

**EXPLANATORY MEMORANDUM TO**  
**THE HOUSING EXECUTIVE (INDEMNITIES FOR MEMBERS AND**  
**OFFICERS) ORDER (NORTHERN IRELAND) 2011**

**S.R. 2011 No. 338**

**1. Introduction**

- 1.1. This Explanatory Memorandum has been prepared by the Department for Social Development to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under section 22 of the Housing (Amendment) Act (Northern Ireland) 2011 and is subject to the negative resolution procedure.

**2. Purpose**

- 2.1. The Statutory Rule provides that the Housing Executive may provide indemnities for any of its members or officers.

**3. Background**

- 3.1. The Housing Executive requires certain of its officers to become involved in the governance of housing-related institutions and bodies. Where such an officer has been appointed as a director of a company which becomes insolvent, there is a risk that the officer may be personally liable. The Housing Executive requires statutory authority to indemnify its officers in such cases.

**4. Consultation**

- 4.1. There is a statutory requirement in section 22(2) of the Housing (Amendment) Act (Northern Ireland) 2011 for the Department, before making an order under section 22, to consult the Housing Executive and such representatives of officers of the Executive and such other persons as the Department considers appropriate. The Department has consulted the Housing Executive's Chairman and its Chief Executive about the proposal to make the Statutory Rule.

**5. Equality Impact**

- 5.1. An Equality Impact Assessment was not considered necessary as the equality implications were addressed fully at the primary legislation stage and no significant implications for equality of opportunity were identified.

**6. Regulatory Impact**

- 6.1. The Statutory Rule does not require a Regulatory Impact Assessment as it has no impact on costs for business, charities or voluntary bodies.

**7. Financial Implications**

- 7.1. None.

## **8. Section 24 of the Northern Ireland Act 1998**

- 8.1. The Department has considered section 24 of the Northern Ireland Act 1998 and is satisfied that the Statutory Rule is not incompatible with any of the Convention Rights or Community law, does not discriminate against any person or class of person on the grounds of religious belief or political opinion and does not modify any enactment in breach of section 7 of that Act.

## **9. EU Implications**

- 9.1. Not applicable.

## **10. Parity or Replicatory Measure**

- 10.1. Following a case in which officers of an English local authority had been appointed as directors of a company which subsequently became insolvent, section 101 of the Local Government Act 2000 conferred broad powers of indemnification upon the relevant Secretary of State, including a power to make, by order, provision for, or in connection with, conferring power on relevant authorities to provide indemnities to some or all of their members and officers.
- 10.2. The Statutory Rule is based on the Local Authorities (Indemnities for Members and Officers) Order 2004 which was made under section 101(1) of the Local Government Act 2000.

## **11. Additional Information**

- 11.1. Not applicable.