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## **CLERK TO COMMITTEE FOR SOCIAL DEVELOPMENT**

Dr Kevin Pelan  
Room 412  
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BELFAST  
BT4 3XX

7 December 2012

Dear *Kevin*

### **January 2013 Monitoring Round**

1. The Department's January 2013 monitoring return is due with Finance & Personnel on 3<sup>rd</sup> January 2013 and, as you know, an oral briefing on this has been scheduled for Thursday 13 December. With the usual caveat that the information provided may be subject to change, the following paragraphs outline our main proposals.
2. The key elements of our planned return are set out by Business Area in the table below, with explanatory narrative on each included in the subsequent paragraphs.

**Table: Main Monitoring Round Proposals**

<b><u>Housing</u></b>	<b>£m</b>	<b>Classification</b>
Special Purchase of Evacuated Dwellings (additional receipts)	1.00	Resource
NI Housing revenue easement	6.00	Resource
<b><u>Social Security Agency</u></b>		
Resource easements	9.00	Resource
<b><u>Urban Group</u></b>		
Resource easements	0.80	Resource
<b><u>Core Department</u></b>		
Independent Living Fund easement	0.30	Resource
<b><u>Child Maintenance &amp; Enforcement</u></b>		
Resource easements	0.50	Resource
<b><u>Non-cash costs</u></b>		
Social Security Agency easement	0.25	Resource non-cash

## **Housing**

- 2.1 At this point an overall £7m reduced requirement has been identified on the Housing side, made up of £1m in the Special Purchase of Evacuated Dwellings (SPED) category; £2.5m from deferral of a Voluntary Early Release (VER) scheme in the Housing Executive; and £3.5m from additional efficiencies achieved in other areas. Further details are provided below.
- 2.2 The SPED surplus position arises from sales exceeding the budgeted figure by £1m and must be surrendered in line with accounting rules for extra receipts. The Release scheme originally intended for this year (at a projected cost of £2.5m) has been deferred, given the governance requirements and associated issues the Executive is currently dealing with (Housing Benefit administration, rent arrears and welfare reform preparation). There

are staffing pressures associated with these activities so it does not make sense to introduce the scheme at this time. The other efficiencies (amounting to £3.5m) stem from the Housing Executive having generated substantial efficiencies through their maintenance procurements.

### **Social Security Agency**

- 2.3 The Agency has identified reduced requirements of approximately £9m in the monitoring round. The easements stem primarily from confirmation of reduced IT costs payable to DWP for the main benefit systems and the treatment of associated VAT payments (£6m). The difficult passage of the Welfare Reform Bill and impact on Welfare reform–related project costs have resulted in easements amounting to £1.5m. Easements in other areas, including revised variable charges on the ATOS Medical Support Services contract, make up the balance of £1.5m.

### **Urban Group**

- 2.4 The Urban Group has identified approximately £0.8m in resource easements. The easements come from additional income received on Comprehensive Development schemes in-year (£0.5m) and reduced spend on some Neighbourhood Renewal projects (£0.3m).

### **Core Department**

- 2.5 In the Core Department, reduced requirements of £0.3m have been identified. This stems from Independent living Fund costs being lower than anticipated and is tied into claimant attrition rates being higher than anticipated – the Fund has been closed to new applicants since June 2011.

### **Child Maintenance & Enforcement Division**

- 2.6 The Division anticipates an easement of around £0.5m in this monitoring round. This is down to a combination of reduced staff costs arising from recruitment delays & deferrals; lower IT, legal and facilities management costs than anticipated.

## **Non-Cash Easement - £0.25m**

- 2.7 This non-cash easement in the Social Security Agency stems from reduced requirements relating to depreciation & impairment issues. These non-cash amounts cannot be used for any other purpose and will be surrendered.

## **Summary & Conclusion**

3. The above paragraphs set out the main elements of the Department's January 2013 monitoring round proposals which I trust the Committee will find helpful. I should confirm that I will be attending the oral briefing with Damien Carragher from Housing Division.

## **STEPHEN MCMURRAY**

cc: Joyce Bill  
Lorraine Hillis  
Debbie McKibben  
Damien Carragher  
Brian Robinson  
David Reid