

**Housing Executive
Small Scale Voluntary Stock
Transfer Programme**

**Ballee Estate Offer Document
for NIHE Tenants**

**Some Points to Consider When Reading
the Ballee Estate Offer Document**

**NIPSA
July 2018**

1. It is important at the outset to make it clear that the Offer Document gives the wrong impression that the proposal to transfer your home to Triangle Housing actually comes from the Northern Ireland Housing Executive. They are mentioned twice on the cover page of the transfer document. This stock transfer proposal is not the Housing Executive's idea, they didn't come up with it. **The NIHE don't want you to transfer.** It is the Department's idea, on foot of a Ministerial decision some 6/7 years ago. Of course as you know we don't currently have a Minister but the Department has insisted on pushing ahead anyway. But it needs to be clearly understood this instruction to undertake a tenant ballot is being directed by the Department, not the Housing Executive.
2. It is important to highlight that the Housing Executive have been effectively gagged by the Department, under instructions not to advise you of the benefits of remaining with the NIHE. Why would the Department do that? Simple, they know if the Housing Executive was allowed to provide you with details of all the benefits of remaining as an NIHE tenant you would not vote YES to transfer to Triangle Housing. So they decided the best way to keep you in the dark is to refuse to allow the Housing Executive to speak to you at all about those benefits. That should make you suspicious of this whole process.
3. It is also important to note that this stock transfer idea, although brought forward by an Assembly Minister, is actually a UK initiative and is largely discredited by this stage. Indeed the Department for Communities and Local Government in Britain was presented with an All Party White Paper last year which stated that the stock transfer policy had led to "a broken housing market". You have to ask yourself why then would the Department here insist on promoting a widely recognised failed policy.
4. It is the Government's responsibility to provide citizens with public housing and ensure that existing homes are upgraded and maintained. Rather than starving the NIHE of resources in an effort to coerce tenants into transferring to a Housing Association the Department would be better served initiating a proper debate on how to provide access to those funds for the Housing Executive to build new homes and upgrade existing properties.

5. Half of this Offer Document provided to residents is taken up with referring to the proposed work for each individual home if the transfer went ahead. You have not been given detail of the nature for the work to be undertaken in the same amount of detail if you stayed with the NIHE. The Department won't allow that information to be released because decisions have been held back due to this vote. What we do know however is that residents in The Grange in Ballyclare who **VOTED NO** last summer now know when their planned upgrades and maintenance will be carried out. That decision was taken very soon after they voted not to transfer to a Housing Association and **remain with the NIHE.**
6. There is a fairly vague reference in the Offer Document that rents and rates will "only" increase by 1% on top of inflation for "a limited number of years". Inflation for the previous 12 months was 2.4% in May 2018. So based on those figures **your rent would increase by 3.4% each year** for "a limited number of years". You have not been told what the rent and rates will increase by after this period. What you should be aware of however is the following:-
- (i) The average increase for rent and rates for all Housing Associations this year is 6%. These rent increases are set by the Housing Associations Management Board themselves. They are not under the same controls as the NIHE and are not answerable to you as tenants or as citizens, nor are they answerable to the Minister or the Assembly. However, in contrast Housing Executive rent increases are set by the Minister who is accountable to the Assembly and ultimately to you as voters. The Minister is obliged to justify any rent increases. Housing Associations are not obliged to justify their decisions to you, at all.
- (ii) When tenants from Rinmore in the Creggan area transferred to Apex Housing Association in 2011, residents were given similar commitments about rent increases. However the Minister at the time, Nelson McCausland, confirmed in answer to an Assembly Question a few years later that rents had actually increased by 28.5%. We have

provided you with actual figures in our leaflets which have been distributed locally.

- (iii) It is a fact that the rents and rates charged by Housing Associations are approximately £30 per week higher for a three bedroom house when compared to NIHE rent and rates charges. This is because the Housing Association Management Boards set their own rent and rates charges, with no right for you to challenge those increases.
- (iv) 30% of residents in Ballee are liable for paying full rent and rates, over 100 households. These increases, whether they are 3.4% or 6% for a “limited number of years” (and who knows how high they will increase after that period) will be passed directly and immediately onto 30% of residents here. In addition, given that the rent increases are set by the unaccountable Management Board, there is no ability to challenge those increases. Of course if you **vote to remain** as a NIHE tenant the rent increases are set by a Minister who is accountable to the Assembly and ultimately to voters. And for those 30% of residents you would not be facing an immediate rent increase, to be followed year on year at the level stated.
- (v) The average pay for a CEO of Housing Associations is more than £150k per year, some actually as high as £450k per year. These salaries are set by their Management Boards, which are not answerable to you or government Ministers or the Assembly. Of course those ridiculous salaries have to be paid for somehow, which in reality means out of the rental charges, which you would be obliged to pay, unless of course you **VOTE NO**
- (vi) There is legislation sitting at Stormont, waiting for the Assembly to be reinstated which will allow for Board members of Housing Associations to receive payments. These proposed changes were supported by Housing Associations. Of course any payments made to Board members would obviously have to be paid for from rental charges by you, the tenants. Equally, the salary levels of the Chief Executive and

Directors are set by the Triangle Management Board, unlike in the NIHE where the salaries are set by agreed longstanding pay arrangements and are subject to salary caps and pay restrictions set by the Assembly and Government Ministers.

7. If residents here in Ballee **VOTE NO**, the Department are fully aware that their whole Stock Transfer Programme will be in tatters. Their focus over the last few years to dismantle the Housing Executive is under intense scrutiny at this time. They know however that if you **VOTE NO** and remain with the NIHE they will have to completely rethink this strategy. Residents in The Grange have led the way. You now have the power to send a clear message to Government that you won't be pushed around, that you won't be hoodwinked by spin. You are better off staying with the Housing Executive. They know that already and that's why the NIHE were not allowed to highlight the range of benefits for tenants in staying with them. This isn't a level playing field, it wasn't ever intended to be. It is in reality an attempted stitch up job.

8. The Northern Ireland Housing Executive provide services to the public which are unmatched by any Housing Association, including Triangle. The Offer Document you were provided with does not remind you at all about the range of services provided by the NIHE. There is no mention of Patch Managers in every area, or Housing Advisors for all tenants, or the range of work they do, working alongside statutory agencies including Health Trusts, Local Councils, PSNI, Youth Justice Agency, the Probation Board and the Education Authority as well as a number of regeneration initiatives. Why were you not provided with all of this information so that when it comes to a vote you have all the relevant information in front of you? Why haven't you been given the information to allow you to compare the services provided by the Housing Executive and Triangle Housing Association? We highlighted this deliberate omission in The Grange in Ballyclare too. We put it in writing. Strangely, even though the Department took months to "learn the lessons" from their overwhelming defeat in Ballyclare, it still hasn't seen fit to provide you with all the relevant information. The only logical conclusion for this omission is that the Department has deliberately decided not to do so, to ensure that you are not fully informed. They are afraid of you returning a massive **NO VOTE**.

9. There is of course also no mention of the other services the NIHE offer, ranging from Out of Hours Emergency Contact Services, the provision of advice on homelessness or housing stress and the range of assistance in respect of Housing Benefit and the new Universal Credit regime. Silence is not an accident in any of this. They don't want you to have the full facts. They are afraid that residents in Ballee will also **VOTE NO** in overwhelming numbers.

10. There is no doubt that eviction rates for Housing Associations are much higher in comparison to the NIHE. At a seminar organised by the Northern Ireland Federation of Housing Associations, a number of speakers from England and Wales openly admitted that tenants with unoccupied bedrooms were forced to move and some were evicted, due to falling into rent arrears due to the bedroom tax, by Housing Association Eviction Officers. That is a truly shocking prospect for any resident particularly for elderly residents who may have grown up children who have left home. There is no doubt that staying with the Housing Executive offers greater protection for families and tenants who find themselves in difficulties. Why would you take the risk in transferring away from the NIHE?

11. Experience in England and Wales has demonstrated that some Housing Associations have introduced a "Pay to Stay" policy. If this was introduced here it would mean that for those 30% of tenants who are not currently in receipt of any Housing Benefit, these rents *could* be hiked by the Housing Association. The Guardian Newspaper carried an article on 29 August 2016 reporting significant rent increases for those families with combined incomes of £31k per year. The rent increase outside London was 15p in the pound for every single pound earned about £31k. Who knows if this would happen here? There is however nothing to stop it happening as the Management Board of Housing Associations have the power to decide whether it would be introduced or not. That risk does not exist for Housing Executive tenants.

12. Additional powers which the Department is currently proposing to give Housing Associations is the right to dispose of land and/or assets. Previously the Department had to give permission. If and when the Department's

proposed changes are introduced by legislation all a Housing Association, including Triangle, will have to do is notify the Department, simply just tell them. Any green areas, allotments or community facilities could be under threat.

13. A significant difference between the NI Housing Executive and Triangle and indeed all Housing Associations, is that there is significantly less control and governance checks by the Department on Housing Associations. Legislation waiting on the Assembly being re-established will make this even worse. Triangle and other Housing Associations will be less accountable to Government for decisions they take, which affect you as tenants. That is not the case if you stay as a Housing Executive tenant.
14. Whilst the final decision rests with the Department, you have an opportunity to **VOTE NO** to transfer and send a clear message to DfC that **your home is not for sale** by them to any Housing Association, including Triangle.
15. What the document is also silent on is how much Triangle Housing has agreed to pay the Department for your home if you agreed to transfer. As you know there is a strict formula used to work out how much discount you would get if you wished to buy your home. The maximum discount you are entitled to would be approximately £24k. Whilst NIPSA does not know the precise figure Triangle Housing is set to pay the NIHE for your home, our understanding in Ballyclare last summer is that they were due to pay less than £20k for each home when the average selling price for homes there was around £70k. You will know the average selling price for homes in this area. Why have you not been told what they are due to pay? Why is the price so ridiculously cheap and why were you not given this information?
16. According to their website Triangle Housing owns and manages less than “1,000 units of accommodation” – that’s **homes** to ordinary people like you and us. The NIHE provides a complete wraparound service to 88,000 tenants and their families. The Housing Executive has a couple of hundred Patch Managers and Housing Advisors. How does this compare with Triangle?

How do the other range of services provided by the NIHE compare to Triangle? Why haven't you been told?

17. It is not our intention in this response to comment negatively on Triangle Housing as an organisation. Our position is that the Northern Ireland Housing Executive provides a first class service to tenants and offers a vastly superior range of services to citizens which cannot be matched by any Housing Association, including Triangle. The NIHE has a track record of over 40 years of dealing impartially and sensitively with housing issues and this is widely recognised across Europe. Its rent levels are significantly lower than Housing Associations.
18. Again, whilst not commenting specifically on Triangle Housing, we would make this observation. A number of Housing Associations in England and Wales have gone bust, which has created significant problems for tenants and Government who have to react to a financial collapse of this nature. That fear would not exist if you voted to **remain with the NIHE**.
19. There is considerable time spend in the Offer Document on the proposed work to be carried out if you vote to transfer and **if** Triangle secure the required funding. Earlier in this document we have highlighted what happened in The Grange in Ballyclare when residents there were advised that it wasn't clear when work would be done on their homes if they didn't agree to transfer. Fortunately the residents in Ballyclare **VOTED NO** and they are now included in a work programme for the upgrades required and also retain all the benefits of being a NIHE tenant.
20. There is also a wider issue about Government providing the NIHE with the required funding and access to resources to allow it to build new houses and upgrade existing homes. Political decisions have to be taken on this issue when the Assembly is restored. NIPSA is engaging with all political parties on how this can be achieved. In the meantime it is important that the NIHE retains all its existing stock and does not transfer any other houses to any Housing Association, including Triangle. That is another reason why it is really important that residents **VOTE NO** in this ballot.

21. Last year the vote in The Grange, Ballyclare also took place over the summer months. It is extremely rare to carry out consultation exercises as important as this in the middle of a holiday period. To repeat this again this year raises serious questions about why this is being rushed through at this time.
22. It is important that all tenants exercise their right to vote. The Department is only obliged to consider the outcome based on those who voted. That's why, just like residents in The Grange in Ballyclare, a strong and overwhelming **NO VOTE** is needed so that the Department gets the message loud and clear – **your home is not for sale** to Triangle Housing or any other Housing Associations.
23. Triangle has approximately 450 staff to manage and service 1,000 houses. The NIHE employees 2,500 staff to manage and service 88,000 properties. Is this why rent charges for Housing Associations are so much higher than NIHE rents? Staff costs have to come from rent charges, your rent charges. The NIHE provides excellent public services to all its tenants.
24. It is important that tenants are made aware that there are currently proposals being considered to cap Housing Benefit payments for social sector tenants at what is referred to as Local Housing Allowance (LHA) levels. What this means for residents in general is that if the rent charged by any Housing Association, including Triangle, at any time in the future, is over this LHA limit, tenants will have to pay the difference themselves. We know already that rent costs for Housing Association houses are significantly higher on average when compared to NIHE rent charges. Therefore you would be risking a very real danger of being in that situation sometime in the future. Why take that risk? That is another reason why it is safer to **VOTE NO** and remain with the Housing Executive.
25. With the very real worry about the Bedroom Tax following the introduction of Universal Credit, this again will fall harder on Housing Association residents as the rents charged are consistently higher across the board. Again the question is why would you put yourself in a position where you may be facing

greater financial difficulties if you find yourself having to pay the bedroom tax in future. A clear **NO VOTE** offers some protection against this potential threat about even greater costs that you would have to find yourself.

26. There are some other specific issues worth noting in the Offer Document, which are outlined below. The original paragraph references from that document are used here.

Para A3.2 This paragraph confirms that the Housing Executive **will** carry out the improvement works to your home if you **VOTE NO** to transfer. Although they won't tell you when at this point because they want you to think you have no choice, the experience in Ballyclare demonstrates that the Housing Executive will be able to tell you when fairly quickly after a vote to reject the transfer proposal.

Para A3.3 The NIHE has been starved of funding to give the impression that you, as tenants, have limited options. By sticking with the NIHE you will strengthen their argument about securing additional resources.

Para A5.5 This paragraph states that Triangle **will seek to pay** for the initial costs of the works using private finance. There is nothing certain about that apparent commitment.

Para A5.6 All the issues detailed in this paragraph are on the basis if Triangle secures private finance for the initial 5 year programme. There is also absolutely no detail provided about how they could possibly guarantee the £15m it states is required over the next 30 years. Who can tell what access to finance the NIHE could obtain over the next 5 years. Certainly nobody can project the financial situation over the next 30 years and it is disingenuous to suggest that Triangle could do so.

- Para A5.7** The increases to your rent and rates after the work is completed is based primarily on the fact that Housing Associations consistently charge higher rents, as much as £30 extra every week for a 3 bedroom property when compared to Housing Executive properties.
- Para A5.8** There is a clear issue about the limits or caps on rents and how this may impact on tenants who could find themselves having to pay any extra charge above those limits, which may not actually be covered by Housing Benefit.
- Para A6.4** The Department is fully aware that the funding arrangements for the NIHE have been under significant scrutiny politically. It is clear that Housing will be a critical issue for the Assembly when it is re-established and the political debate will include how the NIHE is funded and what restrictions have been placed on the Housing Executive in terms of borrowing against its significant assets. No-one can second guess the financial situation which may exist for either the NIHE or indeed Triangle Housing. This point is confirmed in paragraph A6.5 by the Department.
- Para B1.4** According to this paragraph Triangle will apparently dedicate 5 staff, based in Ballymena to the Ballee estate. That is 5 staff out of 450 staff in total, to deal with 370 houses. Whilst we cannot comment on the specifics of this “proposal” it seems to suggest that the remaining 445 staff only have 1,000 houses between them to be responsible for. These figures don’t make sense in our view.
- Para B2.1** Although it is indeed the case that members of the Triangle Board do not currently receive payment for the work they do as Board members, the proposals sitting in the Department waiting for a Minister to approve, either an Assembly Minister or Direct Rule Minister, is to allow Board members to receive payment.

Housing Associations supported this change. Those payments if implemented would have to be paid for through rent charges.

Para B5.0 This paragraph is highly misleading. Firstly they are significantly less regulated than the Housing Executive. They are also not accountable to you as tenants in respect of the rents they charge, nor are they accountable to the Minister or the Stormont Assembly. Secondly there are proposed changes to these regulations which are also sitting waiting for a Minister's approval which greatly reduce those regulations. Again these changes to make Housing Associations less accountable and under less scrutiny were supported by Housing Associations. The net result of those changes will be, if introduced, less controls, less checking, less regulation and more power to individual Housing Associations to make their own decisions with reduced interference from the Department or the Minister or you as tenants.

Para C5.1 The points highlighted in this paragraph are simply good practice in the main and replicate what you are already entitled to as an existing Housing Executive tenant. A **NO VOTE** will not change any of that.

Para C4.1 The decanting arrangements if required while work is undertaken simply reflect the Department's recommended rates, which would apply whether you transfer to Triangle or **remain with the NIHE**.

Para E1.1 This paragraph clearly demonstrates that **your rent charges would not actually remain the same, following transfer**, or indeed while the work is being carried out. The inflation rate, currently 2.4%, "**may be applied before** improvement work takes place". The commitments given at the start of this offer are clearly misleading. For the 30% of tenants who do not receive

Housing Benefit this would mean a potential immediate increase in your rent charges, even **before** any work is carried out.

Para E2.2 The 2nd bullet point here is again deliberately misleading. E1.1 makes it clear the rent increases may apply immediately on transfer.

Para E2.3 Again this is confusing when compared to commitments give in other paragraphs. Rents **will** increase by CPI inflation “annually”, which they assume will be 2% but was actually 2.4% in May 2018 for the previous year. So we now have confirmation that CPI inflation increases **will apply from point of transfer**, unless of course you **VOTE NO**. Once work is completed a further 1% on top of the 2.4% would be added. This could continue for a further 8 years according to this statement. Whilst this is very obscure, misleading (and seemingly deliberately unclear) it does suggest that based on current inflation levels you would pay an increased 2.4% for 4 years, a total of 9.8% extra for that period, then 2.4% plus an additional 1% for a further 8 years. That would be an additional 27.2% during that period on top of the 9.6% for the first 4 years, making a total increase of almost 37%. That is a shocking rent hike. This of course could be avoided by **VOTING NO**.

Para E3.1 A future Triangle Board has the power, authority and autonomy to renege on the commitment made in this paragraph.

Para E4.2 Given what we have outlined above at E2.3 (complicated as it clearly is) it is not at all clear that the limits and caps which apply to Housing Benefit would not be exceeded. Should this be the case you would be personally liable for any charges above these limits, whether in receipt of Housing Benefit or not.

Para E4.4 Transferring from the Housing Executive to Triangle would not in itself change how the “Bedroom Tax” or other welfare cuts are

mitigated. However the increases in rent may indeed change what mitigation you are entitled to.

Para E5.1 The way Housing Associations in general pursue arrears and the approach taken by the Housing Executive are different. Of course as you know the Department has gagged the NIHE from outlining any of their approaches, or services they provide.

27. NIPSA is happy to meet with tenants individually or with the Residents Groups and address a public meeting (or more than one if required). We would be pleased to go through this document and discuss any concerns residents have or explain any of the comments we have made if we have not been clear in what we have outlined.
28. You have an opportunity to help shape the future of Government policy on the provision of social housing by delivering a resounding **NO VOTE** in this ballot. Like your fellow NIHE tenants in Ballyclare you can send a clear message to the Department and any incoming Minister that **your home is not for sale**.
29. **VOTE NO** to protect social housing and the Northern Ireland Housing Executive.

VOTE NO to support community empowerment.

VOTE NO for you, your family and your community.