Northern Ireland Assembly

Committee for Communities

Room 430
Parliament Buildings
Tel: +44 (0) 28 90521895

RESPONSE TO THE COMMITTEE FOR FINANCE ON THE COMMITTEE STAGE OF THE ADMINISTRATIVE AND FINANCIAL PROVISIONS BILL

Introduction

1. This paper sets out a formal response from the Committee for Communities to the Committee for Finance regarding the provisions contained within the Administrative and Financial Provisions Bill (“the Bill”). This response has been prepared following a request from the Committee for Finance on 24 June 2025 for the Committee for Communities to undertake scrutiny of Clauses 12 and 13 of the Bill, which fall within the remit of the Department for Communities (DfC). Further information was also received from the Committee for Finance on 22 September 2025.

2. The Committee for Communities welcomes the opportunity to contribute to this important scrutiny. In forming its position, the Committee has considered the Bill as introduced, its accompanying Explanatory and Financial Memorandum (EFM), briefing papers from the Department for Communities, and a research paper from the Assembly’s Research and Information Service (RaISe).

3. To further inform its consideration, the Committee held an oral evidence session with senior officials from the Department for Communities on 25 September 2025. This session allowed Members to probe the policy rationale, operational implications, and potential challenges associated with the proposed clauses.

4. This submission details the Committee's scrutiny of and collective position on Clauses 12 and 13. It outlines the background to each provision, summarises the key issues and concerns raised by Members during the evidence session, and provides the Committee's view on each clause.

Background and Policy Rationale

5. The Committee notes that the Bill is a miscellaneous provisions bill, led by the Department of Finance, which addresses a broad range of administrative and financial matters across several Executive Departments. The clauses pertaining to the Department for Communities are intended to regularise and improve existing processes in relation to **social housing and local government**.

6. **Clause 12 (Investigation of housing association tenancy fraud)** originates from long-standing recommendations in reports by the Northern Ireland Audit Office (NIAO) in 2013 and the Public Accounts Committee (PAC) in 2014. Both bodies recommended the establishment of a single tenancy fraud team to provide investigative services to both the Northern Ireland Housing Executive (NIHE) and the Registered Housing Association (RHA) sector. This was intended to create economies of scale and enable more consistent and effective investigations. The Committee was informed that a legislative gap currently

prevents the NIHE from using its resources to undertake investigations for RHAs or to charge for such a service. Clause 12 seeks to remedy this by empowering the NIHE to provide this service on a cost-recovery basis and enabling the necessary two-way exchange of information to facilitate investigations.

7. **Clause 13 (Setting of rate of basic allowance for councillors)** stems from a key recommendation of the independent ‘Review of the Role and Responsibilities of Councillors in Northern Ireland’. Currently, DfC sets a maximum level for the basic allowance, but individual councils decide the actual amount paid, leading to variation across the eleven council areas. This clause transfers the responsibility for setting the definitive amount of the basic allowance to DfC, removing the decision from individual councils. The stated policy objective is to ensure fairness and consistency, so that all councillors are paid the same standard rate for performing the same core duties.

Committee Scrutiny and Position: Clause 12

8. The Committee for Communities is content with the overarching policy objective of Clause 12. Tackling tenancy fraud is vital to ensure that scarce social housing resources are allocated to those in the greatest objective need. The principle of enabling RHAs to access the considerable expertise built up by the NIHE’s specialist team is a logical step towards creating a more robust and consistent approach across the entire social housing sector.

9. During the evidence session on 25 September 2025, Members scrutinised the practical implications of this clause in detail. While supportive of the principle, the

Committee wishes to place on record a number of significant points and areas for potential further consideration.

10. **The Scale of the Problem and Data:** The Committee sought to establish the current level of tenancy fraud within the RHA sector compared to the NIHE. Officials provided figures for 2024-25, showing 103 confirmed cases of fraud in the RHA sector (c.40,000 properties) and 272 cases in the NIHE sector (c.83,000 properties). The Committee noted the difficulty in making direct comparisons due to variances in resources and procedures across the 19 different RHAs. The Committee believes that a more detailed, proportionate breakdown of fraud types (e.g., succession, non-occupation, subletting) is essential for effective scrutiny and has requested this information from the Department.

11. **Operational and Financial Arrangements:** Members questioned officials on the proposed charging model. The Committee has a concern that any fee structure must be proportionate and should not place an undue financial burden on smaller housing associations. Departmental officials confirmed that this was at an early stage and that discussions were ongoing with the sector to develop a fair model. The Committee expects to be kept informed of the outcome of these discussions and stresses the need for a transparent and equitable cost-recovery mechanism.

12. **Investigative Process and Tenant Rights:** Significant concern was raised by Members regarding the investigation of succession claims. While acknowledging the need to tackle succession fraud, Members highlighted that genuine applicants for succession are often subjected to prolonged, intensive, and stressful investigations. There is a clear need for balance. The Committee seeks assurance that in implementing this new arrangement, processes will be

sufficiently robust to identify fraudulent claims while also being sensitive and proportionate in handling legitimate cases, thereby protecting the rights of tenants and their families. The Committee believes this is an area of policy that requires further review.

13. **Oversight and Accountability:** A key concern was raised that enabling the NIHE's investigative team to act on behalf of RHAs could lead to a perception of the NIHE, as the largest social landlord, "marking its own homework". The Committee considers it essential that robust and independent oversight mechanisms are in place. These mechanisms must ensure that the investigative function is applied with equal rigour and transparency to NIHE properties as it is to RHA properties. The Department for Communities must provide clear assurances on how this oversight will be maintained.

14. **Wider Review and Future Legislation:** The Committee was informed that Clause 12 is a first step, and that a wider departmental review is underway to consider further measures to tackle tenancy fraud. This may include the creation of a specific criminal offence for unlawful subletting, which would align Northern Ireland with legislation in England and could strengthen powers for data sharing with utility companies and other bodies. The Committee supports this wider review and expects to be fully consulted on its findings and any subsequent legislative proposals that may be brought forward in a future Housing Bill.

15. **Conclusion on Clause 12:** Having considered the evidence, the Committee for Communities is content for Clause 12 to proceed. However, this support is conditional on noting the significant points raised regarding the need for a fair charging model, the protection of rights in succession cases, robust independent

oversight, and the necessity of the wider departmental review to bring forward more comprehensive reforms.

Committee Scrutiny and Position: Clause 13

16. The Committee for Communities supports the principle of Clause 13. The current system, whereby councillors are involved in decisions on their own level of basic allowance, is untenable and has led to an inequitable situation with differing rates of pay for the same role across Northern Ireland. Transferring this function to the Department for Communities is a step towards consistency and removing a conflict of interest.

17. During scrutiny, the Committee identified several important issues related to the implementation and future development of this policy.

18. **Independent Remuneration Body:** There was a strong and clear consensus within the Committee that, in the longer term, the responsibility for setting councillors' remuneration should not rest with the Department, but with a fully independent body. This would remove the decision from the direct political sphere entirely, mirroring the model used for MLA salaries. The Committee strongly recommends that the Department for Communities develops proposals to establish such an independent panel to take on this role in the future.

19. **The Nature of the Councillor Role and Diversity:** The Committee discussed the importance of ensuring that the level of remuneration continues to reflect the part-time nature of the councillor role. Members noted evidence from the

independent review that the vast majority of councillors have other employment. It is crucial that the allowance is set at a level that does not prohibit people from ordinary working backgrounds, people with disabilities, or those with caring responsibilities from standing for and serving in local government. The system of remuneration must support and encourage diversity, not create barriers to it.

20. **Practical Implementation and the Rating Cycle:** A key practical point was raised regarding the timing of any annual determination of the allowance. To ensure sound financial planning, it is imperative that councils are informed of the new allowance level in advance of their annual rate-setting process (typically concluded in February). The Committee urges the establishment of a clear annual timetable for this decision-making process that aligns with the local government financial calendar to avoid the need for retrospective payments and budgetary uncertainty for councils.

21. **Conclusion on Clause 13:** The Committee for Communities is content for Clause 13 to proceed as a necessary interim step. However, the Committee strongly urges a move towards a fully independent process for setting councillor remuneration in the future, and to ensure that practical implementation is sensitive to the council rating cycle.

Conclusion

22. The Committee for Communities has completed its scrutiny of Clauses 12 and 13 of the Administrative and Financial Provisions Bill. The Committee is supportive, in principle, of the policy objectives behind both clauses.

23. The Committee trusts that the Committee for Finance will give consideration to the points, concerns, and recommendations outlined in this response as it continues its Committee Stage scrutiny of the Bill.