

Response to the Future for Housing in Northern Ireland

A Key Issues Paper from the Independent Commission

January 2010

Organisational Background

Housing Rights Service was established in 1964 and is the leading provider of independent specialist housing advice services in Northern Ireland. We believe everyone has the right to a decent, safe, affordable home. Our services include:

- Providing a housing advice line
- Undertaking advocacy and legal representation on behalf of people with housing problems
- Providing a specialist Mortgage Debt Advice Service pilot for people who face losing their homes through debt
- Providing online advice to the public through our website www.housingadviceNI.org
- Providing a specialist housing advice service within the prisons
- Delivering a skills and knowledge based training programme
- Producing information resources materials
- Supporting generalist advice agencies to deliver high quality housing in their local communities (in partnership with Citizens Advice and Advice)
- Providing client based commitment to influence the development of relevant public policy and legislation.

Overall, Housing Rights Service works to achieve positive change by protecting and promoting the rights of people who are in housing need in Northern Ireland. Our policy work is based on the experience of our clients and our work actively supports current government policy commitments in the broader areas of:

- Tackling Poverty and Promoting Social Inclusion
- Promoting Access to Social Justice
- Preventing Homelessness and Meeting Housing Need
- Promoting Equality and Better Relations
- Working in Partnership with the Voluntary Sector.

General Comments

Housing Rights Service welcomes the opportunity to input to the Commission on the Future of Housing in Northern Ireland. Having gone through the key issues paper in some detail, we would like to congratulate the Commissioners on their extensive work to date. Before commenting on the specific issues raised in the paper, we would like to begin our response by commenting on the Commissioners' vision for Northern Ireland housing in 2020.

Vision

Housing Rights Service supports the vision for an effective housing system set out in the key issues paper. However, the links between this and the issues raised in the body of the discussion paper are not clear. In particular, we were pleased to see the reference to the desired *"dramatic reduction in the level of homelessness"* and that by 2020 *"any household that becomes homeless will be considered to have sufficient priority to obtain the accommodation they need"*. However, the Commissioners' thoughts on how this can be achieved are not contained within the document. Housing Rights Service would like to see the final document spelling out the Commissioners' views on the steps required to meet the vision for 2020.

There are also a number of general comments that we would like to raise in relation to some of the individual "characteristics" of the vision

5. Intervention to help households who are at risk of repossession would be readily available to prevent homelessness and the trauma of losing a home. Financial institutions and the legal framework would work together to reduce instances of repossession where possible.

Housing Rights Service believes that more intervention is needed to help tenants at risk of repossession. We consider the loss of a social rented tenancy as a major factor in exacerbating a household's vulnerability to social exclusion. People who lose their social rented home are less likely to be rehoused in the social rented sector and therefore more likely to be faced with homelessness. Landlords, particularly social rented housing providers, have an important role to play in this area. Indeed, the legal system could also do more to support vulnerable tenants at risk of possession through, for example, the introduction of Pre-Action Protocols for rent arrears. Such protocols have been in place in England and Wales since 2006. In Northern Ireland there are only protocols for residential mortgage arrears which have been in place since October 2009.

We would also like to highlight the need to promote access to free legal representation at court. Through our Preventing Possession Initiative, (largely funded by charitable sources), we have been able to pilot a Court Representation Service. Initial research findings have shown that this scheme, which offers legal advice and representation on the day of the possession hearing, is significantly enhancing people's chances of retaining their homes. However legal aid is not available in Northern Ireland and people experiencing debt are not likely to be able to fund representation themselves. The NI Legal Services Commission has recently been seeking views on a Funding Code for legal aid cases locally. Housing Rights Service has highlighted in its response the pressing need for legal aid funding of arrears possession proceedings in Northern Ireland to be placed on a par with that in England and Wales.

6. All new housing would be built on mixed income and mixed tenure basis. No longer would developments only for low income households and only for rent be built. Housing would be provided in such a way as to enhance social cohesion, and where possible, to promote integration between communities of different religious backgrounds. There would exist no areas where households fear to live.

We fully support this aspiration and believe that a shared future should promote integration between communities in the widest possible sense. In addition to communities of different religious backgrounds, it should also include people regardless of ethnic background, sexual orientation or disability. We would ask the Commission to give consideration to this in its final report.

Specific Comments

Housing Rights Service's comments are based on the experiences of advising and representing clients and focus on our areas of expertise. Therefore, we are unable to provide detailed views on all of the issues raised within the discussion paper.

6.0 *An Overarching Framework for Housing*

6.1 *A single Housing and Communities Strategy*

The Commission therefore seeks views on the merit of development of a Housing and Communities Strategy for Northern Ireland, its timescale, scope and content. It would welcome comment on key stakeholders to be involved in strategy development, and on the organisations responsible for strategy development and delivery.

Since 2004, Housing Rights Service has been formally advocating the need for a single housing strategy for Northern Ireland. In our view, the NI Executive needs to give clear direction regarding its policy intention for housing. Any strategy must take account of broader government policies and strategies. This would provide focus and a more co-ordinated approach to the development and delivery of housing policy. We therefore believe there is clear merit in the development of a Northern Ireland Housing Strategy. It is, however, difficult to comment on the

merit of developing a 'Communities Strategy' as there is no detail on what would be included. In our view, a strategy for communities would be much wider than housing and perhaps better achieved through the new community planning role of councils.

The strategy's development would need to involve key stakeholders from statutory and voluntary sector groups including those representing housing providers and those delivering frontline services to tenants and homeless people. The Government department responsible for housing, (currently the DSD), should take responsibility for the strategy's development and be ultimately accountable for its delivery.

6.2 The establishment of a 'Communities Unit'

The Commission would therefore welcome comment on practical ways to enhance alignment of policy objectives across departments and collaboration to achieve results. It would welcome specific comment on whether a single unit would be useful or on whether there are other options.

Given the complexity and spectrum of issues involved in housing, and that responsibility for housing and planning is spread across a number of departments, Housing Rights Service is very supportive of cross departmental and interagency working. We are not, however, convinced that a time limited government unit is necessarily the best way to achieve this. We recommend that the Commission should first consider the various approaches which the NI Executive has already adopted to achieve better cross departmental working.

Housing Rights Service has had direct experience of one method. The Promoting Social Inclusion Working Group on Homelessness was a cross departmental interagency group set up to develop and oversee the implementation of the

homelessness strategy “Including the Homeless”. Set up under Targeting Social Need, the group was Chaired by the DSD. It comprised senior representatives from other government departments as well as the statutory and voluntary sector (including: DEL; OFMDFM; DHSSPS; NIO; PBNI; NIHE, NIFHA, Housing Rights Service, Simon Community, CHNI, FHAS). A number of time limited sub groups were set up to focus on specific areas. Whilst some limitations emerged from the process overall we believe that the structure was successful in terms of what was achieved. Were a similar group to be established to oversee the development of a housing strategy, we would recommend that, from the outset, certain details should be clearly defined, in particular:

- the remit;
- the priority to be afforded to it;
- the Department undertaking the lead role;
- the level of commitment from other Departments;
- the timeframe; and
- resources.

Housing Rights Service fully supports the principle of more effective cross departmental working. However, it is not clear what added value there would be in the establishment of a time limited specific ‘Communities Unit’. We are concerned that a culture exists in Northern Ireland that promoting cross departmental working requires an additional layer at strategic level. Housing Rights Service believes there is merit in exploring other approaches and that this needs to be conducted within the context of the rationalisation of the Departmental structure in Northern Ireland.

6.3 Planning and Housing and the role of Local Authorities

The Commission is interested in the views of stakeholders on how to ensure successful partnership between policy makers and professionals with housing and planning functions, both in and outside government. It would welcome comment on steps to be taken to ensure housing plays a formal role in contributing to the success of forthcoming community planning frameworks, and to ongoing reforms of the planning framework in Northern Ireland.

Housing Rights Service will not be providing detailed comment on this. However, as with the previous question, we believe that a cross departmental and interagency approach may be the best method of achieving effective partnership working.

6.4 The Hierarchy of Oversight

6.4.1 Regulation and Inspection of Housing

In the meantime, the Commission is interested in the views of stakeholders regarding the current effectiveness of the oversight framework; examples of where and how it could work more efficiently and effectively. We are particularly keen to hear opinion on whether there is merit in a cross tenure approach to housing oversight, and on the feasibility of enhancing the role of tenants and consumers in regulating housing standards and provision.

Housing Rights Service agrees that there needs to be a reconsideration of the existing approach to oversight of the housing system and agrees the main areas are: regulation & inspection; redress; and consumer advice & information. However, in doing so we must consider the unique Northern Ireland context.

Northern Ireland has one single housing authority in the Northern Ireland Housing Executive (NIHE). The NIHE has been a major contributor to addressing housing need in Northern Ireland, through its strategic and landlord functions, and is highly regarded. It has its own housing management policies, procedures and practices and has statutory responsibility in a number of areas including homelessness, home improvement grants, HMO registration and Housing Benefit administration. There are also 36 registered housing associations (including NI Co-ownership) involved in providing social housing. They can also have different housing management policies and standards. With so many providers of social housing in Northern Ireland, this can lead to disparity in terms of housing management practices, yet tenants are allocated housing from the same waiting list. Housing Rights Service has long advocated for a standardised approach where all social landlords are adhering to the same standards, guidelines and best practice approaches in housing management. We believe that before a cross tenure approach to housing oversight can be achieved, there is much work needed in promoting consistency of approach to social housing management standards.

Additionally, the problems regarding regulation are not only attributable to the fact that they are spread across a number of regulators. For example, at present the balance of resources is tipped heavily towards financial accountability and, in our view, regulators could do more to monitor the quality of service being delivered to tenants. To address this, Housing Rights Service considers it necessary that tenants and consumers should have more say in how social housing is regulated.

In terms of the private rented sector, Housing Rights Service, in its response last year to the DSD's draft strategy, highlighted disappointment that the starting point for a better regulatory framework was missing from the consultation. Housing Rights Service has long stated its view that the foundation for a better regulatory framework for the sector is the establishment of a mandatory Northern

Ireland register of landlords/agents. This we feel is needed before any effective system for regulation is developed. We were supportive of the proposal to introduce an independent dispute resolution service (similar to that in operation in the Republic of Ireland).

6.4.2 Redress

The Commission is interested in the views of stakeholders regarding ways to widen access to redress for all tenants, and to ensure a simple system for resolving disputes. It would welcome comment on whether the establishment of an Ombudsman is a useful approach, whether extension of the functions of current organisations is preferable, or whether there are other ways to broaden access to redress for all tenants.

Housing Rights Service raised the issue of access to redress when it met with the Commissioners last year. We strongly believe that that a review of the current system is required.

Firstly, with respect, we would like to point out that the Ombudsman Scheme does cover housing association tenants in Northern Ireland. Where someone wishes to make a complaint about a registered housing association, each association has its own procedure for doing so. However, if dissatisfied, they can proceed with the matter to the Commissioner for Complaints (also known as the Ombudsman) in certain circumstances.

However, there are limitations to this scheme. The Commissioner for Complaint's remit is limited to the cases involving maladministration, for example, procedural issues and delays etc. Also, it does not cover private sector tenancies. In general, the Commissioner would not investigate a complaint if:

- the action complained of took place more than 12 months ago;

- the case could be taken to a tribunal or court; or
- it concerns government policy or the content of legislation.

Additionally, the time taken to proceed a case through this system can be lengthy. This is perhaps due to limited resources as only one person in Northern Ireland holds both offices (which also covers government departments and public services). This does not reflect the situation in England where there is an independent Housing Ombudsman, as well as Local Government Ombudsman.

In light of this Housing Rights Service's main issue would not be whether or not there is a housing specific Ombudsman scheme available in Northern Ireland, but that any independent system of redress for housing needs to be adequately resourced, have an effective remit and be accessible to ALL tenants and also residents of temporary accommodation.

6.4.3 Advice and Information

The Commission seeks the views of contributors on the future of housing advice as we consider a long term vision for housing. It is particularly interested in comment on the current scale and nature of advice, how we could improve availability going forward, and whether a tenure neutral model is feasible.

Housing Rights Service is pleased that the Commission has recognised the key role that good quality housing advice can play in helping people making informed decisions. However, we are unclear about the Commission's meaning of 'tenure neutral advice'. Housing Rights Service is a government funded source of independent housing advice and our core areas of work cover all tenures. However, our finite resources are targeted to those most in housing need. In terms of client profile, the vast majority would have low incomes, be considered as vulnerable or

marginalised and would not be in a position to avail of this service at a cost. Our work focuses on the areas of:

- preventing homelessness;
- accessing accommodation;
- property maintenance/improvement;
- affordability.

Housing Rights Service believes there is a role for advice in assisting people to realise their housing aspirations to become homeowners. However, there are a number of private independent sources which exist for this purpose. We must also highlight the potential difficulties which voluntary and statutory advice providers would face if required to provide advice in this area. It could be viewed as financial advice which would require Financial Services Authority regulation.

With regard to the scale and nature of housing advice, we acknowledge that this can be difficult to quantify. This is partly due to the number of voluntary and statutory agencies involved in the delivery of advice and information and the way in which statistics are collated.

In 2008/09, Housing Rights Service assisted over 5000 clients to deal with 17,624 housing issues. We can also confirm that the 24 voluntary agencies with which we work directly, (through our Community Housing Advice Project), dealt with 19,440 housing advice enquiries.

Demands on our service have never been greater in this difficult economic climate. Last year Housing Rights Service experienced a 300% increase in demand for housing debt advice alone. With the current problems facing homeowners and lengthy waiting lists for social housing, the private rented sector is playing an increasing role in meeting housing need. This is being reflected in our statistics.

Whilst it makes up over 13% of Northern Ireland's housing stock, last year almost 28% of Housing Rights Service enquiries were from tenants renting privately.

Overall, we believe the demand for housing advice will continue to grow particularly if new forms of tenure are introduced. We believe that a more strategic approach to the delivery of housing advice in Northern Ireland is needed with an emphasis on quality. We would like to see the Commission acknowledge this in its final report and also the importance having a spectrum of advice and information providers including both voluntary sector and statutory sector providers. We would refer the Commission to the DSD's Opening Doors Strategy. This sets out in detail the comprehensive range of services involved in advice delivery from providing consumers with access to basic information, to providing advocacy and representation and challenging public policy.¹

6.4.4 Reform of the Allocations Framework

The Commission is keen to hear further views on principles for reform of the Common Selection Scheme; whether reforms are required to the operation of the current scheme, or whether a more fundamental change is necessary. We would welcome comment on the efficacy of a choice based approach, and whether there is merit in a pilot of this kind in Northern Ireland.

Firstly, Housing Rights Service would like to raise a minor point regarding the Common Selection Scheme. Under this system all applicants are awarded points based on their housing need and not just "full duty applicants" as referred to in the document.

Housing Rights Service agrees that the Common Selection Scheme is in need of reform. However, we feel that any review must take into account that one of the

¹ http://www.dsdni.gov.uk/vc-opening_doors_report.pdf

main strengths of this current system is allocation on the basis of need. Housing Rights Service strongly believes that this principle must always be at the heart of any allocation system for social housing.

There are some shortcomings regarding the scheme itself. For example, people with mental health problems can be disadvantaged and also the number of points awarded for mobility problems is very low under the functionality matrix. We are also aware of the level of discretion a Housing Officer has in terms of whether or not to award points. In some cases, even where the scheme allows discretion to be exercised, Housing Officers may stick rigidly to examples given in the rules. The level of discretion has also come to light through our training on the Selection Scheme. In one exercise we encourage participants to award points to the clients of a case study. In almost every case, participants have very different ideas on how to award points. This highlights how subjectively the scheme's rules can be interpreted.

With regard to choice based lettings, Housing Rights Service does not object to this approach in principle. We do see merit in giving people more active involvement in the decision regarding their housing. However, given that the social housing sector by its very nature generally houses a high degree of vulnerable people, any system affording choice must have safeguards in place to protect those who may not be able to exercise the new requirements involved. We do feel that there may be merit in piloting a choice based letting scheme, in particular for a shared future housing scheme.

7.0 Making Housing a Priority

7.1 Housing at the Heart of Economic Recovery

The Commission will do further work to examine the financial and operational implications of such a programme and is interested in the views of contributors in ways of making this effective and workable.

Housing Rights Service is very aware of the negative impacts associated with fuel poverty. We would support any programme that will help reduce fuel poverty in Northern Ireland including a household insulation scheme. A Warm Homes Scheme is currently in existence. This scheme is targeted at low income households in receipt of tax credits or benefits, but can be out of reach for other low income groups.

7.2 Promoting Well-Being and Integration

The Commission is interested in further views from housing associations and others in considering how an enhanced neighbourhood regeneration role for these providers could work in the future.

Housing Rights Service considers housing associations to be in a strong position to contribute to community development due to the nature of their business and the customers which they serve. It should, however, be borne in mind that a lot of the associations are quite small, with finite resources, and stock can be peppered across different areas.

In England, there has been increased engagement from social housing landlords in a range of projects and initiatives to combat debt, poverty and financial exclusion. This growing engagement is driven by an understanding of the potential for such

involvement to assist social landlords to deliver social and business objectives. In doing so, they are seeing a significant reduction in their levels of rent arrears and other household debts and, at the same time, saving costs on legal action and other losses in revenues which arise from evictions and voids. It is being widely recognised across the social housing sector in England that building partnerships with debt advice agencies, banks, credit unions and other third parties to implement financial exclusion interventions produces benefits that can be felt by both social landlords and the tenant.

The social and community case for action is also considered overwhelming. By assisting tenants into financial inclusion social housing providers can help them to maximise their personal income, decrease their personal debt and offer them the opportunity for personal advancement. It also contributes to their wellbeing as communities benefit from a lower resident churn and stronger social cohesion. In England some associations raise funds to carry out community initiatives through applications to charitable trusts and by partnering with private companies, such as energy providers. We would encourage the development of such approaches locally.

The Commission would wish to hear further from contributors on the practical steps that could be taken to increase the number of projects for community spaces that could be shared by communities, as a precursor to integrated housing in the future.

The Housing Executive co-ordinates a Shared Housing Advisory Panel which was set up to develop policies to support, sustain and promote the mixed community housing concept. In this forum discussions take place regarding new projects and how to promote shared housing and community spaces. It comprises a number of key stakeholders. This is an extremely effective forum, however, in our view it has potential to be more effective and innovative if meetings were more frequent.

7.3 Community Empowerment

The Commission would be interested in the views of housing providers and tenants on how all housing providers could improve their relations with tenants in the future and how the role played by tenants could be formalised in decision making that directly affects their housing outcomes.

Housing Rights Service would like to commend the Commission for holding meetings with tenants and households to hear first hand of their experiences and views. We support the view expressed by some social housing tenants that there is definite room for improvement with regard to tenant engagement and response times regarding management and maintenance of properties. It must be acknowledged that some associations have very good standards of service to their tenants, however, standards can vary greatly across the sector. We would support any measures which would bring about a more consistent approach to housing management and tenant engagement.

Unfortunately, Housing Rights Service cannot provide comment on the models of working referred to by the Commission as we are not familiar with the detail of these schemes.

8.0 A Mixed Housing Economy

During our meetings, the benefits of better gathering and sharing of information and on housing demand and supply emerged as an issue among a range of stakeholders. The Commission would value input on the nature of information required in the future, how this could be gathered, whether a tool such as the Housing Market Analysis Tool would be of benefit and optimum approaches to sharing this information in the future.

One of the principles of good policy making is that the advice and decisions of policy makers should be based upon the best available evidence from a wide variety of sources. This includes statistical information. The Housing Market Review and Perspectives document, produced by NIHE, is a valuable source of information when considering the demand and supply issue as well as identifying housing need in the future. Housing Rights Service is not, however, familiar with the Housing Market Analysis Tool and therefore cannot comment on its merits. We would, however, welcome a review of how and why housing statistics in Northern Ireland are collated, to ensure they are actually assisting with the development of public policy.

8.1 New Forms of Investment – Key partnerships

We would welcome views from stakeholders on investment vehicles and opportunities to increase investment and resources for housing in NI. We understand that a number of new models are emerging and will require testing over time, however, would welcome a debate on the usefulness of the new models.

Partnerships between central and local government, private developers, housing associations, communities and private financial institutions can create attractive, successful mixed tenure housing developments that not only serve the interests of residents but are an asset to the broader community. The Commission seeks views on the models which could be developed to enable contribution from developers in a sustained way, to increase supply of social and affordable housing and to achieve mix. The Commission would welcome further views on ways which policy makers can support partnerships between the private and public sectors, either through partnerships or consideration of models of tax increment finance.

Housing Rights Service agrees that new investment in social housing is needed but we will not be providing detailed comment in this area.

8.2 Housing Associations

The Commission will continue to consider the central role of housing associations as we develop conclusions to our work. Ongoing discussions with associations, with the DSD and NIHE have been valuable to enabling us to develop our thinking. As we move forward, we would welcome comment on a number of issues:

- Whether steps could be taken to allow associations to deliver mixed tenure developments by building for sale, to cross-subsidise the development of social rented or equity sharing housing.*
- How partnerships between associations could make greater use of the asset, and the efficacy of greater competition between associations in making development bids.*
- Whether there is scope for greater pro-activity by associations in including tenants in the decision making process within their organisations, and embedding tenant participation with service development and delivery. The Commission would welcome further comment from associations and from tenants on this issue.*
- The potential implications for housing associations specifically in any changes to the regulatory framework, as per section 6.4.1.*

Housing Rights Service agrees that housing associations have a valuable contribution to make in delivering mixed tenure housing. This, coupled with their potential to lever private borrowing using their existing assets, could provide an attractive and sustainable means to meet ongoing housing need. We would welcome greater involvement of housing associations in the private rented market. Their track record as social landlords, dealing with a wide range of tenants with diverse needs, offers potential benefit in terms of good landlord practice.

8.3 Private Rented Sector

The Commission would welcome comment on how the private rented sector could be developed to continue its contribution to meeting housing need. It seeks views on how the sector could be managed to ensure robust management and physical standards. It would welcome input on the feasibility of so called 'block leasing' or other partnerships to enable long term lease arrangements to be arranged. Finally, it would welcome observations on the feasibility of REITS in NI in the future.

Housing Rights Service considers that the private rented sector has an important role to play in meeting housing need in Northern Ireland. It offers flexibility as people's circumstances change, and choice with regard to location, size and price. Generally, private rented accommodation is of good quality and managed professionally. In today's housing market there is increasing reliance on the private rented market from groups of people who would not necessarily view it as their tenure of preference. It is likely that demand for this form of tenure will continue to grow for the foreseeable future.

Housing Rights Service is very much in favour of the DSD bringing a new strategic focus to developing the private rented sector. In general, we are broadly in agreement with the proposed approach set out in its recent draft strategy "Building Sound Foundations". However, we highlighted that in our view the foundation upon which to develop this was missing from the strategy. It has been Housing Rights Service's stated view that the starting point for a better regulatory framework is the establishment of a Northern Ireland register of landlords/agents which must be mandatory. Housing Rights Service supports a "light touch approach" to registration which will allow the vast majority of well intentioned landlords to carry on with their business without interference. Housing Rights Service is of the opinion that priority must be given to addressing the bad

management practices of landlords who are currently “below the radar” and that a voluntary system will be unable to provide sufficient incentives to persuade substantial numbers of landlords into self regulation.

With regard to security of tenure, it must be seen in the context of the various types of occupants that make up the private rented sector and their varying needs. Housing Rights Service recognises that the private rented sector over time will need to offer greater choice in meeting housing need, particularly for those people who traditionally look to the social sector for housing. On this basis, Housing Rights Service is supportive of measures that will enable social housing landlords to enter into partnerships with private landlords for the purpose of addressing housing need. However, if the private rental sector is to be promoted as part of the answer to the rental supply crisis here, we must ensure that tenants in this sector have the opportunity of a decent home, at a price they can afford, with security and feel included within a sustainable community.

With regard to the issue of block leasing, Housing Rights Service would not be against this in principle. As stated earlier, we would welcome greater involvement of social housing providers in the private rented market. Their experience in dealing with a wide range of tenants with diverse needs, offers potential benefit in terms of good landlord practice. Further consideration would need to be given to the detail of such schemes and how they would operate in practice.

8.4 Flexible Tenure

The Commission is interested in promoting a model of flexible tenure for Northern Ireland. We would welcome views on how we can move towards a more flexible system that allows the housing offer for individuals to change their circumstances.

Housing Rights Service agrees that the housing market needs to be more responsive to people's changing circumstances. However, we are keen to stress that low cost homeownership schemes are only one method of achieving this. It is important to remember that not everyone aspires to become a homeowner and there will always be people who will never be in a financial position to purchase their home. That being said, Housing Rights Service believes that flexible tenure approaches could play a valuable role in contributing to mixed tenure communities and preventing homelessness. In particular, we are very supportive of the flexibility offered by schemes allowing "staircasing down" to address potential affordability problems faced by occupants.

In general, Housing Rights Service believes there is merit in further exploring flexible tenure models. We would however caution against merely replicating the system in Britain. At a recent Council for Mortgage Lenders event concerns were raised about the multiplicity and complexity of low cost part ownership schemes available in England. There was general support for the need to keep schemes simple. With, for example, Homebuy Direct relatively few lenders have formally agreed to participate in the scheme. Overall, it would appear lenders prefer shared equity schemes, as the equity loan helps protect both borrower and lender from negative equity. The alternative of a shared ownership scheme was viewed as less attractive to the lender as it is legally more complex. There are already a number of low cost schemes to promote homeownership available locally which operate differently. We believe that there needs to be a strategic approach to the development of flexible tenure models locally and that the products available should be kept as simple as possible. In our view it would be better managed initially by one provider.

We would welcome views on the merits of changes to the house sales scheme and the potential implications this would have for providers.

Whilst Housing Rights Service acknowledges personal choice in becoming a homeowner, the overriding purpose of social housing must be to offer good quality, affordable, secure housing for low income households and those who cannot afford to buy. It should not exist primarily as an avenue for owner occupation. Over the years, the house sales scheme has had a significant impact on the supply of affordable housing for rent, particularly where the provision of new affordable homes has failed to keep pace with the numbers being lost as a result of sales. Inevitably this has contributed to an increase in homelessness and longer waiting lists.

Housing Rights Service also highlights how the economic downturn has exposed an alarming reality, whereby many former social housing tenants purchased their homes under the House Sales Scheme without due consideration being given to their financial circumstances and ability to service a mortgage. As a result Housing Rights Service has witnessed the possession of former social renting properties from House Sale Scheme tenants.

Housing Rights Service believes that further restrictions on the scheme are necessary to safeguard supply in the future. We also support the principle of suspending the scheme in areas of high housing demand, subject to an equality impact assessment.

The Commission would welcome the feasibility of housing associations in NI administering the Home Buy Scheme with grant support.

Homebuy is a generic term adopted by the government to brand its range of low-cost home-ownership products. Alongside Homebuy Direct, there are three other variants: social Homebuy, new-build Homebuy and open market Homebuy. It would appear that there has been a raft of problems associated with some of these products. Overall there has been low level uptake by borrowers and limited

support from lenders. On this basis we would be concerned about extending this scheme locally. Further analysis of the English experience would be required before considering the Homebuy Schemes for Northern Ireland. The Semple Review in 2007 pointed to criticisms of the plethora of products and providers in England. He made a strong case for having one provider to regulate the sector and one scheme initially but was not averse to extending the products available whilst keeping them simple. We support this view.

The Commission would welcome views on whether there is merit in developing 'intermediate' housing for rent in NI, whether there is demand for this form of housing and the practice steps required to make it happen.

Housing Rights Service is not convinced that there is the same need in Northern Ireland for 'intermediate' housing to rent for key workers. The Commission's paper points to England where housing associations have provided subsidised homes to rent to enable key workers to live in areas where full market rents are beyond means. We are not aware of any evidence of a similar need locally. We recommend that that the issue of need be explored further.

9.0 The Role of the Northern Ireland Housing Executive

There are a range of critical points for discussion and debate in the coming months, and the Commission seeks input on how these issues may be resolved. These include:

- *The efficacy of a more strategic role for the NIHE as a driver for development, and how this could work in practice*
- *The implications of a more strategic role for the NIHE's other functions, in particular its landlord and other statutory functions*
- *Whether change to the landlord function, either or both in terms of ownership and management of assets is required, and the optimum ways to achieve this*
- *How this would impact on other NIHE statutory function*

- *Whether other approaches, such as an asset management strategy have merit, and what these other approaches may be.*

Housing Rights Service considers the NIHE as a valuable source of housing expertise. We believe that it must have a central role in co-ordinating and driving the development and implementation of Northern Ireland's housing strategy, in partnership with others. Bearing this in mind, we believe that potential would exist for conflicts of interest if it were also to continue its landlord function. It is our view that if NIHE is to become a more strategic body, it would follow that these two functions would need to separate. Whatever arrangements are put in place will need to have the support of NIHE tenants.

In terms of the NIHE's other functions, Housing Rights Service would have concerns about homelessness assessments in particular. It is understandable that the statutory homelessness duty lies with NIHE. As a landlord, it is in a position to meet this housing need. However, were it to become a strategic entity, there would no longer be a clear rationale for NIHE to retain this function. We are of the strong opinion that homelessness assessments should continue to be carried out centrally by one body. We would be opposed to a system of having all social housing providers having responsibility for homelessness assessments. In Northern Ireland, NIHE having sole responsibility for this function has enabled more uniformity and standardisation as a means of ensuring quality. It would be our concern that this could be lost if this function was split across a significant number of housing providers.

We also believe that the administration of Housing Benefit needs to be taken into account when considering the future role of NIHE. If NIHE was to become solely a strategic body it would be unclear why it would continue with this administrative function.

Finally, with regard to the issue of rent convergence Housing Rights Service would like to draw to the Commissioners' attention that, in our experience, rents for some housing association properties would not be considered affordable for some tenants. Whilst the majority of social housing tenants receive full housing benefit around 30% do not. We therefore urge the Commission to consider this further before proposing a policy to raise NIHE rents.

For further information on any of the issues raised please contact:

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