



Northern Ireland
Assembly

Committee for Social Development

OFFICIAL REPORT (Hansard)

Regeneration and Housing Bill:
Department for Social Development

5 June 2014

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 Jim Allister
Mr Gregory Campbell
Mr Trevor Clarke
Mr Michael Copeland
Mr Stewart Dickson
Mr Fra McCann
Mr Sammy Wilson

Witnesses:

Ms Alison Chambers	Department for Social Development
Mr Stephen Martin	Department for Social Development
Mr Henry McArdle	Department for Social Development

The Chairperson: I formally welcome Henry McArdle, Stephen Martin and Alison Chambers to the Committee. I remind Committee members that the Minister intends to bring the Regeneration and Housing Bill to the Assembly for introduction before the summer recess. This is a pre-legislative briefing.

Without further ado, Henry, Stephen and Alison, I ask you to take members through your presentation, and we will then take responses from members.

Mr Henry McArdle (Department for Social Development): Good morning, Chairman and members of the Committee, and thanks for this opportunity to brief the Committee on the draft Regeneration and Housing Bill. Members will have already received a written briefing as well as a copy of the draft Bill and its explanatory and financial memorandum.

You may be aware that the DOE's Local Government Bill received Royal Assent on 12 May. The Local Government Act (Northern Ireland) 2014 provides for a reformed and strengthened local government system, with 11 new councils and a range of new and enhanced functions. It is in that context that DSD will be transferring or conferring a range of functions, powers and responsibilities on councils from April 2015. The package of functions transferring to councils was agreed by the Executive in April 2013. For DSD, that is exactly the same package as was proposed for transfer in 2011, with the exception of energy efficiency, which had already gone to councils.

In summary, the draft Bill, which contains 27 clauses and has five schedules to it, will provide for the following to go from DSD to the councils: powers in relation to social need, such as a power to

provide financial assistance to third parties that will benefit areas of social need; power to carry out works to improve the environment, which refers to public realm schemes; and power to support community development. The Bill will also include development powers and other powers for planning purposes, including powers to acquire land, either by agreement or through vesting; power to develop and dispose of land; power to prepare development schemes; and power to extinguish public rights of way. Those are similar to the powers that DSD has at the minute.

Some housing functions relating to housing unfitness and houses in multiple occupation (HMOs) will also be included in the Bill. For HMOs, it will require councils to operate a statutory registration scheme. On housing unfitness, councils currently have responsibility for determining and enforcing fitness standards for the private sector. Under the draft Bill, responsibility for that will be extended to cover all tenures, private and public. The Bill will also transfer responsibility for Laganside matters to the council for the district of Belfast. That will include powers to enable the new council to safeguard the legacy of the work done by the Laganside Corporation to date.

The Local Government Act 2014 provides for the drawing-up of transfer schemes for assets and liabilities associated with the work going to council, but it is intended that the budget for that work will be transferred via the rating system. As such, the draft Regeneration and Housing Bill does not cover either of those elements, which are covered by the 2014 Act.

The Bill will empower and enable councils to make decisions for their own areas, to address social need and to promote well-being through the powers that are being conferred on them. Councils will, however, have a statutory duty placed on them to have due regard to guidance issued by the Department; for example, the urban regeneration and community development framework. The Department is working closely with the new council clusters to ensure a smooth transition by April 2015. DSD officials have recently completed a series of workshops with council clusters, and detailed implementation plans have been drawn up. Councils have also been given indicative allocations of regeneration funding to allow them to plan ahead.

The Minister intends to introduce the Regeneration and Housing Bill before the summer recess, subject to Executive agreement. Alison can provide more detail on the Department's programme for managing this major change, including arrangements for regular contact with council clusters, while Stephen can explain in more detail, if required, the housing proposal in the Bill. We hope to be able to address any initial concerns that you may have at this stage about the draft Bill, or on the Department's proposals more generally.

The Committee will, of course, have further opportunities to scrutinise the Bill in more detail. My colleagues and I are happy to take any questions at this stage.

The Chairperson: Thank you for that. I will ask a couple of questions before I bring in members.

I have two questions about the transfer of some of the powers. First, are you satisfied that the Department will continue to work with councils following the transfer of functions for overarching policy purposes, for capacity issues and to ensure that the proper advice is issued by the Department and adopted? Secondly, are there formal provisions whereby the housing associations will be tied into housing structures as well? Functions around housing relate to regulation, monitoring, fitness, and so on. How will the housing associations be tied into that?

Mr McArdle: In answer to your first question, the Department will have an ongoing role. It will be responsible for strategic oversight of this. It will be responsible for the policy and is working closely with council clusters at the minute to ensure that the whole thing transfers over smoothly. That work will continue post-2015.

Ms Alison Chambers (Department for Social Development): To add to that, we are going to work closely with the councils, in the context of their community planning requirements, from 2015 onwards. It is our intention to provide advice and guidance and to support them with the evidence base to help inform their decisions on where they might invest their funding.

The Chairperson: OK. You suggested that Stephen may deal with some of the housing issues. Do you want to do that now, given the centrality of it?

Mr Stephen Martin (Department for Social Development): Yes. Councils already have powers to inspect private rented sector dwellings, declare them unfit and take a range of actions. What we seek

to do in the Bill is essentially to transfer other powers that the Housing Executive currently holds. Local authorities or councils will then have responsibility for dealing with unfit housing across all sectors, so there will be interaction with housing associations.

Similarly, the regulatory functions that they will have around houses in multiple occupation will deal with HMOs across the rented sector, including in social rented housing where there are a small number of HMOs. There will be interaction there.

The community planning process, which is part of a different piece of legislation, will be central to the broader issue of housing associations linking to councils. Housing associations will have the opportunity to work with councils and other partners through the community plan to deliver a range of changes and improvements to housing as part of that process.

The Chairperson: I read that the Department will provide the facility for councils, when they are developing some regeneration-type schemes, to include some element of housing. I think that those were the words used. What are the parameters? Does that mean building houses or providing houses?

Mr Martin: It could be a range of things. Later, perhaps, when we have the briefing on the Building Successful Communities initiative, we can talk about that in a bit more detail. For example, housing associations are working in a fairly small way with councils at the minute. I had a meeting yesterday with one housing association that is keen to take forward a major regeneration project in the Lisburn City Council area. It is working with the council to see whether a broader partnership can be developed whereby the housing association develops the housing but other lands, possibly amenity lands, could be used for recreation purposes that the council might wish to be involved in. For us, there are opportunities here to link housing and regeneration more effectively than may have been the case in the past.

The Chairperson: You can see the spectre of sensitivity around the issue. If councils are able to build houses, on what basis would those houses —

Mr Martin: No, councils would not have opportunities or powers to build houses. The powers around social housing are not transferring. Those powers, including payment of grants, will remain with the Housing Executive, and housing associations will be the delivery vehicle. It is more about developing partnerships whereby, if a housing scheme is being taken forward and there are opportunities for regeneration or recreation, there is a partnership with the council. There have been some examples — fairly modest examples — where, as part of a social housing scheme, the housing association has built a play park, and the council has come in behind that and agreed to maintain it. There are examples, but the powers transferring to councils will enable more of that partnership-working to develop.

The Chairperson: I am not sure whether that fully answers my question. I will come back to it later. I will take members' questions now.

Mr Wilson: I notice that the Department has had some workshops with councils. You have not included any feedback from those in the briefing. I take it that we will get a copy of whatever feedback councils gave.

Ms Chambers: We have had an extensive range of engagement with them from an early stage in the process. We have engaged with senior officers from councils just to explain the DSD position. We are now embarking on a round of engagements with the new chief executives designate. Change managers from DSD are working closely with the change managers in each council cluster on the implementation plans that they may want to put in place. I could certainly provide a report on the effectiveness of the engagement so far, if the Committee would welcome my doing that.

Mr Wilson: It would also give us some guidance on how councils view some of this. I have had only a cursory look at the Bill and have heard about it through this briefing. I am a bit confused. On the one hand, we are told that this is being devolved to councils, but, on the other hand, if you read the Bill, the input from the Department almost gives me the impression that the Department is not going to let this go at all.

First, the councils will be subject to, and have to adhere to, any guidance that is issued by the Department. Therefore, we say that a council has the power to make the decisions, yet it is within parameters. Councils can draw up development plans, but the Department can also issue development plans, where it deems them necessary for a particular area. We have already been told, in your responses, that there will be ongoing oversight of that function by the Department.

We are totally over-governed in Northern Ireland. It strikes me that this is a case of the Department holding on to the function, or at least holding on to staff and work that should rightly be done by councils. Why do we have to have this overlap of councils and the Department being able to issue development plans? Why do we have it that councils can make the decisions but the Department issues the guidance? Why do councils have responsibility but the Department has oversight? It just strikes me that the power is not really being devolved at all. Can you give us some idea of the kind of staffing that you imagine being required for all this departmental involvement?

Mr McArdle: The intention is not for the Department to hold on to this. We intend to have a light touch, in effect. We are devolving responsibility to councils. We are saying that they can have the powers that we currently have. They can go and do development schemes, such as regeneration schemes, public realm schemes and community development. They can give grants or loans. The range of powers that we have at the minute will go to councils, so we are not withholding any. We are saying, in effect, that it is over to them.

However, the Minister still has overall responsibility for the policy. Obviously, therefore, there will be some oversight and exchange of information. The guidance is guidance. Councils will have to have regard to it, but they can use their own discretion to work in whatever area they want and to use whatever powers they want, if they want to use them at all. It is really up to the councils.

If you get the impression that the power is not really being devolved, that is not what was intended. For every responsibility devolved, there has to be some sort of influence mechanism. It is more a question of influence than control.

Mr Wilson: Let us take just development schemes. Clause 5 states:

"Where a council considers it expedient that any area in its district should be developed, redeveloped or improved as a whole the council may prefer a development scheme".

Clause 13, however, states that the Department, where it considers it expedient for any area to be developed, redeveloped or developed as a whole, may prepare a development scheme.

Mr McArdle: Yes, but that is only where it is considered to be:

"of significance to the whole or a substantial part of Northern Ireland".

That will be rare. We are talking, first, about development schemes, which are rare. We do not have many development schemes. We are talking about substantial and comprehensive development schemes. Victoria Square was one. For a development scheme to be considered to be of regional significance is even rarer. The vast majority of work that councils will be doing will not require any interference from the Department. We are talking about exceptional circumstances.

Planning legislation contains a provision to look at regional significance. The Department will decide whether something is regionally significant. It means things such as new airports. It is the exception rather than the rule, and that is what we are talking about here. It will happen rarely.

Mr Wilson: What infrastructure do you imagine the Department keeping in place for the drawing-up and issuing of guidance, the supply of data, which is another thing that you said — although I imagine that councils would be quite able to do that themselves — monitoring what happens and stepping in with development plans where it is deemed that one is necessary? What infrastructure will be retained?

Ms Chambers: We recognise that there are two elements to the work. There will be the residual function, and, once everything transfers, there will still be some work that the Department will be required to do on sorting accruals, outstanding post-project evaluations (PPEs), closing down project files, and so on. We estimate that it will probably take in the region of six months to complete that and to close the existing programmes down.

We are examining a retained function responsibility in the Department in order to see what level of support the councils will require from us, and certainly for community planning, because we want to work closely with the councils and influence the direction of the community plans. There will then be the guidance and evidence base that will provide them with the types of statistics that we provide to neighbourhood renewal partnerships, for example. We will provide those at council level so that councils will have an evidence base on which to make decisions. We have not bottomed out what the quantum of that function will be yet, but we are actively looking at it.

Mr Wilson: I think that it is important for us to know, because one concern that the Assembly shares concerns the size of government and what we can to reduce it. The more that you talk, the more that it strikes me that we are not going to be reducing the regeneration function of the Department by very much.

I have one final question on this. I note in clause 3 — "Powers to carry out works for the improvement of the environment" — that the powers can be exercised only where there are areas of social need in a district. I can think of areas in Larne, for example, and Carrickfergus that would be regarded as being areas of social need, but to exercise powers to improve those areas might well require work to be carried out in adjacent areas, because that might be where the opportunities lie, even though those areas would not be regarded as having social need. Is that unnecessarily restrictive, in so far as it does not allow the net to be thrown wider, where a project, the purchasing of land or investment might benefit an area of social need but would not actually be in the specific area?

Mr McArdle: That is a very wide-ranging power that we use at the moment. If the improvement can benefit an area of social need, that improvement does not have to be in the area of social need. It can be outside it. If it can be demonstrated that its impact goes wider than its location, that is fine, and that happens at the moment. You could build something in an area that would have wide-ranging benefits across a number of areas socially. The provision is definitely not meant to be restrictive. It will be for councils to determine whether work is of benefit to an area of social need. We will not interfere with that.

The Chairperson: Is it subject to a council's regeneration and community development framework as well?

Mr McArdle: Yes.

The Chairperson: You can appreciate where we are all coming from, even if it is from different angles. A lot of these things are subject to something else. There is read-across. I think that some of us will be a bit limited in how we fully respond to this at this time. I add that early caveat.

Mr Allister: I want to go back to the point that Sammy pursued with you about how real this devolution is. A possible test of that is for you to tell us what staff reduction there will be in the Department when the process is completed.

Ms Chambers: It is an iterative process at the moment. We are working with each council to determine what its staffing requirements will be. Shadow councils have only just been established, so they are not in a position at this stage to give us definite figures of how many of the 188 or so available staff they are going to want to work with them over a period of —

Mr Allister: Do you anticipate transferring DSD staff to councils?

Ms Chambers: A scheme has been drafted that will be communicated to the councils shortly. However, we envisage that the councils will want a secondment-type arrangement over a period of two or three years. That is the feedback that we have got from them so far.

Mr Allister: You are telling us that the councils are getting the powers to deal with social need, and so on, but they will apply those by using seconded staff from the Department.

Ms Chambers: They are getting all the powers, budgets, staff salaries associated with the delivery of regeneration.

Mr Allister: Why would they not have those powers exercised by their own staff in their own right?

Ms Chambers: That is completely up to the councils. We are working with them in partnership to establish whether they have in-house skills available to them already or whether they want to work with DSD staff for a period to build skills in the councils so that they have the capacity.

Mr Allister: On the point of whether it is a real devolving of powers or not, how many fewer staff will there be in DSD as a consequence of the process being completed?

Ms Chambers: It is hard for me to pinpoint a figure at this stage.

Mr Allister: Will there be any?

Ms Chambers: Absolutely.

Mr Allister: How many do you think?

Ms Chambers: I do not have a figure at the moment for how many staff the councils are going to want. However, there are around 188 staff involved in delivery at the moment. Obviously, when the powers are devolved to the councils in 2015, there will no longer be a role for those staff in DSD. My human resources (HR) colleagues are actively working on a strategy of manpower-planning to manage that. For example, if the councils do not want any of the departmental staff, they will have to be redeployed.

Mr Allister: To put it another way, how many of the existing staff would you need to retain to exercise your supervisory functions?

Ms Chambers: We have to have a conversation with DOE shortly around what our reporting requirements will be. As Henry said, that is going to be a very light touch. I do not see there being huge bureaucracy with councils around monthly reporting or anything like that. We are hoping to dovetail with the DOE reporting requirements. Therefore, if a council is required to bring forward an annual report, for example, we may be able to satisfy ourselves that, within that, it is having regard to the regeneration framework.

Mr Allister: There are a couple of other separate matters. I have not had time to study the draft Bill in detail, but where within it is social need defined?

Ms Chambers: I think that that is in clause 1.

Mr Allister: I do not think that that includes a definition of "social need".

Mr McArdle: It is probably not defined.

Mr Allister: Would it not need to be?

Mr McArdle: It gives examples of financial assistance to address social need in terms of —

Mr Allister: Surely you need to define what social need is. The answer might be quite simply that it is as defined in the Social Need (Northern Ireland) Order 1986, but does the Bill not need to say that?

Mr McArdle: The powers that are in that order are being given to councils, Those are the exact same powers as we have. They will be able to operate those and determine themselves. Those powers are very wide-ranging.

Mr Allister: Yes, but this is free-standing legislation, so, when one reads that it benefits one or more area of social need, would you not also expect to see in the Bill a definition of an area of social need?

Mr McArdle: We will have to come back to you on that one.

Mr Allister: In clause 11, there is the power of the council to extinguish a public right of way. How does that sit with the statutory duty in article 3 of the Access to the Countryside (Northern Ireland) Order 1983 to preserve public rights of way, which is already a statutory function of councils?

Mr McArdle: In circumstances in which a council has developed, drawn up and consulted on a development scheme, it would have taken account of the requirement to protect public rights of way.

Mr Allister: Let me remind you what article 3 says:

"A district council shall assert, protect and keep open and free from obstruction or encroachment any public right of way".

That is already a statutory function of a council. Clause 11 now gives councils the power to extinguish any public right of way within the confines that you spoke about. How does that sit with the requirement in the 1983 order to preserve public rights of way?

Mr McArdle: We will have to seek advice on that, but I imagine that, with any legislation, there are exceptions. I presume that, in those circumstances, a council would deem that it was necessary to have this development scheme and to go against the other legislation.

Mr Allister: However, it does not say that. It does not say "subject to" or "notwithstanding".

Mr McArdle: No. We may have to address that as we go through the Bill. I will take advice on that.

Mr Dickson: Thank you for your presentation. May I return to the transfer of staff? You said that you have been in consultation. I appreciate that it is early days, but, at the same time, you are trying to progress a Bill with us on these matters. Bearing in mind that councils are coming together and will potentially have surplus staff, what training will be provided to council staff? What resource will be given to the councils to train their staff to fulfil these roles rather than to accept any of the 188 civil servants?

Ms Chambers: In the DOE budget, there is a pot of money for capacity building in councils. As part of that, the Department and the councils have identified any particular training that they might require. Should they deem it necessary, they can avail themselves of that funding over the next nine months.

Mr Dickson: Is it the reality that very few staff will transfer out of your Department to local government?

Ms Chambers: Until we get into detailed negotiations with the new shadow councils when they are established, it is difficult to say.

Mr Dickson: Do you recognise that that will be a key part of the whole planning of this process?

Ms Chambers: Yes.

Mr Dickson: You said that the funding that is currently allocated by the Department will go to the councils. If the councils determine that they require more funding, how will that be raised? How will that be negotiated? Will ratepayers ultimately have to pay the difference?

Ms Chambers: We have brought forward a financial allocation model that provides a fair and forward-looking allocation to each council from 2015 onwards. We are providing them with the totality of the urban regeneration community development budget.

Mr Dickson: You can recognise, however, that civil servants and the Department will fight very strongly with DFP to improve or enhance their budget for a particular area. You will not need to have that fight any longer because you will have transferred that function to councils. We run the risk of councils having to take on more of the financial burden. You can transfer the sum as it is today. What guarantee is there that you will be fighting to get that increased as the years progress?

Ms Chambers: We will not be fighting for an increase on the councils' behalf —

Mr Dickson: Exactly.

Ms Chambers: — but councils have much more flexible financing arrangements than the Department does.

Mr Dickson: That is called ratepayers' money.

Ms Chambers: Councils can capitalise, borrow, create reserves and attract private sector investment. They have quite a range of financial initiatives that they can draw on. We will be working in partnership with the councils on community planning. They will not be knocking on a closed door if they come back to petition and say that they do not have enough for a regionally significant scheme.

Mr Dickson: As it will be at arm's-length, and as the years progress, you are putting the pressure on councils rather than on the Department to increase their budgets.

Ms Chambers: It was an Executive decision to transfer this range of functions and powers to councils. The transfer has to be rates-neutral and fit for purpose at the point of transfer. We will ensure that that is the case.

Mr Dickson: Will it remain rates-neutral?

Mr McArdle: That will be a matter for individual councils.

Ms Chambers: Yes.

Mr Dickson: Ultimately, it will be a matter for the poor ratepayer. Thank you.

Mr F McCann: I know that this is a pre-legislative briefing and that we will have the opportunity to redesign it during the scrutiny of the Bill. I have a number of concerns at this stage.

I have concerns about the issue that Alex raised. I want to find out, if you will come back to us, more about the partnership arrangements between councils and housing associations in building units of accommodation. Will we be able to have an impact on issues affecting houses in multiple occupation? I have heard that that will be dealt with separately, but it is mentioned in the Bill.

There is the whole question of the Private Tenancies Order 2006. At each stage of that, we were told that it adds to councils' ability to deal with unfitness and other aspects of housing. In reality, that is not the case, and most councils would say that, although they can issue orders, they are not worth the paper that they are written on. That is because people who provide that type of unfit housing do not feel that they have to abide by such orders. They either get a small fine or a slap on the wrist. I take it that we will be able to impact on that by adding to legislation such as the 2006 order and giving councils the ability to deal with that.

Jim asked a question about the Department having a definition of need that may be different from that of the councils. Which definition will we be running with? Will there be 11 definitions of need, one for each council? How will the 188 staff be distributed? You could be a councillor who worked for a different council area and tried to work out what a Bill would mean for that council being able to provide an effective service. Those are some of the issues that I hope that we will be able to get into during the scrutiny of the Bill.

The Chairperson: I will pick up on that before you answer, Stephen. As far back as when Margaret Ritchie was the Minister, she advised me that the Housing Executive had responsibility to register all HMOs but that that would not be completed until 2013. That was to take five years or so. I do not know whether all those HMOs have since been registered. More importantly — Sammy is aware of this because he and I discussed it when he was Minister of the Environment — a lot of developers stopped asking for HMOs and dressed them up as something else.

I know that HMOs will be a separate item under a different planning provision, but I am concerned that we are transferring a function without front-loading it. In other words, you are handing a legacy problem to councils that will have to put a lot of time and effort into getting houses in multiple occupation, or similar types of development that are not called HMOs, registered so that they can be monitored. More importantly, you do not want to allow residential areas to reach tipping point, where there is so much rented accommodation that you destroy the residential character of an area.

You may not be able to give us insight on that today, but I certainly want feedback. For me, that is core to how the councils can be expected to pick this up in the transition period.

Mr F McCann: I have raised that issue. Although the draft Bill mentions HMOs, it also states that the issue will be dealt with separately. Where does that leave it? How do we impact on it?

Mr Martin: The Housing Executive has advised us that there are nearly 6,000 HMOs in Northern Ireland that are part of its registration scheme.

Mr F McCann: Is that 600,000 registered HMOs?

Mr Martin: It is nearly 6,000.

Mr F McCann: Are those registered?

Mr Martin: No. The Housing Executive's figures indicate that there are nearly 6,000 HMOs in Northern Ireland. It has registered 4,384, and it plans to complete registration before the handover of powers. The Committee may have issues with that, but we can come back in more detail. Those are the figures that the Housing Executive gave us.

The Chairperson: Years ago, when I was told that that would take until 2013, I thought that that was ridiculous. We are now told that it is still not done, so it is even more ridiculous.

Mr Martin: On the effectiveness of the current powers and so on, I will take the two components that you, Chair, and Mr McCann mentioned. I will start with HMOs. Last year, we consulted on improvements to the regulation of HMOs, and we developed that work into instructions for a Bill. We are in discussions in the Department about the number of Bills for which there is capacity to introduce in this mandate. If there is capacity, there is the scope for a Bill. The preparations are at a fairly advanced stage for instructions to go to our lawyers to draft a Bill. Councils have told us that they would like to take on the current registration scheme and bed it in before we introduce new legislation, so we also need to consider that factor. We have been working through all the findings from our work last year, and it is at a relatively advanced stage.

On the Private Tenancies Order and regulation of the private rented sector, the Minister is on record as saying that he wants to review the regulation of the private rented sector with a view to further strengthening the required regulatory powers. We are in the early stages of planning the scope of that review, and we hope to initiate it before the end of this calendar year.

Mr Wilson: Given that the councils will now have powers over all tenancies, including public sector housing, and that some of the poorest housing is in the public sector, will those regulatory powers extend not only to private sector housing but to public sector housing?

Mr Martin: Yes, absolutely. Through the Bill, the councils will have powers such as putting on a closing order, a repair notice, a demolition order or a deferred action notice, which then puts a statutory requirement on a landlord to act within a certain time. If he or she does not act, there are powers of redress. There are quite extensive powers that are being linked to councils' existing powers, and it is across all tenures.

I will touch briefly on Mr McCann's point about housing associations. We need to be clear that the Housing Executive's current functions to assess housing needs, to pay housing association grants and to develop new social housing are staying where they are. They are staying with the Housing Executive, and none of those powers is transferring. However, there is a clear link between some of the regeneration powers that are transferring, and there is potential there. For example, Henry has laid out comprehensive development schemes in Belfast, including a regeneration scheme that involved an element of social housing. There have been discussions between councils and the Housing Executive about bringing in a housing association partner to build social housing as part of a mixed scheme. We do it now, and there is the potential for mixed schemes that involve housing, but the powers for determining the need for that housing and funding it rest with the Housing Executive. That will not change.

Mr F McCann: Can we have examples of those schemes? I do not expect you to have them now.

Mr McArdle: Lawnbrook was a regeneration scheme in which social housing was involved.

Mr F McCann: Can you send me the details of what the scheme entailed?

Mr McArdle: Yes, we can. We expect that any council that introduces a scheme that includes social or affordable housing will have demonstrated, before it comes to approval stage, that it had worked with the Housing Executive and a housing association in making those proposals. That will probably be included in our guidance.

The Chairperson: You will not be oblivious to the controversies surrounding the definition of need. A number of members raised that this morning. I have never had a satisfactory answer as to what proportion of budget, for example, is allocated to an area and who makes the final decision to put money into regeneration. That is fine; that is a very important aspect of the work, but sometimes a lot of money is put into getting a very small return in providing homes for people. If you have an allocation system, and you have housing need in an area, who decides what portion of the budget available to the Housing Executive goes into a housing development that might return 10 homes as opposed to spending the money and providing 100 homes? I have never had an explanation or a rationale for that proportionality. For me, it is not addressing objective need. The issue has been raised, and that is my contention. Somebody, somewhere along the line needs to provide us with some rationale as to how that works and how it is addressed, because I will not support legislation that does not deal with that.

Mr Martin: The last time that I was before the Committee, members indicated that they might want a briefing from the Housing Executive on that matter. That might be helpful in answering your questions.

The Chairperson: Thank you. I wanted to put that on the record.

Mr Copeland: I have two questions, one for Alison and one for Stephen.

There is a notion that this is all about saving money, but, in some respects, it depends on who will save what. Our attempts at saving money do not always appear to be successful. You referred to the 188 staff who are delivering these functions. Would it be possible to get the total employment costs for those 188 staff — salaries, establishment charges and national insurance? In other words, what do they cost, and what is the value of the schemes that they oversee?

Ms Chambers: In the financial allocation model, the indicative budgets to the councils is in the region of £70 million. Approximately £6.7 million of that is associated with staff costs and overheads.

Mr Copeland: Staff costs and overheads?

Ms Chambers: Yes.

Mr Copeland: So £6.7 million works out at around 10%.

My second question seems to be a bit of a moot point. You referred to unfit properties and current powers in the social rented and private rented sectors. Are there any current powers for owner-occupied properties that are unfit? If so, will they be changed under these proposals?

Mr Martin: Essentially, councils will have the powers that the Housing Executive currently has to deal with unfitness in the social rented and owner-occupied sector. Councils will have a whole gamut of powers, and they already have public health legislation that they can use in the owner-occupied sector. It is about bringing all the powers together. Environmental health departments in councils will have powers to identify properties as being unfit and take enforcement action if needed.

Mr Copeland: What would happen if the owner of a property could not be identified or traced?

Mr Martin: I am not aware of the operational detail of how the current system works, so I would have to come back to you on that.

Mr Copeland: I would like you to do that, on the current system and the proposed system, because most of the difficulties with abandoned properties eventually render the homes on either side unfit.

Mr Martin: I should have said that the Housing Executive's current powers that are transferring to councils mean that, if a repair notice is placed on a property and an owner cannot be found and the property is potentially injurious to another party — to a neighbour or whoever — the Housing Executive has powers, and the councils will have powers under the legislation, to undertake the repairs and then charge the property owners the costs with interest once they are found. That power is used very infrequently, but, if something is dangerous, things can be done.

Mr Wilson: I have a question on the disposal of land by councils for planning purposes. I understand why councils vest land, acquire it and then dispose of it to such persons who may appear to be expedient or to secure the best use of the land and so on. What safeguards do you build in to make sure that the best return and proper value are obtained for that land? As it stands, it is woolly enough for all kinds of allegations to be made about why councils acquired land and then did not get best value for it, so where are the safeguards for proper accountability?

Mr McArdle: Under the current system, which DSD operates, there is the power to acquire, develop and dispose of land. As part of a development scheme, the Department will perhaps ask developers to put forward proposals. As part of that context, the developer will offer a premium, which will be quality assured by Land and Property Services. The same situation will apply when the power goes to councils in that they will have to ensure that they are getting proper value. Proper economic appraisals and business cases will be put out, and there will be proper justification for the disposal to a particular person or body.

Mr Wilson: As with Jim's point, that may be the intention, but, from my reading of the legislation, it is not stated.

Mr McArdle: Councils, however, will be controlled by mechanisms other than the Regeneration and Housing Bill. They will have to have proper governance and arrangements in place to ensure that they secure best value for money, as is the case with every public body. They will operate under those. If a council was disposing of land, as with the Department disposing of land, it would have to ensure that there was a proper business case and that it was getting the correct value for the property before it transferred it over.

Mr Wilson: Is there not a danger that a council could say that, although it did not get the best value for the land, it measured that against the best use of that or other land and any buildings? That is where it becomes woolly. That is all I am saying.

Mr McArdle: The guidance could include the fact that councils must have due regard for best value and the associated rules, but I do not think that that should be included in the Bill.

Mr F McCann: On the other hand, I notice that the vesting of lands is also being transferred to councils. It is my understanding that the Housing Executive has not vested any land for a considerable time. The explanatory and financial memorandum does not explain the circumstances under which land will be vested. I know that, in many communities in many towns and villages, developers are holding on to land in the hope that there will be a turnaround in the economy, but that is causing serious difficulties. Vesting can be brought back into use for housing or other things. Will the circumstances in which councils can use their powers of vesting be explained in legislation?

Mr McArdle: The vesting powers are wide-ranging. If a council determines that it is in accordance with a development plan that has gone through a process and been approved, that gives it the authority to vest. Bear in mind that the councils will also have responsibility for planning, which ties these two functions together. If a council determines that the acquisition of a site or a piece of land is in the best interests of best planning for an area, it can issue a vesting order, as the Department currently does.

The Chairperson: No other members have indicated that they want to speak, and I gave a caveat earlier that we realise that a number of cross-cutting policies and other potential legislation are coming down the line. We will bear all of that in mind. I think that you are taking the Bill to the Executive today, and you wanted some responses. You have been listening to members, who raised a range of issues, including the staffing consequences for the councils and the Department and, obviously, all the

relevant capacity issues. There are issues with regeneration vis-à-vis meeting the housing need in any given area, the parameters for the housing element as described in any development scheme and the definition of need or social need, whatever that might be. Members are flagging up big-ticket issues that they will want to see reflected in any future discussions. Thanks very much, gentlemen, for your presentation and for taking members' questions.