



# The Gateshead Housing Company

Working with Gateshead Council

## BOARD OF DIRECTORS

19 March 2015

### PRESENT:

#### Directors

Paul Foy (Chair)  
Elizabeth Bird  
Sheila Bouitieh  
Robert Buckley  
Joanne Carr  
Mick Davison  
Pauline Dillon  
Kathryn Ferdinand  
Eileen Gill  
John Hamilton  
Tracy Harrison  
Peter Mole  
Joachim Moussouanda Mouanda

#### Advisers

Jon Mallen-Beadle	Managing Director
Neil Bouch	Director of Customers and Communities
Kevin Johnson	Head of Customer Services
Natalie Hewitt	Head of Corporate Services
Phil Gallagher	Head of Investment and Development
Stuart Gibson	Governance and Risk Officer

#### Also present

One member of the public

#### Apologies

George Clark  
Helen Hall

### 95 MINUTES

The minutes of the Board Meeting held on 20 November 2014 were approved as a correct record.

### 96 UNIVERSAL CREDIT – UPDATE AND LESSONS LEARNED FROM PILOT SCHEMES

Universal Credit is the “flagship” of the government’s programme of welfare reform. The aim is to replace six existing benefits with one credit, which would

normally be paid monthly in arrears to one claimant via their bank or building society account.

Eligible claimants for any other benefit would continue to apply separately for those benefits in the usual way. An application to claim Universal Credit must be made online and must be completed in one session.

In one of the pilot authority areas, Wigan and Leigh Homes have reported that despite their reservations about the online application, it has not yet proved to be a great problem.

The next stage is an appointment to attend a work service interview, which includes accepting a personalised claimant commitment. This is an agreement to complete certain tasks in return for receiving Universal Credit. This will include claimants who work part-time hours and who do not demonstrate sufficient efforts to increase up to 35 hours employment.

Universal Credit requires the claimant to be able to adapt to three key changes when compared to the receipt of existing benefits: -

- a single household payment
- paid monthly in arrears
- a sum for rent included in the payment to the claimant

Personal Budgeting Support (PBS) aims to help claimants adapt to these changes. A sum for PBS is paid to the council and it is for the council and its partners to arrange for this to be delivered.

If the claimant is unable to deal with any of the changes then they can apply for an Alternative Payment Arrangement (APA). This may include a more frequent payment of the credit, a split payment to more than one household member, or the payment of rent direct to the landlord.

On a case by case basis DWP will consider the application of an APA and it is considered to be a short term arrangement.

DWP have stated that if one month's rent arrears accrue then they may consider a managed payment where appropriate. If two month's arrears accrue then they will pay the housing element direct to the landlord. Wigan and Leigh Homes report that in practice only applications for tenants with at least two month's arrears have been accepted and arrears have usually been around £1,000. After acceptance there is a reported processing delay of around eight weeks, although DWP have stated that they aim to reduce this to one week.

Aside from rent arrears, a number of other factors may be considered in an application for an APA.

The experience of authorities in Universal Credit pilot areas has shown that the impact of only a small number of claims is huge. For example, Golden Gates Housing Trust (in Warrington) report that collection rates from Universal Credit claimants reduced to around 88%, compared to around 100% for non-Universal Credit claimants.

The feedback from pilot areas is that Universal Credit requires more intensive management. For example, Golden Gates Housing Trust had three housing officers managing only around 190 tenancies during their pilot. Time spent on the telephone to DWP call centres or waiting for a call back has been repeatedly highlighted as a major contributor to increased workload.

Contact with DWP had been necessary to investigate missed or delayed payments; duplicate notifications with differing amounts; issues with reference numbers to match payments to rent accounts and information around sanctions.

A number of landlords have cited the application of sanctions as something that “derails” their attempts to mitigate the impact of Universal Credit.

The original timetable for the implementation of Universal Credit envisaged that the first claims would be rolled out in October 2013, with all claimants migrating to Universal Credit by 2017.

In 2014 the DWP further extended the timetable for implementation of Universal Credit, with full implementation now not expected before the end of 2019. The approach is described by the DWP as “test and learn”. The planned “digital service” is still in the very early stages of development and manual calculations of benefit are still heavily relied on. In those areas where Universal Credit is said to be “live” only certain types of claimants are currently being included. It is now planned to include more complex assessments in some areas.

Implementation in Gateshead is scheduled to commence from 15 June 2015. There were a host of exemptions and details of these were reported. Initially, 142 Council tenants were estimated to be affected.

Where a claimant on Universal Credit has a change of circumstances their claim can become more complex. It is envisaged that this would still be via Universal Credit, although there are examples in pilot areas where DWP removed the case and reverted to separate benefits.

The Board asked how details of its implementation in Gateshead was being distributed to tenants. It was noted that the Company was putting together training for employees on advice to give. Resources Committee had also approved, at its meeting on 24 February 2015, the recruitment of three additional employees to mitigate the impact of Universal Credit.

The Board asked who would sit on the appeals panel. It was noted that a review would be carried out by a more senior officer in the DWP. It had still not been agreed though who would hear an appeal if a tenant was still not happy with the decision. The Board felt that the Company should be making representations to clarify this and to stress that there needed to be an independent appeals mechanism.

The Board asked if the Company had done a profile of number of tenants who might struggle. It was noted that the Company had records of tenants who had struggled in the past but would need to monitor the first year of implementation.

The Board was informed that the Company would be putting a process in place for monitoring sanctions and would work with other agencies as well.

The Board expressed concern about the timescales for the standstill period at the beginning with a tenant being paid in arrears. It was noted that there were circumstances where a tenant could get an advanced payment but this had not been well promoted.

The Board was informed that the Credit Union had reached agreement with the DWP for them to pay them tenants directly on block and for large numbers to be paid into a single account. The benefit of this would be that the Credit Union could pay their rent account directly for them and give a balance on a pre-paid rent card. The Credit Union was also looking to provide short term loans.

Concern was expressed about tenants who didn't speak very good English being sanctioned and that it could be targeting minority groups.

The Board asked if the Company could also look at the potential impact of Universal Credit on the business plan. It was noted that the Company had a lot of information on low demand / hard to let properties and this was being revisited through the work with Ridge. This would be reported back to the Board at the end the financial year.

It was noted that tenants would be able to complete the application at Job Centres but it was not known if the Job Centre would help the tenant to complete the application.

The impact that Universal Credit could have on other issues such as children being fed at schools was also stressed. It was noted that the Company had started a breakfast club at Brandling Primary School through Greggs and would see what benefits that had.

- RESOLVED – (i) That the proposed rollout of Universal Credit and lessons learned from pilot areas be noted.
- (ii) That the Company make representations stressing that there should be an independent appeals mechanism.

## **97 5 YEAR STRATEGIC PLAN**

The development of the five year plan started with the tea time talks carried out by the Managing Director and Director of Customers and Communities towards the end of 2014, where employees across the Company were asked to give feedback on the challenges they currently face and the issues they would like to see the Company tackle in the coming years.

Feedback was also gathered from TALISMAN and the Company's Service Improvement Groups and planning days were held with Service Managers and the Board.

Since the New Year, the Management Team and Service Managers have been developing the high level actions that will be the priority areas to be considered in the five year plan.

This has resulted in the proposed plan together with the following new four strategic objectives: -

- Investing in our employees and developing new ways of working to deliver this plan
- Protecting Housing Revenue Account income and investment made in the stock
- Supporting tenants and sustaining tenancies and neighbourhoods
- Partnership working with the Council and others to support the delivery of customer focused services and quality homes

The opportunity has also been taken to refresh the Company's Vision, Mission Statement and Values, to make them relevant and to reflect the changed environment in which the Company and the Council are now operating.

The proposed 5 Year Strategic Plan was submitted.

The Board suggested that the section on 'Understanding our world' highlights the greater challenges such as the higher levels of unemployment in Gateshead.

The Board was keen for the plan to be presented to the Council, possibly through a Members Seminar, and also for the Company to speak to the local councilors in each of their wards.

The Board felt that the Company should be expanding further getting information out to tenants about downsizing.

It was reported at the last meeting of the Health and Wellbeing Board that a lot of people were wanting to live somewhere else and it was suggested exploring with them where the low demand properties were.

Overall, the Board felt like they had ownership of the plan and thanked Jon Mallen-Beadle for involving them throughout the process.

- RESOLVED –
- (i) That the 5 Year Strategic Plan be approved.
  - (ii) That a copy of the plan be forwarded to Gateshead Council for its comments.
  - (iii) That that any minor amendments to be made as a result of resolution (ii) above be delegated to the Managing Director, following consultation with the Chair of the Board.

## **98 BUDGET 2015/16**

Resources Committee scrutinised the proposed revenue and repairs budgets for 2015/16 at its meeting on 24 February 2015 and recommended that it be approved by the Board.

- RESOLVED – That the proposed revenue and repairs budgets for 2015/16 be approved.

## **99 REVIEW OF KEY PERFORMANCE INDICATORS AND SERVICE STANDARDS**

Each year the Company is required to review the performance indicators and service standards it reports and which have been set. It is customary to review existing indicators and targets to ensure they remain relevant, challenging and realistic.

The Company is also required to take into consideration any changes made by the Government to the reporting requirements and updated comparative information. Consideration can also be given to adding or deleting any indicators.

In line with the 5 Year Strategic Plan, the Company will be carrying out a detailed review of its performance indicators and service standards to make sure in light of the new plan they remain relevant and appropriate. This review will include consultation with customers, employees and key stakeholders. It is expected to report back the outcome of this review to the Board in September.

However, the Company is required in its management agreement to have key performance indicators in place to be monitored by the Council and seek approval of these indicators. Key performance indicators for 2015/16 are therefore proposed and details of these were submitted.

As part of the Board Away Day on 24 October 2014, it was agreed that 2015/16 performance indicator reports would be linked into the 5 year TGHC Business Plan and would be scrutinised by the relevant committee, with only a summarised report being brought to Board. The proposed split of the 2015/16 performance indicators to be reported to each individual committee was submitted.

- RESOLVED –
- (i) That the performance indicators for 2015/16 be approved.
  - (ii) That the split of performance indicators by individual committee be approved.
  - (iii) That the approach to the review of performance indicators and service standards in line with the Company's commitment in the 5 Year Strategic Plan be approved.

## **100 REVIEW OF DIRECTORS' EXPENSES SCHEME**

The current Directors' Expenses Scheme has been reviewed.

Research into other ALMOs' schemes indicates that there are no areas that could add any further value to the existing scheme and it was proposed therefore that the 2015-16 scheme continues to remain the same.

- RESOLVED –
- (i) That the Directors' Expenses Scheme, with effect from 1 April 2015, remains the same.
  - (ii) That the Scheme continues to be increased in line with the Council's expenses scheme.

(iii) That the report be referred to the Council for information.

#### **101 MINUTES OF RESOURCES COMMITTEE HELD ON 24 FEBRUARY 2015**

The minutes of the meeting of Resources Committee held on 24 February 2015 were submitted.

RESOLVED – (i) That the minutes be approved.

(ii) That the Value for Money Strategy be approved.

(iii) That the Social Media Policy be approved.

#### **102 PERFORMANCE – THIRD QUARTER 2014/15**

The Board received the third quarter performance results for 2014/15.

The Company currently had 45 key performance indicators which were included within the delivery plan and which were monitored and reported to the Board on a quarterly basis.

At the third quarter: -

- 22 indicators traffic were lighted green, which showed that the annual targets had been achieved for these indicators.
- Four indicators were traffic lighted amber, which showed that the target set had not been met but performance had improved on the previous year.
- 10 indicators were traffic lighted red, which showed that the target set had not been met and performance had fallen compared to the previous year.
- Nine indicators were not yet measurable/baseline year.

The analysis therefore indicated that at the third quarter, performance relating to 26 out of the 36 measureable performance indicators could be traffic lighted as on target or improving, which related to 72% of the indicators. This was a decrease in performance compared to the third quarter 2013/14 when 81% of indicators were on target or improving.

RESOLVED – That the performance results at the third quarter 2014/15 be noted.

#### **103 SERVICE STANDARD PERFORMANCE – THIRD QUARTER 2014/15**

The Board received the third quarter performance results against the Company's service standards for 2014/15.

The Company currently had 53 service standard performance indicators which were included within the delivery plan and which were monitored and reported to the Board on a quarterly basis.

At the end of the third quarter:-

- 23 indicators were traffic lighted green, which showed that the target set for them had been met.

- Two indicators were traffic lighted amber, which showed that the target set had not been met but performance had improved from the previous year.
- 14 indicators were traffic lighted red, which showed that the targets set had not been met and performance had reduced from the previous year.
- 14 indicators were not yet measurable against a target at the end of quarter 3.

Overall, performance relating to 25 out of the 39 measurable service standard performance indicators could be traffic lighted as on target or improving, which related to 64% of indicators. This was less than performance for the third quarter 2013/14 when 77% of indicators were on target or improving.

Concern was expressed that performance for notifying successful bidders for properties within three working days was only 57%, particular as voids were increasing. It was noted that all the stages of the lettings procedures were currently being reviewed. The Company was doing more checks, there was a bigger turnover, more shortlists to manage and more refusals. It was felt that sustainability of a tenancy was more important than how long it took to rent a property. The outcomes of the review would be reported to the Board.

RESOLVED – That the service standard performance results at the third quarter 2014/15 be noted.

#### **104 MINUTES OF ASSETS, DEVELOPMENT AND INVESTMENT COMMITTEE HELD ON 12 FEBRUARY 2015**

The minutes of the meeting of Assets, Development and Investment Committee held on 12 February 2015 were submitted.

Condensation after new double glazed windows have been fitted continued to be an issue highlighted with councillors. The Board also asked what the Company was doing to deal with condensation issues in properties that didn't have double glazed windows. It was noted that specific cases could be fed into the Company where they were design problems. The Board felt though that the biggest problem was around lifestyle and tenants not addressing these correctly. It was noted that the Company has a staged process for dealing with tenants who report condensation issues.

RESOLVED – (i) That the minutes be noted.

- (ii) That details of the staged process that the Company follows for dealing with tenants who report condensation issues be sent to all members of the Board.

#### **105 MINUTES OF CUSTOMERS AND COMMUNITIES COMMITTEE HELD ON 26 FEBRUARY 2015**

The minutes of the meeting of Customers and Communities Committee held on 26 February 2015 were submitted.

RESOLVED – That the minutes be noted.

**106 MINUTES OF KEELMAN HOMES HELD ON 15 JANUARY 2015**

The minutes of the meeting of Keelman Homes held on 15 January 2015 were submitted.

RESOLVED – (i) That the minutes be noted.

(ii) That a joint visit to look at new build sites be arranged for TGHC and Keelman Homes board members.

**107 ITEMS FOR INFORMATION**

The following item has been posted on the Company's website for information: -

- Forward Plan

RESOLVED – That the information be noted.

**108 DATE AND TIME OF NEXT MEETING**

The next Board Meeting will be held on Thursday, 21 May 2015 at 10am in the Blaydon Room, Gateshead Civic Centre, Regent Street, Gateshead.

**109 EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED – That the press and public be excluded from the meeting during consideration of the remaining item in accordance with Category 1 of the Company's Access to Information Rules.

**110 MINUTES OF RESOURCES COMMITTEE HELD ON 24 FEBRUARY 2015 (Category 1)**

The minutes of the meeting of Resources Committee held on 24 February 2015 were submitted.

RESOLVED – That the minutes be noted.