

Executive Briefing Introduction

“Executive Briefing” summarises the business of the Northern Ireland Housing Executive’s Board at its meeting on Monday 23rd July 2012 at 10.00am in the Housing Centre, 2 Adelaide Street, Belfast.

Further information on any matters in this document can be obtained from:

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Members Present: Mrs Anne Henderson (Acting Chair)
Cllr Eamonn O’Neill
Cllr Sean Begley
Mrs Edna Dunbar
Mrs Angela Coffey
Cllr Jenny Palmer
Mr Ken Millar
Cllr Jim Speers

Apologies: Dr Monica Wilson

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GOVERNANCE AND ACCOUNTABILITY

1.0 Business Plan Monitor

1.1. **The Board noted the Housing Executive's Business Plan Monitor for the first three months of the new financial year. The Monitor shows progress against the Business Plan's four Corporate Objectives:**

1.2. The salary pressures noted last month remain and will be addressed through the October monitoring round. Risks of financial underspend remain high for both contract management programmes from potential delays in the new procurement contract process and the Bamford element of the Social Housing Development Programme due mainly to the operational funding issues within DHSSPS.

1.3. Performance against the four Corporate Objectives in the Housing Executive's Business Plan included:

Objective 1 -Delivering better homes

- Decent Homes Standard (NIHE Maintenance) – Performance is below target on all these KPIs with 873 ECM starts against a target of 1,267 (69%), 689 kitchen replacement starts against a target of 865 and 940 double glazing starts against a target of 1,985 (47%). Performance is above target (102%).
- New Social and Affordable Housing – A scheme for 62 units commenced at the end of June. A further scheme for 52 units due to commence in June has slipped and will likely commence in July.
- Thermal Efficiency – This KPI includes heating installations, heating adaptations and some ECM work. Performance to date is below target at 89% with 1,323 starts against a target of 1,479.

Objective 2 – Supporting Independent Living

- Develop and deliver a new Supporting People Strategy when agreed with DSD – this has been put on hold pending the outcome of a review of the Supporting People commissioning body.
- NIHE Adaptations – Performance for heating adaptations is 19 (25%) against a target of 75. Due to a procurement issue with the new contract some work was held back during May and June. To date 25 extensions (63%) have been started against a target of 40. Contractor issues have now been resolved and performance should improve over the coming months. Performance for lifts and showers are above target.
- Private Sector Adaptations – to date performance stands at 94%, 328 starts against a target of 348.

Objective 3 – Building Stronger Communities

- All aspects of this objective are progressing satisfactorily at the end of the first quarter. The Neighbourhood Research Programme has commenced and work is on-going in implementing the Urban Renewal Programme in 5 areas of Belfast.
- The development of a new rural action plan is underway. The published SHDP has included sufficient rural schemes to allow the 10% target to be met with the bulk of the programme starts anticipated later in the year.
- Work is progressing in the areas of community safety, community cohesion and community involvement.

Objective 4 – Delivering Quality Services

- Rent Arrears – The variance against target for the month is £529K and the variance to date is £973K with arrears totalling £14.96m at the end of June 2012.
- An analysis of the debt indicates that around £200k is attributable to the non payment of Ulster Bank standing orders and around £300k in Housing Benefit suspensions. This leaves around £473k as a result of non payment of which the current economic climate is thought to be a contributory factor.
- Manage Stock - Performance on the reletting of properties shows an average of 41 days for the year to date against a target of 31 days. Although best practice is being shared with Managers it is likely that the imminent changes in response maintenance contractors will have an adverse impact on performance for a number of months.
- Housing Benefit – Performance for the processing of new Housing Benefit claims within an average of 25 days is 25.04 days, just below target. Processing change of circumstances performance is 9.7 days for the month of June, 8.9 days average for the year to date.

- 1.4. There are a number of positive performance outcomes at the end of the first quarter and some areas that are performing below target. The year ahead will continue to be a difficult operating environment and management will work to ensure that performance is optimised within the resources available.

2.0 Updating of Standing Orders with Revised Procurement Control Limits

- 2.1. **The Board approved, under a second reading, the amendment to Standing Orders at B3-2 with the revised new NI Procurement Board Procurement Control Limits. This is the second request for approval, and the change to Standing Orders becomes effective immediately.**

3.0 Response Maintenance Contract Management Improvement Plan

- 3.1. The Board approved the 10 point 'Contract Management Improvement Plan' for Response Maintenance.**
- 3.2. An improvement plan for response maintenance has been developed as a result of:
 - Adverse comments from the Governance Review;
 - Findings of non-compliance from recent RIU reports; and
 - Potential adverse criticisms from the imminent NIAO report into the management of response maintenance contracts.
- 3.3. Weaknesses have been identified in the current contract management approach and an action plan has been developed to address the issues.
- 3.4. The action plan will be reviewed should additional issues arise from Area maintenance seminars, proposed training programmes and ongoing intervention visits to district offices.

STRATEGIES AND POLICIES

4.0 Welfare Reform: Proposed Changes to the Housing Selection Scheme (HSS)

4.1. **The Board approved the development of proposals for consultation on changes to the rules of the Housing Selection Scheme (HSS) and the communication of potential welfare reform changes to new applicants and tenants.**

4.2. As the Housing Executive and housing associations operate a Common Selection Scheme in Northern Ireland, any changes to the Housing Executive's selection and allocation policies will also impact on housing associations. The changes deemed necessary to realign such policies with welfare reform are as follows:

Minimum bedroom requirements

The Housing Executive should aim to ensure, as far as is reasonably practical, that allocations make best use of housing stock and do not result in tenancies which are under-occupied for the purposes of Housing Benefit (HB) and government policy. On this basis the following policy issues need to be considered – age criteria for children sharing bedrooms, parents with access to children and allocations in difficult to let areas.

Bedroom sizes/overcrowding

The ages at which children are expected to share bedrooms are not in line with the proposed Housing Benefit size restrictions.

It is proposed that the HSS age criteria for minimum bedroom requirements, which are used when determining overcrowding assessments, should be reviewed and brought into line with that used for Housing Benefit purposes. This should ensure a consistent approach and that applicants' are not re-housed in circumstances which deem them to be under-occupied for HB entitlement.

Allocations to transfers

Currently, the HSS contains a general principle, when making allocations to transfer applicants, that a ratio of one transfer allocation for every two Waiting List allocations should be employed. Underlying this rule, within guidance, is a policy of awarding 'Management Transfer Status' to certain categories of tenant. This allows Designated Officers the flexibility to make the best use of housing stock by transferring tenants, under certain circumstances, without reference to their points levels. In addition, access to the transfer list is restricted for those who are in arrears (four weeks or more). However there are grounds for waiving and permitting access to the transfer list on the basis of good housing management for tenants who are under-occupying and in arrears. This is particularly

relevant for those who have incurred arrears as a direct consequence of the shortfall in HB, due to size restriction. Similarly, the Housing Executive may wish to consent to a request for a suitable Direct Exchange (a statutory Assignment by Way of Exchange) for those tenants who are in arrears and who are under-occupying their accommodation and likely to incur financial hardship as a result of the reduction in HB.

- 4.3. A number of additional rules within the HSS require further consideration, including the policy for succession and assignment of tenancy and the creation of joint tenancies.

- 4.4. Communicating the new Welfare Reform Provisions

The Working Group, in conjunction with the Housing Executive's Information Department is currently developing a Communication Strategy to ensure that applicants, tenants and customers of the Housing Executive are advised of the implications of Welfare Reform and changes to benefits. A key part of that strategy will be to ensure that current Waiting List applicants, particularly those who will be offered and accept a tenancy prior to the HB reforms in April 2013, are aware of the impending changes and the potential financial implications. Therefore, participating landlords to the HSS should endeavour as far as possible, to allocate accommodation in line with the HB size restriction policy. This should mitigate any impacts on tenants and potential financial hardship and risk of arrears in April 2013 when the changes will take effect.

- 4.5. Initial legal advice indicates that consultation will be required on the proposed changes to the HSS and that further considered legal advice will be necessary. It will also be necessary to work closely with the Department for Social Development, NIFHA and housing associations in developing proposals for consultation.

- 4.6. The Minister is due to announce a general review of allocations policy in Northern Ireland as part of his plans for a Housing Strategy for Northern Ireland. Therefore, any potential changes to the current HSS, sit in the context of this fundamental review.

5.0 Arrears Recommendations Action Plan

- 5.1. The Board approved the implementation of revised procedures for processing arrears recommendations.**

- 5.2. An internal working group was set up to review system generated arrears recommendations with a view to ensuring arrears actions were targeted and specific without the need for nugatory work. A number of proposals were considered and the following actions have been agreed for implementation:

Minimum debt threshold for current rent/rates arrears

A minimum debt threshold of £35.00 will be introduced to ensure an early intervention approach to arrears recovery and prevention of debt escalation. This is considerably less than the average weekly rent and is also the threshold for direct payment application to the Social Security Agency for arrears recovery.

Minimum threshold for former tenant rent/rates arrears The threshold for the automatic write off of a former tenant debt is to be increased from £5 to £50. Those debts of £50 and under will be automatically recommended for write off 4 weeks following the termination of tenancy provided there have been no payments to the account. Debtors under £50 cannot be referred to the Public Sector Recovery Agent for tracing or recovery.

Processing of Saturday payments

Currently account balances are closed and arrears action recommendations are created on Saturday. Payments made by customers on a Saturday or Sunday therefore are not included in the closed balance and consequently as a result arrears action is recommended for these accounts which may not be appropriate. On average, 2,400 rent payments are made by customers on a Saturday. Batch processing arrangements will be moved to Sunday thereby capturing payments made on Saturday.

- 5.3. Concerns have been raised in terms of reducing contingency time should an error occur in processing over the weekend. If stringent controls are in place and adhered to, the risk of errors occurring should be greatly reduced. It is considered that the advantage of ensuring Saturday payments are included in the closing balance outweighs the risk factor.

6.0 New Equality Scheme

- 6.1. **The Board approved the Housing Executive's new Equality Scheme for submission to the Equality Commission for Northern Ireland and noted progress in the development of the audit of inequalities and action plan.**
- 6.2. Consultation on the draft Equality Scheme and audit of inequalities was conducted during March, April and May this year, via email and two seminars which were held in Belfast and Derry/Londonderry. Face to face meetings were also held with a number of organisations such as Disability Action and MENCAP.
- 6.3. All responses related to the Equality Scheme have been fully considered and where appropriate they have been incorporated into the draft Equality Scheme.
- 6.4. Consultation responses relating to equality issues, the Audit of inequalities and Action Plan, relate mainly to equality issues associated with housing policies including housing need assessment, grants, adaptations, employment practices, representation and participation,

homelessness, community cohesion, housing disabled people, migrant workers and the private rented sector.

- 6.5. Issues relating to operational activity have been referred to the responsible business units for consideration. A further consultation report on these issues will be prepared and an action plan agreed.

7.0 Rural White Paper Action Plan (RWPAP)

7.1. The Board noted the commitments in the recently published Rural White Paper Action Plan and the actions of particular relevance to the Housing Executive.

- 7.2. In July 2009, the Northern Ireland Executive approved the development of a Rural White Paper for Northern Ireland, to be developed by DARD in association with other government departments and stakeholders. A Stakeholder Advisory Group and 5 subgroups were then established to identify issues for consideration in a Rural White Paper. The Housing Executive was represented on three of the subgroups all of which reported to the DARD Minister in January 2010. A draft document was published for consultation in March 2011 and following discussions by DARD with relevant Government Departments, the RWPAP had now been published.
- 7.3. The RWPAP document is an Action Plan containing approximately 94 actions allocated to lead Government Departments, for implementation within either 'short', 'medium' or long-term' timeframes. It is not a Rural White Paper as no legislative requirements have been included. The 94 actions are contained within five themes: 'Urban/Rural Linkages'; 'Access to Services'; 'Rural Communities'; 'Rural Economies' and 'The Countryside'.
- 7.4. The actions in the published RWPAP range across issues such as rural transport, health, education, tourism and business. There are also specific housing – related actions covering topics such as rural housing conditions; fuel poverty; rural regeneration; Rathlin Island; community cohesion/shared future; community safety; spatial planning; community development and the production of a new Housing Executive Rural Action Plan.
- 7.5. DSD is listed as the 'Lead Partner' for most of these actions and it is likely that the Housing Executive will have a potential role in delivering these – with potential involvement of various sections across Housing and Regeneration, Design and Property Services and Corporate Services Divisions, including the Rural Housing Unit. Discussions will now take place with the relevant sections to consider potential implications and if necessary, discussion and clarification on the work required will be sought from DSD.

- 7.6. Where actions are feasible and require Housing Executive involvement, these will be taken forward as part of the new
- 7.7. Housing Executive Rural Action Plan which is currently being developed and will be submitted to the November 2012 Board.

8.0 Regulation of Supported Living Schemes

8.1. The Board noted the issues concerning supported

- living schemes highlighted by RQIA and the
 - ongoing developments in relation to the Supporting
 - People Programme.
- 8.2. The Supporting People Programme supports a diverse client base including individuals with a learning disability, mental illness, and clients suffering from dementia. Those schemes which cater for these particular client groups provide not only housing support services but domiciliary care as well. The costs associated with these types of schemes are met via joint funding streams from both the SP Programme and the local Health & Social Care Trust within which they are situated.
 - 8.3. Under the Health and Personal Social services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003 the domiciliary care aspect of the service provided is subject to regulation by the Regulation and Quality Improvement Authority (RQIA), whereas the housing support element is not formally regulated.
 - 8.4. There are a number of issues/concerns, pertaining to supported living schemes which have been highlighted by RQIA in the course of their inspection of the domiciliary care services in supported living facilities.
 - 8.5. The concerns raised by RQIA related primarily to conditions of occupancy (e.g. the appropriateness of tenancy/license arrangements again taking into account the capacity of the individual) and the quality, safety and rights of service users.

It was acknowledged that there were examples of good practice as well as ambiguity as to the nature of the schemes visited. In none of the schemes inspected was there any comment that eligible housing support tasks were not being delivered as funded by the SP Programme.

- 8.6. RQIA also highlighted concerns that a number of schemes, operated primarily by the Trusts, had not moved sufficiently towards the supported living model. This may also imply that some of the individuals residing in the schemes may not be suitable for this type of model. Should it prove to be the case that these schemes cannot sufficiently develop into an acceptable SP model they would revert to being fully registered care only schemes. This may well entail a transfer of the relevant SP budget associated with the schemes to the health budget.

- 8.7. RQIA publish a report for each scheme inspection which includes recommendations for action plans to meet the standards required. Whilst concentrating on the domiciliary care aspect of the service they have also included comments regarding supported living. Failure to comply can result in either deregistration of the domiciliary service provider (leading to withdrawal of funding by the Trust) or indeed Registration as a care only funded scheme (e.g. Nursing or Residential home) which would mean that it would no longer qualify for SP funding.
- 8.8. To date all services inspected, with the exception of one, Northlands for clients with addictions, have provided acceptable action plans and continue to provide services on a jointly funded supported living model. In the case of Northlands the providers have agreed to register as a care facility and all SP funding has been stopped with effect from the date of registration.
- 8.9. There are significant financial implications for both service providers and users when a scheme is registered. In such instances service provision costs fall to the Trust primarily and other income streams such as Housing Benefit for accommodation costs are no longer available. In addition, benefits payable to individual service users are also subject to change and in many instances will be lost.
- 8.10. In light of the issues highlighted a meeting was convened by DSD, June 29th 2012; between all relevant stakeholders -
- DSD, DHSSPS, HSCB, RQIA and NIHE, with a view to determine how best to take the matter forward. This is a multifaceted and complex issue and there is a need to get the right balance between regulation and maintaining the independence of the individual.
 - Further to discussion a number of actions were agreed:-
 - That RQIA would develop a paper for discussion regarding proposals/options for the future regulation of supported living services;
 - That RQIA would request additional guidance from DHSSPS in relation to definitions around care and in particular what is eligible and what is not;
 - That DSD would review existing guidance regarding SP eligible tasks and more broadly definitions around what constitutes a person's own home, tenancy, license etc;
 - That consideration is given to establishing a joint working group to develop interim arrangements, standards etc. in keeping with the model used for young people facing homelessness.

9.0 Current Debtor Analysis at 30th June 2012

- 9.1. **The Board noted the quarterly analysis of current tenant debts for both domestic stock by area and for levels of garage debt by area.**

- 9.2. Current tenant arrears at the end of June 2012 for both domestic properties and garages totaled £11.8 m; an increase of £1.045m since the end of March 2012. During this period the number of current tenant debtors for domestic stock has increased from 23159 to 25712 (+2553). There has also been a further increase in garage tenants in arrears of 416 since March 2012.
- 9.3. During the quarter, debtor levels rose across all of the Accounts Units with the highest increase in Belfast Area to a value of £418,410 and an increase of 699 current debtors. The North East Accounts Unit had the highest number of increase in debtors with 714 new tenant debtors, with arrears overall increasing by £218,241.
- 9.4. The total number of tenants in receipt of part or full Housing Benefit has reduced from 69095 to 64779. This is a considerable reduction which substantially affects the arrears figures. The number of tenants in receipt of full Housing Benefit has increased from 52111 to 52792 during the first quarter. The largest variance has occurred in those tenants in receipt of part housing benefit, with a reduction of 4997 during the same period.
- 9.5. Currently there are a considerable number of Housing Benefit claims suspended, (over 3,400); and it is estimated that approximately £300,000 of the current increase in arrears is as a result of suspended Housing Benefit.
- 9.6. The recovery of rent and arrears continues to present challenges in the current uncertain economic climate. The processing of Housing Benefit has significant impact on levels of rent arrears and increased suspensions of Housing Benefit has contributed to the increase over the quarter.
- 9.7. Payments have not been credited to rent accounts where tenants have Ulster Bank Standing Orders and it is estimated that approximately £200,000 has not been processed to the end of June's arrears figures.
- 9.8. Given the significant increase in Arrears levels, for the first quarter, it is proposed to convene an internal Arrears
- 9.9. Conference, involving all staff involved in Arrears recovery to determine a revised action plan and Arrears Strategy which accurately reflects the current economic climate and Welfare Reform implications.

10.0 HMS Update

- 10.1. **The Board noted the progress with the implementation of HMS. Phase 3 went live on 30th May 2012. Heating service issues were resolved in time for implementation of the new contracts and the planned heating element was available on 9th July.**
- 10.2. Software for the Homeless Accounting function was delivered at the start of July which will enable the Finance Team to commence testing. All software has now been delivered and final implementation of the residual

modules will be at completion of testing. Regression testing on the latest software upgrade, service pack 7, commenced mid-July.

- 10.3. The HMS Project Board on 6th July approved the End Project Report which marked completion of the HMS implementation.
- 10.4. The report was approved subject to arrangements being agreed to cater for the project management aspect of the residual Phase 3 elements. The Project team is to confirm this and the HMS Project Board will meet before the Portfolio Board meeting on 27th July.
- 10.5. The support team is in place on an interim basis until permanent arrangements are confirmed. All HMS matters are now being dealt with through the normal live service arrangements. The residual elements of Phase 3 will be signed off by the appropriate business owner for support team implementation, as appropriate.
- 10.6. The number of reported incidents and software faults is running at a level which would be expected as representative for a system of the size and complexity of the HMS. The end project report, which was approved at the Project Board, will now be submitted to the Portfolio Board for ratification on 27th July and this will mark the end of the Modernising Services Programme.

11.0 Communication Issues July 2012

11.1. The Board noted the update on communication activity from 26 June – 10 July 2012.

- 11.2. The most significant issues during this time were the resignation of the Chairman, the NIAO and ASM Reports into the management of Response Maintenance Contracts. Statements were issued in response to both reports. Staff were also kept informed of events. There were 63 reports in the broadcast media. The news item on our own website was read 447 times
- 11.3. During the period there were 135 articles (80%) in the print media reflecting positively on the work of the Housing Executive. These included planned schemes, boiler replacement scheme, the presentation of the District Housing Plan to councils, good relations, regeneration, rural development, tackling fraud, debt advice, volunteering and community and education partnership awards, supporting people, bonfire management, grants and social education. 14 news releases were issued. In the same period 19 news stories were published on the website and disseminated on Twitter & Facebook.
- 11.4. The DSD Minister's announcement of the new boiler replacement scheme to be launched in September and administered by the Housing Executive received widespread coverage. There has been a second news release just issued. Boiler replacement information was published at

<http://www.nihe.gov.uk/news-register-now-for-the-boiler-replacement-scheme> (168 views).

- 11.5. The impact of welfare reform continues to raise concerns in the press and social media. We continue to work with DSD on communications to our tenants, the Housing Community Network, the wider public, public representatives and housing associations and advice agencies. Welfare reform information was published at <http://www.nihe.gov.uk/news-proposedchanges-to-housing-benefit-2013> (467 views).
- 11.6. The consultation meetings with the District Councils on the District Housing Plans commenced with 17 being completed by 25th July. The impact of welfare reform is one of the issues being addressed at these. All District Plans are now online at http://www.nihe.gov.uk/index/corporate/plans/district_housing_plans.htm (159 views).

12.0 208-212 Limestone Road, 12 Loughview Terrace & 2 Deacon Street

- 12.1. **The Board granted approval to seek DSD permission to initiate the vesting process on 5 long term derelict houses in North Belfast, to enable a programme of new development and refurbishment necessary to meet housing need.**
- 12.2. 208-212 Limestone Road, 12 Loughview Terrace and 2 Deacon Street are 5 privately owned residential properties located across North Belfast. The properties have been vacant and secure for more than 12 years.
- 12.3. All of the dwellings lie in areas which have either seen major investment in housing programmes of regeneration, or where works to regenerate the area are currently underway.
- 12.4. 208-212 Limestone Road are to be vested and then transferred to Newington Housing Association to demolish and replace with modern social housing to address the needs of the community.
- 12.5. 12 Loughview Terrace will be vested and transferred to Grove Housing Association for appropriate refurbishment and relet.
- 12.6. 2 Deacon Street will be vested and transferred to Clanmill Housing Association for refurbishment. This will complement the investment already undertaken within the Urban Renewal Area.