that is what we prioritise. However, a clear role has also been identified for us in tackling housing regeneration, whether bringing empty homes back into use or looking at how housing can link with other regeneration activities to restore an area. What the strategy and the responses said is that this is new for Northern Ireland and it is worth testing. However, that is a pilot, as opposed to our mainstream programme, which is looking at directing newbuild towards need. That is how we assess where the Housing Executive comes up with a social housing development programme.

Mr F McCann: What you are saying is that there will be a departure from just dealing with objective need, and it will focus equally on regeneration?

Mr Wilkinson: A departure from what?

Mr F McCann: A departure from just dealing with objective need.

Dr H Brown: In terms of allocations, or —

Mr F McCann: The siting and building of social housing, the allocations. I have not got on to the allocation yet.

Mr Wilkinson: The social housing development programme has already been published. It comes from the Housing Executive, and it identifies need and broad areas where social housing needs to be directed. That directs the housing associations to where they build.

Mr F McCann: The strategy that you have given us here is not for next year or the year after, but for two or three years down the line.

Mr Wilkinson: The strategy asks whether there is a role for housing to play in helping to regenerate areas and support communities. The answer that has come back is yes. That is common across the UK.

Mr Durkan: Has it already been decided that it does? Have houses been built here on that basis?

Mr Wilkinson: In relation to what?

Mr Durkan: Regeneration.

Mr Wilkinson: All newbuilds are from the social housing development programme.

The Chairperson: I think that the key concern is that we have a basic principle of dealing with matters on the basis of need. We then have a parallel policy in regeneration. Everybody accepts that there is a need for regeneration, but how is that squared with the targeting of need? That is the conundrum. One should not replace the other.

Mr Wilkinson: It is a separate programme. There is need, and we have a social housing development programme for need and an empty homes strategy for empty homes. Usually, empty homes are where there is no need.

The Chairperson: Jim, the issue is at what point policies or priorities take over, and who decides what the priority is. We have not met the objective housing need, yet we will switch resources, perhaps, into, say, for example, regeneration, which everybody accepts is a good thing and needs to be done. Who decides those priorities and where those resources are deployed if we have not met the objective need? In other words, people who need a house cannot get a house, and there are some communities where there is a much greater need on one side. Just listen to the whole Girdwood debate.

Mr Wilkinson: The recommendations indicate that we continue to fund social housing through the social housing development programme. That programme comes from area planning in the Housing Executive and shows where the need is. There is always more need than supply. That has been one of the challenges.

The Chairperson: To put it in crude terms, if you have an area or Housing Executive district — however you define it — that has a particular need that is not met, how can you justify spending money somewhere else on another programme? That may be important, but it is not about making sure that those who are on long lists for long periods of time are housed. How do you square that? Who makes that a priority?

Mr Wilkinson: If you have a variety of funds, I suppose the challenge is whether you should put all your funds into one thing. For example, at the moment, we have the social housing development programme, which we put funding into. We also have a boiler replacement scheme. That is a capital fund, but it is helping people who are suffering from fuel poverty. We could have put all that money into newbuilds. It is about looking at what you are trying to achieve across the piece and graduating or allocating the funding you have to make those achievements.

The strategy asks whether we should look at housing and regeneration, and there was general agreement that we should. That is being looked at in a very modest way to try to identify some pilot areas, come up with the criteria for why we pick those areas and look at what funds need to be put into those areas. In the first instance, the challenge in those areas is whether we can use the money that is being spent in a more co-ordinated or better way.

The Chairperson: Maybe what we need to do is to have a separate discussion around —

Mr Wilkinson: On regeneration?

The Chairperson: Yes, but also about how we are meeting the need and what the specific proposals are to meet the particular need. We cannot really do that today, because people are not prepared for it. What we are really dealing with here is the long term, although we have agreed that there are short-term implications.

Before I bring Fra back in, as I understand it, there are 21 questions in the consultation document.

Mr Wilkinson: Yes.

The Chairperson: I presume that, at some point, the Committee will want to look at whether we have a view on any or all of those 21 questions. We have taken your presentation and your analysis of the responses so far, and that has been very helpful for us. However, we will obviously also have to take a view. It is up to the Committee to make a decision on that.

Mr Wilkinson: Certainly, we are very keen to get the Committee's views to inform our action plan.

The Chairperson: It is really about the next steps for me. I will be looking at how we take what you have provided to us and what we see as our input beyond that.

Mr F McCann: You mentioned the Programme for Government and the provision of decent, sustainable and affordable housing. It also mentions social housing. You also mentioned bringing empty homes back in so that they can be sold at an affordable rate. You also mentioned co-ownership, but social housing was not mentioned in that context. The real housing need is in areas of very high demand, where there are increasing waiting lists and more than one family living in a house. How does that match against that? Out of the £27 million that was underspent, was £8 million from the Department switched to co-ownership?

Mr Wilkinson: I would need to reconsider the detail of the finances. The Department has indicated that there is funding available for the social housing development programme for the next three years, and the targets that have been set. So, our entire budget for social housing has been identified to deliver social homes for the next three years through the social housing development programme. In the strategy, in addition to that, we are saying, "Can that money get more homes than the amount currently targeted? Can we use it better to get more social homes in place? Is there any other way of boosting the supply of social homes?" One of the proposals in relation to developer contributions is highlighted in the strategy. So, I talked about four budgets by way of example.

In relation to the funding this year, I do not have the exact details. In December monitoring, the Housing Executive indicated that it was unable to spend all the funding that it had available for the social housing development programme. In advance of that, when there were early indications, the Minister asked to meet the Housing Executive and all social housing providers. They said that although they can meet the target for this year, which is about 1,350 new social homes, they did not need all the money. The Minister asked them to go away to see whether they could do more. So, the challenge has been with the housing associations, and we have been working closely on that. In December, there was a clear indication that £8 million — it could have been £7 million — could not be spent on the provision of social homes and that there was no availability to do that this year. On that basis, we were successful in seeking approval to move that money to co-ownership, which was able to utilise the money to allow people to get their first step, which at least increases housing supply. It was the worst of both worlds.

Mr F McCann: Obviously, co-ownership plays a part in the overall housing thing. I am shocked and surprised that there was underspend. Obviously, there are reasons for parts of that, but you are near enough saying to me that when all the housing providers were put together, they could not spend the additional money. That is a shock to me.

Mr Wilkinson: A lot more than that was the suggestion. The challenge was not to accept that and to do more. We are very confident that, as we come to the end of this year, we will have been able to utilise in the social housing development programme any underspends over and above those that we have already surrendered that were going to be suggested. There has been a significant amount of activity. The Minister has written to all his ministerial colleagues, if there was any blockage in any

other area, to make sure that that was not going to happen. We are very hopeful that, at the end of this year, not only will we have achieved the target but we will have invested significantly to allow the achievement of more than the targets for the coming years. So, it is an area that we will keep under review.

Mr F McCann: Never mind my cynicism around some of this stuff; when you look at the main themes, there are very few people who would actually sit down and really disagree with the direction that it is going in. The issues are how it is implemented and where it is taking us. The private rented sector is the biggest provider of social properties. What are the plans there as part of the strategy?

Mr Wilkinson: The strategy announced two issues, and we have already made some progress on them. The Committee debated those issues previously, which were to make sure that we implemented a tenancy deposit scheme and a landlord registration scheme, and also to look at how we could improve the minimum standards we set for homes. So, once you set the minimum standards for homes, irrespective of their standard, that raises the standard of the housing. So, the three in relation to the private rented sector were the landlord registration scheme and the tenancy deposit scheme, which we hope to launch, and then strong support to carry out a review of Northern Ireland's current statutory definition of "minimum standards", to see whether we could look to saying we want to review those standards. A lot of the consultee responses said that we should be looking particularly at the approaches in Scotland and Wales, where they look at a health and safety standard rather than a fabric standard. A lot of that talks about the standard of thermal efficiency. If we take that forward, it will raise the standards of property.

The Committee also asked — we will look at this further — whether there was any additional work in relation to the private rented sector. In particular, some schemes that are happening across the UK, which are moving towards a licensing rather than a registration regime. We will implement the first one and see where we get with that.

Mr F McCann: That would certainly be interesting, and we will obviously come back to it. You raised the whole question of developers' contributions, which I have been raising for quite a number of years. Where are we with that?

Mr Wilkinson: Yes, that was in the strategy. Obviously, it is a joint policy initiative, because it is a planning policy and a housing policy. We have been working very closely with the Department of the Environment on that. The Minister and his ministerial colleague are looking at how that can be advanced as soon as possible.

Mr F McCann: John Semple raised that — I forget how many years ago. He did so for years and years.

Mr Wilkinson: When I was in planning, it was raised. It is a complicated one.

Mr Durkan: Thanks for the presentation, ladies and gentlemen. Fra covered most of the stuff there, but some other questions have come out of what Fra asked. Fra asked what takes primacy — whether it is need or regeneration. It will always be need. Jim, you inferred, I think, that all building is done on the basis of need.

Mr Wilkinson: Are you talking about the social housing development programme?

Mr Durkan: Yes. Does that apply on Rathlin Island?

Mr Wilkinson: Yes.

Mr Durkan: I was not aware that need had been identified there.

Mr Wilkinson: The issue with Rathlin Island — if I can remember; again, it is very detailed — is that there was a need for five houses, and there might have been a future need for another five, but it was cheaper to build 10 in one go, I think.

The Chairperson: That was a cross-party, multi-agency approach to try to sustain the island.

Mr Wilkinson: Yes; to sustain and, in part, to regenerate.

Mr Durkan: There are always exceptions to the rules; I know that. To avoid underspend, is it possible to bring forward projects from the following year of the social housing development programme?

Mr Wilkinson: I apologise to the Committee, because I do not have the exact figures with me on the underspend. What I can say is that, as a general rule of thumb, as soon as there is any inkling of underspend, the Department brings every party in to see what can be done. So it is possible not only to bring forward schemes from one year to the next, which will be accepted, but to bring in two-year spends as well as to bring on a new scheme, provided that you get support from the Housing Executive. It is also possible not even to think about a scheme but buy land. We will do everything we can to make sure that the money is spent in a way that will facilitate the development of social homes. So, every single opportunity for spend is explored.

Mr Durkan: OK. I am not sure where this is in the document, but it was in something that the Minister recently brought forward to the House concerning a new scheme or idea that we had regarding empty homes that would enable housing associations to purchase, renovate and sell them on the private market. I was just wondering how that helps housing need especially?

Mr Wilkinson: That is not from the social housing development fund. It was the Get Britain Building fund, which, in GB, is available only to private developers to try to bring on schemes where developments have stalled. In Northern Ireland, we have been trying to make the case that we could get the funding but use it specifically for affordable homes and look towards areas. So we are trying to do two policy intents. If there is strong support for tackling the issue of empty homes, which is seen as bringing down communities and causing deprivation, we can link that to buying back the empty homes. Usually, empty homes are not in areas of high need, otherwise they would not be empty. In some cases, they are, because there is a whole thing about tort, and there could be family disputes. This is about saying to housing associations, "Can you buy it, bring it back and sell it?" Part of the reason for that is the funding attached to it. That funding has to be paid back; it is a time-bound loan from the UK Government. So part of it is that you have to get it on, get it done, move it on and pay it back.

Mr Durkan: Our government could not pay them back and keep the social housing?

Mr Wilkinson: The basis of the business case is that it is an end date; it is got, it is gone, and you move on. If there were empty homes in areas of high social need, the route to get those would be to bring them on as a purchase to renovate.

Mr Durkan: Increasingly, there are owner-occupiers, people who have purchased homes from the Housing Executive, and the amount of replacements is lower year on year.

Mr Wilkinson: On that issue, to see whether we could bring back more social homes, the Housing Executive did an exercise of identifying all homes for sale in existing estates and passing that information on to the housing associations to see whether there were options to buy. Part of the thing you hit is the asking price versus the market price, and whether it is in negative equity. There are a lot of challenges, but we are exploring every option that we can to try to address those issues. Yes, if there is an empty home in an area of high social need, we will try to see whether that can be accommodated in a social housing development programme.

Mr Anderson: Thank you for your presentation. Fra touched on social housing provision, and the largest provider is the private sector. You touched on a number of issues, including the tenancy deposit and the registration. You mentioned standards, and, in the private sector, some homes are in poor condition for the people who live in them. Is it pre-war homes that need a certificate that they have been brought to a certain standard at present?

Mr Wilkinson: There is a special rent-setting regime for certain homes that we know were built before a certain date.

Mr F McCann: 1945.

Mr Anderson: Yes, it is something like that.

Mr Wilkinson: They have regulated rents.

Mr Anderson: They are regulated, is that it?

Mr F McCann: They are rent-controlled.

Mr Anderson: Rent-controlled, is that what it is? Jim, can you expand on those homes? When will we see the standards greatly improved here, bearing in mind that, as Fra said, the biggest provider is the private sector?

Mr Wilkinson: The biggest provider of rented accommodation is the private sector. They are not social homes. It is a different provider.

Mr Anderson: It is a different provider, but it is about the standards of those homes. A lot of people have been pushed into those homes.

Mr F McCann: There are three elements to the social sector: the housing associations, the Housing Executive and the private rented sector. That is mostly the way that people look at it.

Mr Wilkinson: The social sector is a specific sector with a specific agenda, specific regulations and specific standards. The private rented sector is made up of private enterprises.

Mr F McCann: Unfortunately, I have to say.

Mr Anderson: A number of years ago, the Committee discussed registration and trying to streamline everything in line with the Housing Executive.

Mr Wilkinson: The work that is being done in relation to the private rented sector is on a landlord registration scheme and a tenancy deposit scheme. Previous to that, we brought in a lot more rules about rent books and agreements. We are moving to put that in place. We are aware that the private rented sector is a major provider, and we are also aware that there are an awful lot of people who have quite happily rented homes in the private rented sector for a number of years under a long tenancy and —

Mr Anderson: There are good landlords in the private sector. We are not saying that they are all the same.

Mr Wilkinson: We have been on a steady journey to see how we can improve the private rented sector for the benefit of the tenant and, indeed, in some cases, for the benefit of the landlord. Our next stage in that journey is the landlord registration scheme and the tenancy deposit scheme. Beyond that, we are looking at the fabric of buildings, and we are saying that one of the routes that we will go down will be to look at having a minimum standard that we say is acceptable for homes in Northern Ireland. That would not just affect the private rented sector. That is different from newbuild homes; it is just a standard that has to be achieved. Therefore, we will be carrying out a piece of work to look at how we change our statutory fitness legislation to see where that might move. That is one route to bringing up standards. At the same time, clearly, we will be looking at what impact the landlord registration scheme has had, if any. Are there still issues that it has thrown up, and is there more work we need to do in relation to the private rented sector? We have two definites, one — *[Inaudible.]* — and another to learn from what we have just done. It is an ongoing area.

Mr F McCann: One element of housing that is often forgotten is people who own their own homes, especially those who cannot afford the thing. There is a steady decline in the condition of those homes, and unless you are able to prove from an illness point of view that there is need, is there anything there that —

Mr Wilkinson: It is all about budgets and saying that you have a big budget and deciding how you spread about the help. The most recently published house condition survey definitely supports what you have just said, which is that the social housing sector has fairly high standards in meeting the statutory fitness standard and has maintained those standards, but that the private sector, be it private rented or home ownership, has seen a decline in standards. Over the past number of years, we have

struggled. One of the budgets that has suffered has been the private grants budget in capital budgets, because priority has been elsewhere, and we have moved it along. The consultation paper has asked questions about what more we can do to support improving standards in the private sector. There were responses saying that we really need to look at it. We have to look at what schemes there might be and how we best utilise the grants that we have.

Have we done anything recently? I suppose the biggest input that we have had recently — it is only partial, but it points to a direction of travel — was the boiler replacement scheme, which was exclusively for the private sector. If we say that we have a strategy that is about thermal efficiency, maybe we should look at whether we need to target private sector grants at measures that will help to improve thermal efficiency because it tackles fuel poverty and improves the fabric. It is about looking at how we best use the money that we have and how we can lever in additional funding. It is a really challenging area.

Mr F McCann: Every now and again, you pick up a thing that the British Government have maybe awarded £1 billion for the building of new homes in England. Given the whole thing in and around parity here, does an element of that funding come here?

Mr Wilkinson: All the funding for housing, other than a UK initiative, is in Barnett, apart from, for example, the Get Britain Building one, which is one we were able to link in directly to because it was a loan-based fund. That is the one we are talking about for potential new empty homes and stuff.

Mr F McCann: So, the answer is no.

Mr Anderson: It is good to see Fra taking parity on board in this case.

Mr Brady: There is a lot of talk about the private rented sector, which gets huge amounts of public money through housing benefit. It is totally unregulated. I cannot imagine any other sector getting that amount of public money without any form of proper regulation. We have been talking about this for a long time. Sydney said that there are very good landlords. I agree, but there are also some very bad ones. There needs to be some sort of proper regulation. They provide, on some of the figures, up to 70% of social housing. That figure may be inflated, but two years ago we had something like £90 million in housing benefit. I am sure that that has gone up since. The landlords can put the rents up to whatever; it is not regulated.

Mr Wilkinson: Some of the welfare reforms have impacted on rent levels in the private sector. The private rented sector provides 90,000 tenants. However, above and beyond that, there are probably another 50,000 or 60,000 tenants who are not in receipt of benefits or —

Mr Brady: That is fine, but I am talking about the people who are. It is public money, but they are not regulated. They can charge whatever they want. It seems to be —

The Chairperson: The argument that you are making is that, particularly in light of the fact that the public are financing a big part of it, you would expect that the price for that would be a high standard of accommodation.

Mr Brady: Yes, and proper regulation as well.

The Chairperson: That is dealt with by way of regulation. OK. That is another issue.

No other member has indicated that they want to speak. As I understand it, the Committee has already agreed that we are going to hold an event quite soon with a range of stakeholders so that they can engage with the Committee as part of the formal commencement of our consideration of the housing strategy, in conjunction, of course, with you and the Minister. We look forward to doing that. Are you happy enough that you have made your relevant points this morning?

Mr Wilkinson: Yes. As I said, we would be very keen to get the Committee's formal comments on the strategy. We will certainly integrate all that into the action plan. Our aim is to try to get an action plan that will show the actions that we need to take next year, and we will start working on those in the years beyond.

The Chairperson: That is very helpful. Thanks very much for that commitment. Thank you for your attendance at the Committee and for helping us in our thought process.