

## **Full NIHE statement on report into over-payments to contractors**

The Board of the Housing Executive today released an external independent review into the management of the organisation's planned maintenance contracts after an internal investigation indicated there had been up to £18m of overpayments to contractors.

Campbell Tickell, an independent consultant, was commissioned in June by the Board to establish how the overpayments arose, the reliability of the Housing Executive's information on overcharging and the suitability of actions taken to recover the overpayments. The Board considered the report at its October meeting and have accepted its findings. A comprehensive action plan and dedicated team will be put in place immediately to ensure the recommendations are implemented efficiently and effectively.

The report concludes that failings within the Housing Executive led to overpayments to planned maintenance contractors in the period 2009-2012 and estimate that the sum of overcharging is in the region of £9m to £13m. The report points to a lack of understanding and implementation of a new form of partnering contracts as the root causes of the failings. The report also states that, whilst concerns remain, the current situation has improved.

The Chairman of the Housing Executive, Donald Hoodless, said, "I have already gone on record to express my disappointment regarding the overpayments to planned maintenance contractors. It is clear from this report that there were serious failings in the planning, preparation and implementation of these contracts by the organisation. One of the most disappointing aspects has been the failure to act decisively when these shortcomings first came to light in 2010.

"The Housing Executive's reputation has been damaged because of its handling of contracts. We must now turn this situation around to ensure that adequate controls, more robust contracts and systems to monitor contractors' performance are in place so that this cannot happen again. To this end the Board has asked that a new department is established to focus solely on maintenance contracts and that a separate task force is set up to deal with the overpayments.

"Contractors have already agreed to repay monies on schemes where overpayments exist. The next step is to quantify the agreed amount. As a sign of the progress we have already made with the contractors we are now able to let the new double glazing contracts. However, the Board must receive further assurances from officers and contractors before new planned maintenance contracts are awarded.

"I have briefed the Minister and will also be attending the Social Development Committee to discuss the report and the measures the Housing Executive will put in place to turn this situation around."