



The Gateshead Housing Company

Working with Gateshead Council

BOARD OF DIRECTORS

17 September 2015

PRESENT:

Directors

Paul Foy (Chair)
Elizabeth Bird
Sheila Bouitieh
Robert Buckley
Joanne Carr
George Clark
Mick Davison
Pauline Dillon
Kathryn Ferdinand
Eileen Gill
John Hamilton
Tracy Harrison
Peter Mole
Joachim Moussounda 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
Julie McCartney	Head of Neighbourhood Services
Jonathan Graham	Rent and Income Manager
Stuart Gibson	Governance and Risk Officer

Apologies

Helen Hall

39 MINUTES

The minutes of the Board Meeting held on 9 July 2015 were approved as a correct record.

40 RISK APPETITE

The Board agreed, at its meeting held on 8 July 2010, an updated Risk Management Policy. Within the Policy it outlines that the Board's role is to determine the Company's appetite for risk and that this should be reviewed annually.

The Company's fourth risk appetite statement was agreed at the meeting of the Board held on 18 September 2014 and it is proposed that given the current economic climate that statement should remain the same.

Given that the company is a public sector organisation, accountable to the residents of Gateshead and manages homes on behalf of Gateshead Council, the Company's appetite for taking risk is low. There could however be instances when its appetite for taking a risk may be different, for example for special projects or new ventures. Any decisions would be subject to Board approval.

The following risk appetite statement is therefore proposed: -

"The Gateshead Housing Company's appetite for taking risk is low, however there may be occasions when its appetite may increase for example for specific projects or new ventures. Any such increase would be subject to Board approval."

RESOLVED – That the risk appetite statement be approved and the statement be reviewed annually.

41 KEY PERFORMANCE AND SERVICE STANDARD INDICATOR REVIEW

As part of the Board Away Day on 24 October 2014, it was agreed that 2015/16 performance indicator reports would be linked to the 5 year TGHC Strategic Plan and would be scrutinised by the relevant committee, with a summarised report being brought to Board.

The Board, at its meeting on 19 March 2015, approved a structure of which key performance indicators (KPI's) should be reported to each individual committee.

A detailed review of all existing KPI and Service Standard Indicators has been carried out.

There were 38 existing KPI's collected for Quarter 1 2015/16 and of these: -

- 16 will remain as KPI's and be reported to the relevant committee
- 11 will now be reported as service standards to the relevant committee
- 10 will be deleted and retained as Management Performance Indicators (MPI) that will be used by Service Managers to monitor and improve service delivery
- One indicator is to be deleted as VFM is now embedded
- One new indicator is to be introduced in relation to stock condition surveys

There will therefore be a total of 17 KPI's to be reported to the relevant committees at Quarter 2 2015/16 and for the remainder of the year.

There were 53 existing Service Standard Indicators collected for Quarter 1 2015/16 and of these: -

- 29 will remain as Service Standards and be reported to the relevant committee

- 13 Service Standard Indicators will be deleted and retained as MPI's that will be used by Service Managers to monitor and improve service delivery
- 11 indicators have been deleted
- One new indicator is to be introduced in relation to Universal Credit

There will therefore be a total of 41 Service Standards to be reported to the relevant committees at Quarter 2 2015/16 and for the remainder of the year.

Overall, there has been a 36% reduction in the number of KPI's and Service Standard Indicators to be reported the relevant committees and Board.

Of the remaining indicators and the proposal to introduce two new indicators, the following will be reported to the appropriate committees with an overall summary being presented to Board: -

- Assets, Development and Investment Committee – 13 indicators
- Resources Committee – 16 indicators
- Customer and Communities – 29 indicators
- Audit Committee – none

Audit Committee has its own set of indicators which are measured against the overall 2015/16 Audit Plan and implementation of audit recommendations.

For those indicators that would now be scrutinised by Management Team, it was noted that if any caused concern, they would be reported to the appropriate committee.

The Board stressed that it needed to keep in mind managing customers' expectations.

RESOLVED – That the proposed changes to key performance indicators and service standards be approved.

42 MINUTES OF RESOURCES COMMITTEE HELD ON 8 SEPTEMBER 2015

The minutes of the meeting of Resources Committee held on 8 September 2015 were submitted.

RESOLVED – (i) That the minutes be noted.

(ii) That the updated Contract Procedure Rules be approved.

43 DUNSTON ACTIVITY CENTRE

As part of the Councils review of Leisure Services, Gateshead Council's Cabinet approved savings of £120,000 on 24 February 2015, which would be achieved by not providing a subsidy to a number of leisure buildings, one of which is the Dunston Activity Centre.

On 15 September 2015, Cabinet approved the disposal of the Dunston Activity Centre to Dunston Family Church (DFC). As part of the decision, Cabinet approved the closure of the payment counter.

The Council has agreed to enter into negotiations with Dunston Family Church and seek a community asset transfer with an implementation date of 1 November 2015. TGHC will be involved in the discussions regarding the provision of housing management services from the building.

TGHC will continue to provide a customer focused housing service from the centre.

In the coming months, TGHC will be working with customers and ward members to raise awareness of the changes to the payment service. This will involve working with customers to ensure they are fully aware of the different ways in which to access the range of ways to pay rent, council tax and pay for other council services. This will enable TGHC to work with customers on how they can access future services.

The Board will receive an update on the outcomes of discussions with DFC and customers at its meeting on 19 November 2015. This report will also detail the next steps regarding the closure of the payment counter along with a proposed date.

TGHC employees working in Dunston and the trade unions have been updated on the proposals to close the payment counter. Any implications for employees will be the subject of further discussions with the trade unions.

- RESOLVED –
- (i) That the recommendations of the Cabinet report be noted.
 - (ii) That the customer information programme be noted and the Board receive a further report on 19 November detailing next steps on the closure of the payment counter.
 - (iii) That it be noted that any employee implications would be the subject of further discussions with the trade unions and a separate report to Resources committee.

44 UPDATE ON THE ROLLOUT OF UNIVERSAL CREDIT IN GATESHEAD

The Board received an update on the rollout of Universal Credit (UC) in Gateshead and experiences so far.

In the period from mid-June to present, there had been 33 claims for UC. These tenants have been migrated on to UC for a variety of reasons.

It was still very early into UC roll out, however the experiences to date showed that the process was far from smooth.

It was clear that the DWP were struggling to keep up with the accelerated roll out, which was concerning given the slow pace of it. Some general concerns were highlighted.

Data sharing and notifications had been a real issue, the landlord was supposed to receive a written notification that their tenant was moving on to UC. So far, TGHC had received very few notifications from the DWP. The majority of the tenants had contacted TGHC themselves to inform it they have migrated onto UC

and that they will be unable to pay their housing costs in the interim. In some cases, TGHC had to contact tenants when their housing benefit entitlement has ceased to ask them why, with UC being the reason.

As part of their UC application, tenants were required to inform the DWP of their eligible housing costs (all charges that are eligible to be covered by UC). To date, TGHC had had approximately six requests from the DWP to confirm a tenants housing costs, in the remainder of cases the DWP had accepted what the tenant had supplied.

Where tenants were classed as being vulnerable or where they may have difficulty paying their rent, TGHC could apply for an Alternative Payment Arrangement (APA). So far, relatively few of UC claimants had reached their payment date so it was difficult to thoroughly evaluate this area of the roll out. However, there had been some issues with tenants not receiving their UC payment on their payment date, leaving tenants without any income. In some instances, TGHC had to arrange food parcels for tenants until their payment was received. When the DWP were contacted to find out the reasons why, they had stated that despite having everything they needed, they simply had not processed the claims. This led to delays of around five days before payment was made to the tenant.

The same issue had occurred with APA's, in that TGHC had been expecting a direct payment of housing costs from the DWP that had not materialised. On contacting the DWP they did not know why payment was not received and could not confirm when the payment would be sent. As part of some APA's, TGHC had also requested a 'Managed Payment' to recover arrears, again payment of this money had been inconsistent and in some cases had still not been paid.

To further complicate matters, the DWP had not aligned the housing element part of the APA with the Managed payment part of the APA, so the housing costs would be received monthly while the payment for the arrears will be received 4-weekly. This would likely cause confusion for account reconciliation and potential difficulties for the housing system. It also seemed there was confusion within DWP of the difference between the housing cost payment and the arrears payment, in some cases the two had been mixed up.

When direct payments were being posted in to TGHC's bank account, no clear reference was being used. Direct payments to TGHC were currently being found by the Finance Team, however as the numbers in the roll out increase this may become more difficult and time consuming.

Managing these UC accounts was proving to be very labour intensive. It was also causing a great deal of stress and anxiety to tenants as the process has not always been explained adequately to them by the Job Centre.

It was too early to assess the impact this policy was having on rent arrears, however it was clear that the impact would be significant.

TGHC would continue to monitor the impact of UC on both the tenants and TGHC. It would work with all tenants who were migrated over to UC to offer them advice and support throughout the process of application and ensure they were paid promptly by the DWP. A suite of performance reports were currently being

developed to adequately monitor the impact this policy had on TGHC's ability to collect rental income.

A further report would be produced at a later date to analyse the early impact this policy has had on rent arrears once more TGHC tenants had been migrated over to UC.

The Board made the point that the pilots took significantly longer and the Government had said they wouldn't be rolled out until the issues had been resolved and none of them had been when it went live.

The Board felt that the Company's concerns/complaints needed to be taken up with the Secretary of State, through the local MPs, with representations being made from a number of different directions including TGHC, the Council, chief executives of other housing providers and even wider than housing from community organisations etc.

The Board also stressed though that its issues were not a reflection on the staff in DWP who were having to work under very difficult circumstances.

Concern was expressed about the likely resource implications when UC was full rolled out given the amount of additional work already for staff with 33 claims.

It was noted that Newcastle, who started earlier than Gateshead, had approximately 100 claims and were having the same problems. Gateshead was learning from the them.

- RESOLVED –
- (i) That the Board is satisfied with the work that Officers are doing but not with the rollout of Universal Credit in Gateshead.
 - (ii) That representations be made to the Secretary of State highlighting the issues outlined above.
 - (iii) That the Board receive an update at its next meeting.

45 RENT ARREARS MONITORING AND PREVENTION – 2014/15

The Board received an update on the following rent arrears monitoring for 2014/15 and the Company's approach to rent arrears prevention: -

- Current rent arrears
- Under 25's
- Former Tenant Arrears
- Welfare Reform
- Under Occupation
- Discretionary Housing Payment
- The Benefit Cap
- Universal Credit
- Advice and Support Officers
- Energy Angels

The report was submitted to Customers and Communities Committee held on 10 September 2015.

The Board asked if it was possible to advertise flats as flat share properties. It was noted that no properties were currently let by room. Some properties were sub-let or took in lodgers. Letting by room would provide safeguarding issues when they were shared arrangements and increase the likelihood of disputes. However, the Company did need to start thinking more creatively in respect of its hard to let properties.

RESOLVED – That the information be noted.

46 LETTINGS REPORT 2014/15

The Board was advised of the following lettings activity in 2014/15: -

- Housing Register
- Bidding
- Properties let
- Refusals
- Tenancy terminations
- Mutual exchanges
- Downsizing and Welfare Reform
- Furniture Leasing Scheme

The report was submitted to Customers and Communities Committee held on 10 September 2015.

It was felt that rehousing of people who had been demoted was now a challenge and needed to be monitored.

RESOLVED – That the information be noted.

47 PERFORMANCE – QUARTER 1 2015/16

The Board received details of the first quarter's performance results for 2015/16.

There were currently 38 key performance indicators which were monitored and reported to the Board on a quarterly basis.

At the first quarter 2015/16: -

- 11 indicators were traffic lighted green which showed that the annual targets for these indicators had been achieved. This was a decrease from 20 at same period last year.
- Two indicators were traffic lighted amber, which showed that the target set had not been met but performance had improved on the previous year. This was comparable with performance at the same period last year which had three amber indicators.
- Nine indicators were traffic lighted red, which showed that the target set had not been met and performance had fallen compared to the previous year. This was an increase from six indicators at the same period last year.

- 16 indicators were not measurable or were set with a baseline target.

The analysis therefore indicated that performance relating to 13 out of the 22 measurable performance indicators could be traffic lighted as on target or improving, which related to 59% of the indicators. This is a decrease in performance compared to same period last year, when 79% of indicators were on target or improving.

The Board was satisfied with the fact that the number of no access properties for a gas service had reduced to nine but would like to see the Company get to a position where it didn't need to go through the legal process with any properties. It was agreed to provide the Board with details of whether any of the nine no access were repeat offenders.

RESOLVED – That the first quarter's performance results 2015/16 be noted.

48 SERVICE STANDARD PERFORMANCE – QUARTER 1 2015/16

The Board received details of the first quarter's results against the Company's service standards for 2015/16.

There were currently 53 service standard performance indicators which were monitored and reported to the Board on a quarterly basis.

At the first quarter 2015/16:-

- 20 indicators were traffic lighted green, which showed that the targets set for them had been met. This was a decrease when compared to same period last year when 24 indicators achieved the targets set.
- Five indicators were traffic lighted amber, which showed that the target set had not been met but performance had improved from the previous year. This was an improvement on performance at the same period last year when there were two amber indicators.
- Two indicators were traffic lighted red, which showed that the targets set had not been met and performance has reduced from the previous year. This had decreased compared to five at the same period last year.
- 26 indicators were not measurable or were set with a baseline target.

Overall, performance relating to 25 out of the 27 measurable service standard performance indicators could be traffic lighted as on target or improving, which related to 93% of the indicators. This was an improvement on performance in the same period last year when 84% of indicators were on target or improving.

RESOLVED – That the first quarter's service standard performance results be noted.

49 MINUTES OF CUSTOMERS AND COMMUNITIES COMMITTEE HELD ON 10 SEPTEMBER 2015

The minutes of the meeting of Customers and Communities Committee held on 10 September 2015 were submitted.

The Board suggested making reference in the marketing strategy that Officers had discretion to offer one week's free rent at the start of a tenancy.

RESOLVED – That the minutes be noted.

50 ITEMS FOR INFORMATION

The following items were posted on the TGHC website: -

- Petitions Update
- Outstanding Issues
- Forward Plan

RESOLVED – That the information be noted.

51 FEEDBACK FROM OUTSIDE BODIES AND EVENTS

There was no feedback from outside bodies and events.

52 DATE AND TIME NEXT MEETING

The next Board Meeting will be held on Thursday, 19 November 2015 at 10am in the Blaydon Room, Gateshead Civic Centre, Regent Street, Gateshead.

53 EXCLUSION OF THE PRESS AND PUBLIC

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