ANNEX A

FOI DOF/2025-0514

Request

A copy of the final Business Case and any Gateway project review reports for the transfer of rates project for Owner Occupiers from LPS to the Northern Ireland Housing Executive in June 2022.

DoF response

I can confirm the department holds the information requested. Please see attached Annex B-D

Individuals and staff names/details are withheld (redacted) as this information is exempt under Section 40(2) of the Freedom of Information Act because such disclosure would contravene the first principle of the Data Protection Act 2018, which requires that personal data must be processed lawfully, fairly and in a transparent manner. Disclosure would be unfair, because the sole trader would not expect that this information would be made available to others.

Section 40(2) exempts personal information from disclosure if that information relates to someone other than the applicant and if disclosure of that information would contravene one of the data protection principles in the General Data Protection Regulations (GDPR) (or certain other provisions of the Data Protection Act 2018).

Having considered all the information contained within the Lawfulness, Fairness and Transparency Test (which we are providing as a separate attachment – Annex D), the department has established that, on balance, there is no lawful basis for the disclosure of third-party personal data falling within the scope of the request of which the requester is not the data subject.

Some information is redacted under Section 41 of the Freedom of Information Act (information given in confidence)

Some information is withheld under Section 43 (Commercial Interests of any legal person (an individual, a company, the public authority itself or any other legal entity)).

Section 43(2) of the FOI Act is a qualified exemption and is subject to a Public Interest Test. The Public Interest Test, provided at Annex E, provides further details of the public interest considerations around disclosure of this information

The exemptions used have been highlighted in the individual Annexes.

Privacy Marking OFFICIAL
Stage Gate Assessment - Gate 4 Readiness for Service
Risk Level - Medium
NI Assurance ID GWY/001/061
Department – Department of Finance
Project Title – Housing Benefit Future Delivery Project

NI Template Version	**NI V1.0 2021**
Report Version:	**FINAL**
Senior Responsible Owner (SRO):	**Chris Rooney**
Date of SRO Appointment letter:	**[Insert dates dd/mm/yyyy]**
Programme or Project Title:	**Housing Benefit Future Delivery Project**
Does this review cover the entire Project ?	**Yes**
Department:	**Department of Finance**
Agency or NDPB (if applicable):	**Land and Property Service**
Project Director (or equivalent):	**Deirdre Simpson**
Business Case stage reached:	**Delete as appropriate:** **Full Business Case (FBC)**
Review Start Date:	**11/05/2022**
Review End Date:	**13/05/2022**
Review Team Leader:	Sect 40(2) [redacted]
Review Team Members:	Sect 40(2) [redacted]
Report Distribution	**Final report: Chris Rooney SRO, Neil Gibson Accounting Officer,** Sect 40(2) [redacted] **CoE for PPM (for lessons learned)**
Previous Review:	**Project Assurance Review** **20/10/2021 to 22/10/2021** **DCA - Amber/Green**

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[Please remember to click on "update table" once the report is completed to ensure that the contents table above is accurate]

About this report

This report is an evidence-based snapshot of the programme's/project's status at the time of the review. It reflects the views of the independent review team, based on information evaluated over the review period, and is delivered to the SRO immediately at the conclusion of the review.

This assurance review was arranged and managed by:

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1. Stage Gate Assessment (SGA)

All Gate Review Workbooks can be found on the Department of Finance website.

Delivery Confidence Assessment
Amber
Successful delivery of the project to time, cost and quality appears feasible however one significant issue already exists and is receiving management attention. This is the delivery of the MVP. This must urgently be followed by the processing of Change Requests. This will lead to an increase in process and data exchange automation. Sect 43(2) [redacted]
As the specific issue is out with the SRO's direct management authority the Review Team cannot confirm that the supplier can or will meet the required deadlines. Failure to do so would result in the project failing to deliver to cost, and the variance would be influenced by the duration of the delay. Nonetheless, the Review Team recognise that the risk is formally accepted by the Project Manager and the SRO, both of whom are managing the risk and are very closely monitoring the situation. Whilst the above explains why the project has attracted an Amber rating at this point, the SRO may wish to note that had this situation not materialised and in the event the supplier can speedily get the automation delivery back on track, then this project will most probably turn to a Green DCA in short order.

2. Summary of concerns, evidence and recommendations

Priority	Recommendation	Risk* and Issue Identified with Evidence	Classification Insert Reference	Critical, Essential, Recommended
1	The Project Manager should compile a formalised Service Readiness checklist and present this to the Project Board at the appropriate time to facilitate the SRO "Go/No Go" decision.	The absence of a formal checklist introduces the risk that the SRO may have to delay the 'go live' decision due to uncertainty that all required actions are completed.	Governance	Recommended prior to next Project Board meeting
2	The Project Manager should review the RAID Log to confirm that the issues and risks impacting on the project now and throughout the transition to business as usual, and successful project closure are appropriately captured.	All project document, including the RAID log must be consistently updated or the risk that Board members will access inconsistent information and fail to focus on the key elements of the project delivery is introduced.	Governance	Recommended
3	The SRO should ensure the decision not to utilise the API approach for this project, is	There is a risk that the IT departments, the Supplier and the Contract Manager do not fully	Technology	Critical do by 20th May 2022

	communicated to all parties and ensure that all parties focus on the urgency of moving business from manual contingency processes to automated processes as far as possible.	understand the cost and error implications introduced by the contingency manual work arounds. Consequently, they may fail to recognise the need to prioritise Change Requests and minimise manual contingency urgently.		

*Risk denotes risks, issues, concerns and key dependencies

All recommendations should be categorised as Critical, Essential or Recommended:

- **Critical (Do Now)**: To increase the likelihood of a successful outcome it is of the greatest importance that the programme/project should take action immediately.
- **Essential (Do By)**: To increase the likelihood of a successful outcome the programme/project should take action in the near future. *[Note to review teams – whenever possible Essential risk based recommendations should be linked to programme/project milestones e.g. before contract signature and/or a specified timeframe e.g. within the next three months.]*
- **Recommended**: The programme/project should benefit from the uptake of this recommendation. *[Note to review teams – if possible Recommended risk based recommendations should be linked to programme/project milestones e.g. before contract signature and/or a specified timeframe e.g. within the next three months.]*

3. Blockers to delivery

Ref No:	Blocker	Describe specific nature of blocker	Consequence if not resolved
1	NONE		

4. Comments from the SRO

SRO Comments
I am disappointed in the Amber rating for the project but accept that the LPS IT requests are not within the direct control of LPS. These IT requests are under scrutiny and the project team is in continual communication with the IT supplier to ensure successful and prompt delivery. I appreciate the wording used by the review team recognises the efforts made by the project team and considers that the resolution of IT requests would make the review outcome Green. I recognise and accept the recommendations made by the review team and these will be taken forward to resolution. I thank the review team for their engagement with our project team, staff and stakeholders.

5. Review Team findings and recommendations

1. Governance

PB Constitution and Effectiveness

The Review Team saw good documentation around governance setting out the Project Board Constitution that appears to enable timely approvals and assurance at the right levels and with representation from key stakeholders. The Review Team heard from several interviewees who were effusive in their praise of the project team's provision of documentation at boards.

Checkpoint Meetings

In addition, the Review Team saw documentation and heard examples of the effectiveness of underpinning the monitoring and management arrangements by having established an effective Checkpoint forum, that meets regularly and with increased frequency as and when required. Currently as the Project Team face imminent Transition Plan implementation, this forum is holding weekly checkpoint meetings.

Project Resource – skills and knowledge

The Review Team recognise from documentation provided and heard at interview that both the LPS and NIHE established a robust project foundation utilising experienced, skilled, and knowledgeable project staff. This has underpinned the successful delivery of each stage of the project to date. Repeated endorsement and support for the work of the project teams was universally expressed throughout interviews.

The Review Team saw good evidence of the successful application of PPM tools and guidance alongside the implementation of sound monitoring and management controls. For example, the documents and processes utilising: the FBC; the RAID Log; the Delivery Plans; the Benefit Realisation Plan; and a Memorandum of Understanding that is supplemented by a Transition and Implementation Plan. These are all working documents that are applied, reviewed, and updated regularly in line with the maturing detailed feedback as testing and transition gently commences.

The Review Team saw and heard that the project has embraced good practice tools and guidance in relation to project and programme management (PPM). This was evidenced by the quality documentation supplied to the Review Team and supported by comments from interviewees. The Review Team also heard positive feedback from project stakeholders regarding the quality of the project management outputs. Whilst the Review Team was impressed by the quality of the high level and detailed delivery plans, Transition and Implementation Plans and the Benefit Realisation plan supported by a Memorandum of Understanding (MoU), it is to their credit that the project team recognise that there is still work to be done to further strengthen transition from service readiness through to live running and Business as Usual activity.

Overall Project Success Measure

The overall measure of success of this project's aims and objectives will be evidenced by the NIHE proving that they are delivering a more efficient, effective, increased value for money and improved customer service. The Review Team heard that baseline measures have been established and that there is a high degree of confidence that this will all be achieved. Factual proof by way of measure cannot be realised until the transfer has been completed and a backlog of arrears of work (caused by a system downtime to facilitate transition of data) has been remedied. The Review Team heard that it is anticipated that measures of success will be available around 12 months from now.

Benefits Realisation

In addition, the Benefits Realisation measures are clear, and the process is known and welcomed in both LPS and NIHE. As LPS are still accountable for the payment of owner occupier LIRR, the NIHE will report to LPS on a regular basis in order that BR can be monitored and realised. The Benefit Realisation plan addresses the identification and timing of appropriate monitoring and measurement.

IT Delay Impact

The delay to the delivery of an automated interactive system has introduced a requirement for both LPS and NIHE to implement short term contingency arrangements. The Review Team heard that whilst this is not ideal and introduces additional costs, this is the pragmatic way to progress at this point.

The Review Team saw and heard that both LPS and NIHE appear well prepared for implementation, albeit having to go with the manual contingency in the first instance. LPS continue to manage the situation closely regarding ensuring suppliers deliver automation urgently to eliminate as many manual processes as possible at the earliest opportunity.

The Review Team heard from several interviewees who were clear on the actions that need to be taken 'and recorded' to ensure the Project Board and importantly, the SRO are fully apprised in order that the SRO may take the "Go/ No Go" decision in a timely manner. Similar checklists will also be required for key decision points through to project closure.

It is for this reason the Review Team is recommending that the Project Manager should urgently compile a formalised Service Readiness checklist. This should be a relatively straightforward exercise given that individuals have verbalised most aspects that should be included.

Recommendation 1 **Recommended**

The Project Manager should compile a formalised Service Readiness checklist and present this to the Project Board at the appropriate time to facilitate the SRO "Go/No Go" decision.

2. Business Case

The Outline Business Case (OBC) was completed in April 2020 and approved by Department of Finance (DoF) Supply in May 2020. After being halted due to the pandemic the project was recommenced using the same OBC in April 2021. The OBC has now been developed into a Full Business Case (FBC) with the latest draft version (2) dated 5th of May, which was shared with the Review Team.

The FBC is badged as a LPS document but includes NIHE input. As such it represents the business case for the whole project for the delivery of benefits by both LPS & NIHE. There was consistent satisfaction with the current FBC expressed by the key stakeholders interviewed.

The FBC does not follow the newer five-case model (which presents a Strategic, Economic, Commercial, Financial & Management case) as per DoF Economist advice. Nonetheless, this case provides a robust case for this project. The FBC indicated a close alignment with the figures in the OBC with a saving on the total costs of £152,000 currently being shown.

The FBC has now been submitted to LPS Finance Director, who the review team heard is content that the project continues to represent value for money. "Formal Approval to Proceed" is outstanding and requires a signature from both the Finance Director and the SRO indicating that they have completed "a Quality Review of the document and are content that it fully meets the product description". It is understood that this is intended to occur after the next project board meeting, although this was not verified in the documentation.

3. Risk Management

The risk strategy for the project is managed by the LPS project team. The risks are assessed using the application of the standard corporate risk management methodology (RAG). Risks are recorded in the Project Risk Register. There are also an Assumptions, Issues and Dependency logs, which are combined into an overall RAID log. The version of the RAID log shared with the Review Team is version 4 dated 12th April.

The Review Team observed that there were no dependencies recorded and the issues raised, both of which relate to ICT have been closed. There also appeared to be a lack of consistency in the approach to recording the serious (red) risks across project documentation.

The RAID overview lists 47 residual risks of which nine are serious, although there are only two listed as serious on the risk summary table; these are "*data cannot be transferred to NIHE successfully" and "Failure to commission or adopt an ICT Solution".* Alternatively, the risk summary sheet in the latest FBC (section 6.2, Project Risks) lists five red risks; three for ICT, as well as "*approval not obtained for FBC" and "Business Change causes disruption or failure operations"*

The Review Team saw and heard that the project team have implemented mitigation strategies and that most red risks were accepted as now being at worst “significant” and probably “moderate” or “mild” e.g., as would be the case for the two FBC risks quoted above. The Review Team heard that a decision had been taken at board level to maintain the red status of all serious risks at present as this was perceived as being a means of maintaining resolution/mitigation focus.

Sect 43(2) [redacted]

As previously suggested the documentation needs to reflect the current situation and the Review Team recognise that the current RAID log entries do not appear to fully reflect the issues and risks impacting on the project. This needs to be rectified and maintained through to business as usual and project closure.

It is for the reasons above that the Review Team is recommending that the Project Manager should review the RAID Log to confirm that the issues and risks impacting on Business as Usual and successful project closure are appropriately captured.

Recommendation 2: **Recommended**

The Project Manager should review the RAID Log to confirm that the issues and risks impacting on the project now and throughout the transition to business as usual, and successful project closure are appropriately captured.

4. Technology/Data/Information Governance

The project involves the transfer of the processing of selected elements of Housing Benefit from LPS to the NIHE. The processing will be undertaken on a different computing platform and therefore requires the relevant information to be extracted from the LPS system, securely transferred to NIHE and ingested into their computing platform. The transfer processes require HB claims to be suspended while the changeover occurs. This has been planned for a two - week window.

Once the NIHE commence the processing of HB LIRR claims there will be ongoing data exchanges between the two organisations to ensure adjustments to entitlements can be flagged to other systems in both organisations.

Sect 43(2) [redacted]

The Review Team saw evidence that the Project Board agreed to reduce the scale and scope of the updates to utilise a weekly Secure File Transfer mechanism to satisfy the requirement for ongoing data exchanges. (PB Minutes 2 March 2022) The reduced functionality will provide the required information for use within the transfer window. In this way the pressure on resources was contained to meet the "Go Live" deadline. The Review Team also heard that following re-consideration of the value of extensive automation the scope of future enhancements for the project have been scaled back.

Nonetheless, the Review Team heard conflicting views as to the expectation that an API to facilitate fully automated data exchanges will be delivered. It is for this reason the Review Team is recommending that the SRO makes a clear decision and ensures that all PB members communicate this to all relevant parties within LPS, NIHE and suppliers.

Recommendation 3 **Recommended**

The SRO should ensure the decision not to utilise the API approach for this project, is communicated to all parties and ensure all parties focus on the urgency of moving business from manual contingency processes to automated processes as far as possible.

The Review Team heard that the supplier impact assessment relating to a previous Change Request for an API served to delay work to develop the data transfer mechanism. Had communications been more effective in this instance, such a delay may not have occurred and progress on automation may have been further advanced by this point. The Project Manager would be well advised to consider and capture any Lessons Learned from this situation.

Sect 41 [redacted]

The Review Team heard that the replacement for the ABBACUS system would not have the ability to deal with queries on older claims relating to Housing Benefit which were not transferred to NIHE. Therefore, there is a need to provide access to such information until disposal is undertaken in line with existing NI Assembly approved Retention & Disposal schedules.

Consideration of the management of such information is planned to take place during the project closure stage. The Review Team heard that this piece of work could be removed from this project and handled as a separate piece of work, within another project, without detriment to the objectives or benefits realisation of this project. Such a strategic decision might serve to provide LPS with a cost avoidance opportunity when the undertake their ABBACUS replacement project.

The Review Team endorse this sensible proposal, subject to the organisation applying strategic considerations. The development of a mechanism to access historical information on behalf of NIHE in a limited number of cases is likely to prove costly to LPS. Nonetheless a sharing of historical data is a requirement if NIHE is to effectively administer owner occupier caseloads.

The Review Team saw and heard evidence of assurances being sought and provided in respect of supplier accreditation to address Public Sector requirements on Cyber Security and Data Processing best practice. The existence of the accreditation provides assurance to the SRO that personal information of applicants will be secure while in transit, being processed and at rest.

The Review Team heard of the importance placed on the high standard completion of the various elements of data protection documentation including Data Processing Impact Assessments, Data Sharing Agreements, and Memorandum of Understandings. The Review Team heard that all the required documentation is in place for work undertaken during the project, Review of this documentation is underway, including the revised MOU between LPS and NIHE, to update it for transition to Business as Usual from 1 June 2022. The Review Team had sight of this draft document. This attention to Information Governance is to be commended.

6. Communications and Stakeholder Engagement

The Review Team had sight of the comprehensive stakeholder analysis, communication and engagement strategy and the detailed communications plan timetabling targeted deliverables.

The Review Team heard of internal communications that take place regularly across both LPS and NIHE, with a particular focus on staff who are personally affected by the project. Staff in both organisations in targeted focus groups are regularly engaged in preparations for the change in operational processes and contribute to the development of advice, guidance, and revised procedures.

The Review Team was told that the project's Communications Working Group has ensured a uniform approach to messages to external stakeholders and to internal stakeholders across both organisations. NIHE will lead on external communications once they take responsibility for Owner Occupier claims and, to ensure consistency of messages, the Communications Working Group will continue to quality assure content for some time afterwards.

Some direct caseload communications have been undertaken to directly inform impacted members of the public.

The Review Team heard that communications are also being targeted at the advice sector as many customers approach the Department via these routes. MLA's and their constituency offices are also key points of contact for members of the public.

The Review Team was told that there is an intention to communicate the changes to elected representatives following the recent election. There is also a recognition that following the election changes there may be a further requirement to communicate with MLA's again in approximately three months, when constituency offices have been established and staffed. The Review Team was pleased to hear that the NIHE project Communication and Engagement plans are being amended to incorporate this requirement.

Training plans are well advanced and will be implemented imminently. The Review Team note that the timeline for training delivery and the content will differ, as LPS move to new roles. Nonetheless, the Review Team heard that LPS are to offer awareness training on MOU and Governance documentation to some of their staff. The SRO may be well advised to assure himself that NIHE has considered offering the same in their organisation.

6. Areas of good practice

Commending delivery of	Describe specific details of successful delivery
Change Management and Transition	• Staff positively welcome and embrace the coming changes • Enhanced staff personal development opportunities have been welcomed and evidence of increased application of new skills and knowledge are being recognised • Several interviewees stated that "True Partnership working between LPS and NIHE is the best I have experienced"
Other	• Interviewees were clear in their opinion that LPS and NIHE Project Staff are held in highest regard
Stakeholder management	• Several interviewees commented on the sensitive and thorough engagement with staff, whose roles are impacted, and their representatives in both organisations were recognised as having positively influenced the outcomes for staff • Training plans and materials for new service delivery staff were acknowledge as being detailed and have been assessed as sufficiently robust to cover all anticipated scenarios • Thorough stakeholder analysis and focus on customers has ensured that communications have not served to confuse the public. Communications about an administrative change relating to this niche housing benefit recipient group have been specifically targeted.

Acknowledgement

Review Team Acknowledgement
The Review Team would like to thank the SRO, the Project Manager, and the Deputy Project Manager for their support. The Review Team would also like to thank all interviewees for their co-operation and openness, which contributed to the Review Team's understanding of the Project and the outcome of this review.

7. Next Assurance Review

Next Assurance Review
The Review Team suggest that the next review should be a Gateway 5 Operations and Benefits Realisation Review. This should be conducted around May 2023 as Benefits Realisation measures and overall project success measures should be sufficiently mature as to facilitate confirmation of smooth operation, delivery of outputs and some achievement of Benefit Realisation. The Review Team note that as the project will be long closed by this date the Review would need to be undertaken within the NIHE organisation, albeit that the report may be applicable to the LPS due to their ultimate accountability responsibilities.

ANNEX A – Stage Gate Assessment (SGA) Descriptions

The Centre of Expertise for Programme and Project Management has moved to a 3 tier SGA RAG status (Green, Amber, Red). The SGA will be based on the following definitions:

Colour	Criteria Description
Green	Successful delivery of the programme/project to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery. ***Recommendation: The programme/project is ready to proceed to the next stage.***
Amber	Successful delivery of the programme/project to time, cost and quality appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun. ***Recommendation: This programme/project can proceed to the next stage with conditions but the programme/project must report back to CoE and DoF Supply on the satisfaction of each time bound condition within an agreed timeframe.***
Red	Successful delivery of the programme/project to time, cost and quality appears to be unachievable. There are major issues which, at this stage, do not appear to be manageable or resolvable. The programme/project may need re-baselining and/or its overall viability re-assessed.

	Recommendation: This programme/project should not proceed to the next phase until these major issues are managed to an acceptable level of risk and the viability of the project/programme has been re-confirmed.

ANNEX B - Background

Question	Answer
Describe the aims of the project	The overall Project objective is to design, legislate for and establish administrative arrangements for the NIHE to deliver the administrative arrangements for HB (rates) and LIRR for Owner Occupiers effective from 01/06/22. Statutory responsibility for the scheme and expenditure remains with Department of Finance (DoF). The project objectives are to provide an improved customer service with enhanced accessibility quicker application processing and provision of online services; to reduce fraud and error, reduce costs of service delivery and to align resources with business priorities with legislative and stewardship responsibilities refined. The Department for Communities (DfC) Committee approved the Statutory Regulations (SR) on 16/12/21 and the DoF Committee approved the changes on 05/01/22. The SR were laid in the Northern Ireland Assembly on 03/02/22 and there were no concerns raised by elected representatives. The Housing-Related Functions of the Department of Finance (Exercise by the Housing Executive) Regulations (Northern Ireland) 2022 came into operation on 01/03/22.
Reasons for the project's existence, by type and description	In April 2018, DoF and DfC commissioned a review of the delivery arrangements for HB (rates) and LIRR for Owner Occupiers to identify potential improvements in the customer journey and maximise efficiencies in its administration. The review identified that delivery of HB and LIRR by the NIHE was the preferred option. Following this, LPS established a Project Team and developed an Outline Business Case (OBC) to appraise the proposed approach. DoF Supply approved the OBC on 15/05/20.

	There is no clear business rationale why LPS should continue to administer HB (rates) on behalf of DfC; it is not a core business function nor does DoF account for or have control over legislative developments and changes emerging from the highly sensitive arena of social security. LPS/DoF was required to purchase a replacement IT system for the administration of HB for a relatively small caseload. This did not demonstrate value for money as procurement of a new system is likely to involve significant cost. The customer base and customer journey is clearly defined in order for the supporting infrastructures to align with delivery. The current delivery models for HB and the DoF Rate Rebate Scheme introduced the potential for misalignment of functions and heightened the risk of poor customer service, inefficient use of resources and the under-utilisation of IT systems. Whilst administration of the service will transfer to the NIHE, DoF will remain statutorily responsible for the HB and LIRR for Owner Occupiers until such times as it is deemed that the primary legislation should be amended to provide a more permanent solution and a better strategic fit for the delivery of this service.
The impact if the project fails to deliver e.g. any risks to or any material impact on civilians/citizens:	Should the project fail existing complex scheme administration, legislation, funding and financial stewardship responsibilities for DfC, DoF, NIHE and LPS will remain. This will result in a fragmented delivery model and complex customer journey for those in need of housing financial support. The qualifying criteria often overlap, and both LPS and the NIHE will continue processing of HB and LIRR. The introduction of Universal Credit (UC) along with the DoF Rate Rebate Scheme (RRS) has added a further level of complexity to the customer journey and current delivery models. Should the project fail LPS will need to continue with the current arrangements which would require significant capital investment in developing new functionality to administer HB for a reducing claimant base. The requirements for the ABBACUS Replacement ICT system does not include HB functionality

	This will also have an impact on LPS staff resources, as it will inhibit the ability to move HB staff to other LPS business areas to manage existing and projected vacancies. Consequently, this will have an impact on LPS who will be required to recruit staff to fulfil existing and projected vacancies.
Project link to departmental or government strategies or policies:	The administration of different rates support schemes creates many complexities for DoF and DfC, not least the confusion and uncertainty for the customer or the additional bureaucracy and system incompatibility. However, the strategic context of Welfare Reform coupled with the introduction of Universal Credit (UC), the DoF Rate Rebate Scheme (RRS) and the implementation of LPS 2020 Strategy provided the opportunity to take stock and re-evaluate the most appropriate future delivery arrangements for HB (rates) and LIRR. There was a particular focus on improved/streamlined delivery service for customers; value for money/most-efficient use of resources; fit with future commissioning of ICT systems/services; and a strategic fit for LPS, particularly in terms of key staff competence. As provision for HB is contained in social security legislation, the DfC Accounting Officer is accountable for the stewardship of all funding spent on HB (rates), including the funding for owner occupiers administered by LPS. The DoF Accounting Officer is accountable for expenditure on LIRR, Lone Pensioner Allowance (LPA) and the DoF RRS; although this is to be funded from the reduction in expenditure on HB (rates). In addition, the delegation of funding of HB (rates) to the Northern Ireland Executive and subsequent transition of funding from AME to DEL without associated policy or legislation changes has resulted in a complex financial stewardship position between the DfC and DoF. There are cross-departmental dependencies in developing the legislation which include social security legislation and DoF Regulations.
Projects interdependencies [if applicable]:	The Housing Benefit Future Delivery Project is aligned with the LPS NOVA R&B Delivery Partner Project which does not include HB and LIRR. Should this project fail, DoF LPS' fall-back position will be that the HB and LIRR for owner occupiers will be included as part of the NOVA ICT system. As part of the LPS NOVA Programme, the HB/LIRR module can be procured under additional services.

	There are cross-departmental dependencies in developing the legislation which include social security legislation and DoF Regulations.
Has the SRO's appointment letter been approved at the appropriate levels?	Yes.
The procurement / delivery status:	As a result of this Project, DoF LPS did not procure a new IT system. The OBC confirmed that continuing with the current arrangements would require significant capital investment in developing a new functionality to administer HB for a reducing claimant base; no return on the investment, in the form of reduced running costs, could be realised. Sect 43(2) [redacted] All LPS IT changes will be (have been) have been procured under the current ABBACUS contract with Equiniti. The current HB functionality within ABBACUS will not be available to HB staff from 01/06/22.
Funding / Business Case:	DoF Supply's approval letter of the Project's Outline Business Case (OBC) confirmed that the project continues to represent value for money and approval for total capital costs of £40k and associated resource costs of £20,405k was provided. DoF Supply approved the Project's OBC on 15/05/20 subject to the strict adherence to the following conditions: • the project continues to be implemented in line with timescale indicated in the revised business case; • there are no substantial changes to the scope/scale of the project as described in the submission; and

	• the capital and/or resource costs vary by no more than 10% from the value stated. The Full Business Case (FBC) April 2022 confirmed that the Project continues to represent value for money and meets the DoF Supply approval requirements adhering to the approval conditions. As none of the conditions of approval stipulated in DoF Supply's approval letter have been breached then no further approval is required from DoF Supply or the DoF Economist. The LPS Chief Executive Officer or the SRO can approve the FBC.
Project plan:	Does the project / programme have an appropriate plan in place? Yes Has the plan been baselined? Please include who signed it off etc. Yes. A full integrated Project plan is place and is reviewed regularly by both Project teams. This is presented to the Project Board on a regular basis for approval.
Current position regarding previous assurance reviews:	The previous Project Assessment Review identified that there was a major red risk relating to legislation change is especially significant given the added pressure of having to obtain Assembly approval prior to elections. This risk has been mitigated as the Statutory Regulations (SR) were approved by the DfC and DoF Committees and were laid in the Northern Ireland Assembly on 03/02/22. The Housing-Related Functions of the Department of Finance (Exercise by the Housing Executive) Regulations (Northern Ireland) 2022 came into operation on 01/03/22.

	The previous Project Assessment Review also identified it is essential that the project has a firm formal commitment from their supplier that system changes can be achieved to timescale. The Project Manager obtained formal commitment from the IT Supplier. This is outlined in Annex C. The previous Project Assessment Review made eight recommendations which have been mitigated and are outlined in Annex C, as is progress and status from the previous assurance review

ANNEX C – Progress against previous assurance review

Progress Against Previous Review			
Previous Review Date: 20/10/2021 to 22/10/2021			
Priority	**Summary of risks, issues and related recommendations from the original recommendation**	**Critical/ Essential/ Recommended**	**Current status - has the risk / issue been mitigated**
Low	**Recommendation 1** The Project Manager should review and refresh the project artefacts considering the recent change in 'Go Live' date and take the opportunity to confirm the Terms of Reference for the Project Board.	**Recommended**	This risk has been mitigated. The Project Manager/team refreshed Project artefacts to reflect the revised 'Go Live' date and developed a Project Board Terms of Reference (TOR) that reflects the roles and responsibilities for all members. The TOR was reviewed by the Project Board and signed off by the SRO on 21/01/22.
Medium	**Recommendation 2** The PM should produce an integrated	**Recommended**	This risk has been mitigated. The Project Manager developed an integrated project plan and a legislative contingency plan which was presented to the Project

	project plan to support the existing project plan on a page		Board on the 16/12/21. Further IT contingency plans have been developed and shared with the Project Board in May 2022.
Urgent	**Recommendation 3** The Project Manager should review and refresh the Risk and RAID Log in conjunction with key stakeholders and consider a more concise presentation by way of a dashboard approach, including archiving of historical actions.	**Critical**	This risk has been mitigated. The Project Manager has reviewed and refreshed the Risk and RAID Log. The revision includes a risk dashboard and historical actions have been archived to the back of the document.
High	**Recommendation 4** The Project Manager should ensure that all project risks are recorded on appropriate logs and escalated to the Project Board as	**Critical**	This risk has been mitigated. The Project Manager has ensured that all risks are recorded on appropriate logs and escalated these to Project Board when required. The Project Manager organised a Project workshop on 18/11/21 where the outcomes of the PAR review, project roles and revision of the Project risks took place.

	appropriate. Perhaps convening a Risk Workshop may be an appropriate initial action.		
High	**Recommendation 5** The Project Manager should review and update all costs, including clarification of any identified contingency costs.	**Critical**	This risk has been mitigated. The Project Manager has reviewed and updated all costs, identifying contingency costs, and presented them to Project Board members from November 2021 to date.
High	**Recommendation 6** The Project Manager should increase visibility of financial reporting within highlight reports and perhaps include as a specific item within the PB agenda.	**Critical**	This risk has been mitigated. The Project Manager has included a financial report in the Project Board papers and introduced a specific finance review agenda item at Board meetings. The Project Manager has included a financial report in the weekly checkpoint meeting papers and reviews these at each weekly checkpoint meeting.
Medium	**Recommendation 7** The Project Manager on behalf of the SRO,	**Essential**	This risk has been mitigated. The Project Manager reviewed the previous Departmental Solicitors Office (DSO) advice regarding TUPE and they concluded

	should seek confirmation from legal colleagues (DSO) that TUPE will not apply to LPS staff when transfer of functions takes place.		that because of Regulation 3(5) TUPE will not apply as this is a transfer of administrative functions between public administrative authorities. DSO advised also that the Cabinet Office Statement of Practice (COSOP) does not apply.
Urgent	**Recommendation 8** The Project Manager should seek immediate support from the Digital Support team and broker an urgent meeting/workshop with the supplier to conclude the requirement definition and speedily obtain formal confirmation of 'Go Live' date and estimated costs. **Legislation Risk** Achieving legislative authorisation was	**Critical**	This risk has been mitigated. The Project Manager sought immediate support from the Digital Support team. LPS DSD colleagues attend weekly checkpoint meetings, however a regular meeting with LPS DSD and Equiniti has been held every two weeks to ensure the IT requirements and development progresses in order to achieve the revised target date. The required IT changes to the LPS system were developed and agreed alongside the LPS DSD team and these changes are currently in development. **Legislation Risk Response** The Project Manager provided the Project Board with weekly updates on legislation. The Housing-Related Functions of the

	universally identified to the Review Team as a key risk to the successful delivery of the project.		Department of Finance (Exercise by the Housing Executive) Regulations (Northern Ireland) 2022 came into operation on 01/03/22. The Project Board agreed on 30/03/22 that there is no requirement to continue to provide weekly legislative updates. The Project Risk Register and the RAID Log were updated confirming that the Legislation risk is closed.

ANNEX D – List of Interviewees

The following stakeholders were interviewed during the review:

Name	Organisation and role
Sect 40(2)	Northern Ireland Housing Executive Assistant Director Housing Benefit
Sect 40(2)	Department for Communities Social Housing Policy and Oversight Deputy Director
Eamon Clarke	Land and Property Services Head of Rating Reliefs and Benefits
Sect 40(2)	Land and Property Services Digital Services Directorate ICT Operations
Sect 40(2)	Northern Ireland Housing Executive Senior Housing Benefit Project Manager
Sect 40(2)	Northern Ireland Housing Executive Customer Engagement and Campaigns Manager
Sect 40(2)	Northern Ireland Housing Executive Housing Benefit Operations Manager
Sect 40(2)	Northern Ireland Housing Executive Director of Finance, Audit and Assurance
Sect 40(2)	Land and Property Services Housing Benefit Future Delivery Deputy Project Manager
Sect 40(2)	Northern Ireland Housing Executive Housing Benefits Systems Manager
Chris Rooney	Land and Property Services SRO for Housing Benefit Future Delivery Project and Director of Land and Property Services Revenue and Benefits Division

Sect 40(2)	**Equinity Business Development Manager**
Deirdre Simpson	**Land and Property Services** **Housing Benefit Future Delivery Project Manager**

ANNEX E – Recommendation Classifications and Priority Order

There are 13 classifications in the classification set; Review Teams are asked to record the classification reference number of each recommendation as per the table below.

#	Classification	Definition
1	Governance	Recommendations related to the oversight, structure and decision making of a project/ programme. This theme also includes recommendations relating to alignment with pan-government priorities, strategies and controls.
2	Stakeholder Management	Recommendations related to relationships with all parties with an interest in the outcome of the project/programme, whether internal to the agency, internal to government or external.
3	Programme and Project Management	Recommendations related to all aspects of project, programme and portfolio management, but excludes recommendations on Risk, Issues and Dependency Management (Theme 9) and Resource Management (Theme 10)
4	Change Management & Transition	Recommendations related to the Management of Business Change – all the work required with and in the business and with the customer to make ready for the initiative, in terms of changes to business processes including: business continuity planning, changes to work processes and resourcing, changes to organisational structures and staffing to support transformational or process changes to business delivery to ensure a smooth transition to BAU It does not include Technology Readiness for Service (Theme 12).
5	Financial Planning and Management	Recommendations related to financial planning, organising, directing and controlling of financial activities.
6	Benefits Management & Realisation	Recommendations related to the identification, ownership, measurement and realisation of benefits and dis-benefits. Benefits can be either financial or non-financial.
7	Commercial Strategy & Management	Recommendations related to the end-to-end procurement process including: Procurement strategy and planning, Approaches to the market, Contract negotiation and Contract management.
8	Context, Aim & Scope	Recommendations that are aimed at the clarity of the change to be implemented. It covers alignment to vision, strategy and policy; the purpose, objectives, justification and description of the change; and the determination of success and the necessary environment to ensure success.

9	Risk, Issues & Dependency Management	Recommendations related to the identification, analysis, impact assessment, response and the on-going review and management of Risks, Issues and Dependencies (i.e. outputs that are required by a project to succeed, but which will be delivered by parties not under the direct control of the project).
10	Resource & Skills Management	Recommendations related to all aspects of the identification, supply, optimisation, prioritisation and maintenance of resources and appropriate skills
11	Knowledge Management	Recommendations related to the process of capturing, developing, sharing, and effectively using organizational knowledge. It includes sharing knowledge and experiences or Lessons Learned.
12	Technology	Recommendations related to all technology issues, including the alignment of the technology solution to the technology and business strategy, the integration of one or more technology solutions, the operational readiness of the solution (including testing of the solution), and all aspects of security relating to the technology solution.
13	Other	To be used only when other classifications do not apply.

Each risk-based recommendation will be recorded as Critical, Essential or Recommended:

- **Critical (Do Now):** To increase the likelihood of a successful outcome it is of the greatest importance that the programme/project should take action immediately.
- **Essential (Do By):** To increase the likelihood of a successful outcome the programme/project should take action in the near future. [Note to review teams – whenever possible Essential risk-based recommendations should be linked to programme/project milestones e.g. before contract signature and/or a specified timeframe e.g. within the next three months.]
- **Recommended:** The programme/project should benefit from the uptake of this recommendation. [Note to review teams – if possible Recommended risk-based recommendations should be linked to programme/project milestones e.g. before contract signature and/or a specified timeframe e.g. within the next three months.]

Land & Property Services
Seirbhísí Talún & Maoine

Full Business Case
for the
Future Delivery Arrangements of Housing Benefit and Low Income Rate Relief for Owner Occupiers

Version: 2.0

Updated: 24th May 2022

Status: Final

Owner: Deirdre Simpson

Author: Deirdre Simpson/Sect 40(2)

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Document Control

Version Information and Product Review Log

Product:	Future Delivery Arrangements of Housing Benefit and Low Income Rate Relief for Owner Occupiers.
Product Description:	This document comprises the Full Business Case (FBC) for the future delivery options of Housing Benefit and Low Income Rate Relief for Owner Occupiers.

Review Log:

Version	Reviewer	Sent	Returned	Applied	Feedback
2.0	Clair Hampton DoF Finance and Corporate Services	05/05/22	24/05/22	Content	FI1/21/1462286
2.0	Colm O'Hagan Head of LPS Operational Finance	05/05/22	17/05/22	Content	FI1/21/1462286
2.0	Eamon Clarke LPS Head of Rating Reliefs and Benefits	11/05/22			
2.0	Sect 40(2) Deputy Director, DfC Social Housing Policy and Oversight Division	11/05/22			
2.0	[redacted] DfC Social Housing Policy and Oversight, Head of NIHE Sponsor Team	11/05/22			
2.0	Sect 40(2) Northern Ireland Housing Executive Director of Finance, Audit and Assurance	11/05/22			
2.0	Sect 40(2) Northern Ireland Housing Executive Assistant Director	11/05/22			
2.0	Sect 40(2) Northern Ireland Housing Executive Senior HB Projects Manager	11/05/22			
2.0	Chris Rooney Senior Responsible Owner DoF LPS Director of Revenues and Benefits Reform	11/05/22	24/04/22	Signed	FI1/21/1462286

Approval to Proceed

Approval to Proceed: I have completed a Quality Review of this document and I am content that it fully meets the product description.		
Name:	Signature:	Date:
Deirdre Simpson	*D Simpson*	24th May 2022

Senior Responsible Owner (SRO) Sign-off

Sign-off: I have completed a Quality Review of this document and I am content that it fully meets the product description.		
Name:	Signature:	Date:
Chris Rooney Senior Responsible Owner and DoF LPS Director of Revenues and Benefits Reform	Sect 40(2)	24th May 2022

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1.0 PROJECT BACKGROUND & INFORMATION ON OUTLINE BUSINESS CASE

Over recent years, there have been several developments that make it necessary to review the arrangements for delivering Housing Benefit (HB) and Low Income Rate Relief (LIRR) for Owner Occupiers.

(i) Welfare changes, in particular the introduction of Universal Credit (UC) in Northern Ireland (NI) from 27th September 2017, has seen the gradual phasing out of HB (and, by association, the LIRR Scheme) for most working age claimants. HB will continue to be paid for the foreseeable future to some claimants, for example those living in temporary or supported accommodation who are not required to claim UC and benefit claimants of state pension age.

(ii) A Department for Communities (DfC) led review of housing support, known as the Housing Financial Support Project (HFSP), had its Strategic Outline Case (SOC) approved by DoF (Department of Finance) Supply on 20th December 2017 (CM: FI1/19/1115917). Rating Policy Division, Land and Property Services (LPS) and the Northern Ireland Housing Executive (NIHE) participated in the HFSP, which established that housing financial support for rates is an area which would benefit from a holistic review. The review looked at both: maximising the potential for joined-up delivery (a single cross departmental delivery organisation); and to ensure that the available funding is used to achieve the best outcomes for those who rely on this support.

(iii) The start of the procurement for a new LPS digital rating solution. Continuing with the current arrangements would require significant capital investment in developing new IT functionality to administer HB for a reducing claimant base. Significantly, no return on such an investment, in the form of reduced running costs, would be realised.

1.1 Legislative Provisions

The legislative basis for the division of the administration of HB and LIRR between the NIHE and LPS is set out in the following legislation:

1. Section 126(3) of the Social Security Administration (NI) Act 1992 for HB (DfC primary legislation);
2. Regulation 6 of The Rate Relief (General) Regulations (NI) 2007; and
3. Regulation 6 of The Rate Relief (Qualifying Age) Regulations (NI) 2007 (DoF subordinate legislation).

The draft Statutory Regulations (SR) were agreed by the DfC Minister and approved by the DfC Committee on 16th December 2021. The DoF Committee approved the changes on 5th January 2022. The SR was laid in the NI Assembly on 3rd February 2022 and during the 21-day statutory waiting period, there were no concerns raised by elected representatives.

The Housing-Related Functions of the Department of Finance (Exercise by the Housing Executive) Regulations (Northern Ireland) 2022 confirms that these Regulations came into operation on 1st March 2022.

The LPS Equality Impact Assessment (EQIA) Screening was agreed by Equality Commission Northern Ireland and signed off by the SRO on 30th November 2021. DoF published this EQIA Screening on 11th January 2022 and was issued to 96 consultees.

DfC published its Screening on 7th January 2022 for The Northern Ireland Housing Executive (NIHE) to administer Housing Benefit (Rates) and Low Income Rate Relief (LIRR) for Owner Occupiers from 1st June 2022.

1.2 DoF and DfC Permanent Secretary Approval

The DoF and DfC Permanent Secretary provided their approval for the NIHE to administer HB and LIRR Schemes for Owner Occupiers (FI1/20/536399).

1.3 Outline Business Case Approval

In April 2018, DoF and DfC senior officials commissioned a review of the delivery arrangements for HB (rates only) and LIRR for Owner Occupiers to identify potential improvements in the customer journey and maximise efficiencies in its administration. An Outline Business Case (OBC) (FI1/18/1135255 – Appendix A) for the Future Delivery Arrangements of HB and LIRR Schemes for Owner Occupiers identified that delivery by the NIHE was the preferred option. DoF Supply approved the OBC on 15th May 2020 (FI1/20/547242 – Appendix B) subject to the strict adherence to the following conditions:

- the project continues to be implemented in line with timescale indicated in the revised business case;
- there are no substantial changes to the scope/scale of the project as described in the submission; and
- the capital and/or resource costs vary by no more than 10% from the value stated.

In April 2021 the Project was re-established and as per the OBC approval the NIHE commenced development of the inclusion of HB/LIRR to NIHE system and digital citizen portal. Sect 41 [redacted]

1.4 Key Changes and Development since Outline Business Case

At the initial stages of the Project, NIHE Sect 41 [redacted] were unable to carry out any data extracts within the NIHE year-end timetable which runs from weekend of 19th February 2022 to 1st April 2022. NIHE IT plans include 17th February 2022 as the date that the NIHE's IT system will be fully functional with the last data extract taking place on 9th February 2022. Due to legislative timelines and LPS IT supplier timelines, these timelines were not achievable.

Following an assessment by the LPS Project Team, DfC Social Housing Policy and Oversight NIHE Sponsor Team and the NIHE it was determined that 1st June 2022 would be the next available and achievable for the Project for the following reasons:

a) **Legislation** – would provide sufficient time for the implementation of the required changes to the SR.
b) **LPS IT Requirements** – Provide LPS IT supplier with more time to achieve all required changes to ABBACUS prior to 1st June 2022.
c) **Continuity of Service** – 1st June 2022 would include a short transition period and would minimise the impact on HB service levels.
d) **Data Sharing Mechanism** – provide both IT Suppliers with a more realistic timeline to develop requirements, specifications for data sharing mechanisms etc.
e) **Annual 2022/23 Rates Bills** – provide a more robust process as there would be no changes to the LPS uprating, turn of year processes, and would negate any possible risks to delays in the issuing of 2022/23 rate bills and HB notifications.
f) **Communications** – The LPS Project Team could utilise the usual annual assessment communications sent to all HB Claimants. This could provide clear information on the transfer to administration for HB/LIRR Owner Occupiers from LPS to NIHE and any new processes required.

The Housing Benefit Future Delivery Project Board agreed to the recommendation to change the original target date for the transfer of the HB/LIRR administration of rates for Owner Occupiers from LPS to the NIHE from 1st April 2022 to 1st June 2022.

2.0 SUMMARY INFORMATION ON THE NEED FOR THE PROJECT AND THE ORIGINAL OBJECTIVES

2.1 Project Purpose

The purpose of the Future Delivery Arrangements of Housing Benefit and Low Income Rate Relief for Owner Occupiers Project is to:

> *"Identify, the most appropriate future delivery arrangements of Department for Communities (DfC) Housing Benefit (HB) rates and Department of Finance (DoF) Low Income Rate Relief (LIRR) to owner occupiers and, if appropriate, develop an implementation plan taking into account timescales for the DoF Rate Rebate Scheme, Land & Property Services Revenues & Benefits ICT System replacement project, legislative amendments and legal gateways for data sharing.*

2.2 Strategic Context and Need for the Project

The administration of different rates support schemes creates many complexities for the DoF and DfC, not least the confusion and uncertainty for the customer or the additional bureaucracy and system incompatibility. However, the strategic context of Welfare Reform coupled with the introduction of UC, the DoF Rate Rebate Scheme (RRS) and the implementation of LPS 2020 now provides the opportunity to take stock and re-evaluate the most appropriate future delivery arrangements for HB (rates) and LIRR in terms of:

a) improved/streamlined delivery service for customers;
b) value for money/most efficient use of resources;
c) fit with future commissioning of ICT systems/services; and
d) strategic fit for LPS, particularly in terms of key staff competence.

2.3 DfC Housing Benefit Review and Housing Financial Support Programme

In light of the impacts of UC on the HB caseload, DfC initiated a review which was commissioned to consider the potential to transfer the responsibility for the entire management of HB from the NIHE to DfC ahead of the full UC roll-out in NI. Stakeholders from DfC, NIHE, LPS and DoF reviewed claimant journeys for financial support including: HB rent, HB rates, UC housing element, LIRR, Lone Pensioner Allowance (LPA), Disabled Person's Allowance (DPA) and the DoF Rate Rebate Scheme (RRS). The findings of the DfC Housing Benefit Review in 2017 (CM: FI1/18/1304523), recommended that a:

> *"Formal cross-departmental Programme is established with the aim of developing and implementing housing financial support appropriate to the needs of Northern Ireland."*

There was joint recognition in DfC, DoF (including LPS) and NIHE that housing financial support for rates is an area which would benefit from a holistic review, looking at both: maximising potential for co-delivery (a single cross departmental delivery organisation as recommended by the HFSP); and also ensuring available funding is used to achieve the best outcomes for those who rely on this support.

2.4 Housing Benefit and Universal Credit

LPS currently has responsibility for the administration of the HB (rates) and LIRR for some 43,000 Owner Occupier claimants in NI.

UC has now been implemented in NI and the move to UC for all legacy benefit claimants is anticipated to begin in 2023 with an aim to complete this by December 2024.

Prior to the introduction of UC in NI, ratepayers who receive income related working age benefits such as Jobseekers Allowance, Employment and Support Allowance and the Guarantee Credit of State Pension Credit were passported to HB (subject to a claim being made).

The introduction of UC aims to simplify the welfare system by replacing a number of different state benefits with a single payment; HB for working age claimants is being phased out.

The Department for Work and Pensions (DWP) confirmed in Autumn 2017 that replacement HB arrangements for all non-UC claimants, including pensioners, will not be considered prior to the full migration of UC.

The HB Future Delivery Project OBC projected a reduction in HB/LIRR claims due to the introduction of UC. The table below has been updated to reflect the current position and to forecast future HB/LIRR caseloads.

Table 1: Summary of Current and Projected Activity Levels

LPS Current and Projected Caseload		
Stage	**Date**	**Caseload Actual / Forecast**
UC Phased Introductions	Sep-17	57,204
	Dec-17	56,888
	Mar-18	56,350
	Jun-18	55,684
	Sep-18	54,986
	Dec-18	54,711
UC Natural Migration	Mar-19	54,201
	Jun-19	53,962
	08-Sep-19	57,940
	08-Dec-19	59,893
	22-Mar-20	61,463
	08-Aug-20	56,083
	14-Sep-20	57,293
	13-Dec-20	59,117
	31-Mar-21	61,010
	12-Jun-21	51,555
	11-Oct-21	43,663
	05-Dec-21	43,112
	13-Mar-22	41,878
	Jun-22	43,962
	Sep-22	42,962

	Dec-22	40,962
UC Managed Migration	Mar-23	38,962
	Jun-23	36,962
	Sep-23	34,462
	Dec-23	32,000
Steady State	Mar-24	32,000

The source of the figures provided from September 2019 to March 2022 are taken from the 202021 Report Suite HBRR Monthly. This report was refined in late 2021. The main reason for the difference is that LPS HB would expect to see only HBRR claims which would have been suspended or awaiting assessment as the number of claims. The Report has been refined to exclude Rate Rebate.

Assumptions

It has been assumed that UC Managed Migration in NI would commence 2023 and aim to be completed by the end of 2024.

The forecasted rate at which the caseload reduces quarter by quarter is based on the rate of UC Natural Migration to date and, for UC Managed Migration, on an agreed NIHE/LPS position.

2.5 DoF Low Income Rate Relief

The purpose of the LIRR Scheme is to provide additional support to those low income households that are just beyond the thresholds for HB or that are in receipt of partial HB. This Scheme was introduced under direct rule in April 2007 as part of the wider rating reforms. It is based on the design of the HB Scheme but has more generous parameters, mainly a more generous taper and capital limit for pensioners. It is unique to NI and the NI Executive funds this scheme and can determine the various parameters within which the scheme operates.

The LIRR Scheme is administered on a similar basis to HB (LPS for Owner Occupier households and NIHE for the rented sector, including Housing Associations and private rented sector).

As the Scheme dovetails with HB, it cannot continue when HB is phased out for those of working age. The DoF RRS will provide support for low income households of working age who are entitled to UC in the future.

2.6 Replacement of LPS IT Rating System

The LPS Housing Benefit Central Unit (HBCU) administers rates support through the LPS R&B billing and collection system called ABBACUS. ABBACUS is a complex bespoke case management system that has been developed over a number of years. It was initially designed as the Rates Collection System to assess, bill, collect and recover rates for domestic and non-domestic properties on behalf of central government and the local councils throughout NI, with the HB (rates) functionality added at a later date.

As noted in the OBC, LPS have procured a new contract with the current supplier Equiniti to replace the current LPS digital rating solution with a new solution to be called RAPID. The

Revenues & Benefits (R&B), NOVA Implementation Project Team will be responsible for this Project and the analysis and design stage has now commenced. The development of the new system does not include HB/LIRR IT functionality due to the significant capital investment in developing new IT functionality to administer HB for a reducing claimant base.

2.7 Current Service Provision of Digital Services

Currently Housing Benefit and Low Income Rate Relief for Owner Occupiers are only accessible through a paper application form. This does not align with the current Digital First Strategy. Opportunities for improving and targeting services through improved data sharing arrangements are also being missed due to existing complex operational and legislative frameworks.

2.8 Deficiencies in Current Service Provision

The current non-social security housing financial support for rates provisions, have been implemented over a number of years to meet particular demands or policy intent, without any holistic approach being adopted. The claimant journey is complex; the delivery model is fragmented, qualifying criteria often overlap, leading to potential fraud and error. With this complexity, administration costs are higher than necessary. This is further compounded by the introduction of UC. In addition, the NIHE accounts and LPS Annual reports and accounts have been qualified for the past number of years due to the level of fraud and error in the HB system.

2.9 Fraud and Error

DfC Standards Assurance Unit (SAU) report annually on the levels of fraud and error in HB in both LPS and the NIHE. For LPS these cases only relate to HB (rates), whereas for NIHE it includes both HB (rent and rates). Customer fraud and error was 8.6% as a percentage of expenditure in LPS, whereas in NIHE it was 3.8%.

As detailed in DfC Annual Report and Accounts for the year ended 31 March 2021 HB for tenants is administered by the NIHE on behalf of the Department. The 2020 benefit expenditure on HB for tenants was £529.8 million.

It is estimated that there was a total amount of approximately £23.6 million overpaid through fraud and error in HB for tenants for the year 2020. This represents approximately 4.5% of the related expenditure for the calendar year, of which £14.5 million (2.7%) is Customer Fraud, £6.0 million (1.1%) is Customer Error and £3.1 million (0.6%) is Official Error. The overall percentage has increased from 4.1% in 2019 to 4.5% in 2020.

2020 Official Error estimates for Housing Benefit for tenants are based on the results of Financial Accuracy Exercise in 2020. Customer Error and Customer Fraud estimates for Housing Benefit for tenants are based on the results of Benefit Review in 2019.

As detailed in DfC Annual Report and Accounts for the year ended 31 March 2021 HB for Owner Occupiers is administered by DoF (LPS) on behalf of the Department. The 2020 benefit expenditure on HB for tenants was £529.8 million. HB for Owner Occupiers has been included

in the DfC Resource Accounts from 2006-07. The 2020 benefit expenditure on HB for Owner Occupiers was £34.5 million.

It is estimated that there was a total amount of approximately £4.0 million overpaid through fraud and error in HB for Owner Occupiers for the year 2020. This represents approximately 11.6% of the related expenditure for the financial year, of which £2.2 million (6.4%) is Customer Fraud, £0.8 million (2.4%) is Customer Error and £1.0 million (2.8%) is Official Error. The overall percentage has increased from 9.9% in 2019 to 11.6% in 2020.

2020 Official Error estimates for Housing Benefit for Owner Occupiers are based on the results of Financial Accuracy Exercise in 2020. Customer Error and Customer Fraud estimates for Housing Benefit for Owner Occupiers are based on the results of Benefit Review in 2019. This is because due to the pandemic, SAU staff were unable to visit claimants homes.

2.10 Conclusion

The strategic context as identified in the OBC remains valid.

3.0 PREFERRED OPTION DETAILS

The preferred option in the OBC was Option 3. Option 3 performed strongly in all areas across the OBC.

Table 2: OBC Option 3: NIHE HB to administer HB (rates) and LIRR for Owner Occupiers

Category	2021-22 12 months (Apr - Mar)	2022-23 12 months (Apr - Mar)	2023-24 12 months (Apr - Mar)	2024-25 12 months (Apr - Mar)	2025-26 12 months (Apr - Mar)	2026-27 12 months (Apr - Mar)	2027-28 12 months (Apr - Mar)	2028-29 12 months (Apr - Mar)	2029-30 12 months (Apr - Mar)	2030-31 12 months (Apr - Mar)	TOTAL
Nova											
TOTAL CAPITAL											
Abbacus Support and Maintenanc											
Abbacus HB Support Cost											
Abbacus and NIHE Interfac											
NIHE System & Maintenance Charg											
Staff Costs - LPS Project Team											
Staff Costs - NIHE Project Team											
Staff Costs - LPS Admin Team											
Staff Costs - NIHE Admin Team											
Staff Costs - LPS Landlords Team											
Staff Costs - LPS Nova Team											
Communication Costs - LPS											
Communication Costs - NIHE											
TOTAL REVENUE	4,031,623	2,080,981	1,837,198	1,638,677	1,638,677	1,638,677	1,638,677	1,638,677	1,638,677	1,638,677	19,420,540
TOTAL COSTS	4,031,623	2,120,981	1,837,198	1,638,677	1,638,677	1,638,677	1,638,677	1,638,677	1,638,677	1,638,677	19,460,540
OPTIMISM BIAS	20,760	2,320	720	720	720	720	720	720	720	720	28,840
DISCOUNT FACTOR	1.0000	0.9662	0.9335	0.9019	0.8714	0.8420	0.8135	0.7860	0.7594	0.7337	
DISCOUNTED CASHFLOWS	**4,052,383**	**2,051,498**	**1,715,716**	**1,478,642**	**1,428,640**	**1,380,328**	**1,333,650**	**1,288,551**	**1,244,977**	**1,202,876**	**17,177,262**

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3.1 Outline Business Case Assumptions

A number of high-level assumptions had been identified for the Project and the OBC's preferred option and were built into the above NPC:

Operational Assumptions

- There would be an ICT solution in place to deliver HB/LIRR for Owner Occupiers before the existing ABBACUS DAC expires in January 2021.
- UC Managed Migration in NI would have commenced in 2020 and aim to be completed by the end of 2023.
- HB/LIRR for Owner Occupiers would need to be delivered through a new digital first solution.
- Political agreement, for the new arrangements is achieved within a suitable timeframe to allow legislation to be passed, if required, and administrative arrangements to be implemented.
- Appropriate consultation with Unions would be undertaken and there would be no disagreement that cannot be resolved.
- The recommended option would not involve staff transfer between organisations.
- HB/LIRR awards (for Owner Occupiers or as appropriate) will be credited to the relevant rate account for the rating year period.
- DWP would not make any changes to the future of HB (rent) for pension aged claimants by the end of 2023.
- The Project Team will receive the necessary access, co-operation, information and support from DoF, DfC and NIHE to support the project purpose and objectives. There is organisational buy-in for the objectives of the Project from DoF, DfC and NIHE.
- The Project Team would be comprised of adequate numbers of appropriately skilled resources.

- Appropriate data sharing arrangements required to support the preferred option will be both operationally possible and within the legal gateways.
- IT systems required to operate the preferred option will be in place in time and will successfully interface with all necessary existing systems so that all relevant data will be obtained to administer and calculate HB and LIRR for Owner Occupiers.
- Responsibility for the administration of HB (rates) and LIRR to all non UC working age, pensioner and temporary supported accommodation tenants (new and existing) will be carried out by NIHE.
- LPS HBCU staff will move to other LPS business areas to manage existing and projected vacancies.
- NIHE communication costs reflect notifications to all tenants and changes of circumstances within the year.

Financial Assumptions

- All necessary approvals will be obtained for the OBC and sufficient funding will be allocated to allow the Project to carry out its objectives within the required timescales.
- The HB module will not be included as part of the LPS NOVA Programme.
- LPS salaries are based on 19/20 salary figures and an average salary, excluding business overheads from the scale for each grade, for affordability purposes (based on the DoF Ready Reckoner).
- NIHE salary costs are based on 19/20 salary figures and taken as an average of the salary scale for each point for permanent staff who are members of the pension scheme.
- NIHE staff costs include 31.3% for administration and support costs overheads.
- Staffing numbers for LPS are based on current actuals and future projections, these projections have also been applied proportionally to the NIHE staffing levels going forward.
- LPS will meet NIHE's costs on a full cost recovery basis.

4.0 COSTS FOR THE PREFERRED OPTION FROM THE OUTLINE BUSENESS CASE AND THE UPDATED COSTS

4.1 Net Present Costs for Full Business Case

Table 3: NPC for FBC

FBC Preferred Option

Category	2021-22 12 months (Apr - Mar)	2022-23 12 months (Apr - Mar)	2023-24 12 months (Apr - Mar)	2024-25 12 months (Apr - Mar)	2025-26 12 months (Apr - Mar)	2026-27 12 months (Apr - Mar)	2027-28 12 months (Apr - Mar)	2028-29 12 months (Apr - Mar)	2029-30 12 months (Apr - Mar)	2030-31 12 months (Apr - Mar)	TOTAL
Sect 43(2)											
TOTAL CAPITAL											
Abbacus Support and Maintenance											
Abbacus HB Support Costs											
Abbacus Changes, Data Migration & Interface											
NIHE System, Interface and Maintenance Charge											
Staff Costs - LPS Project Team											
Staff Costs - NIHE Project Team											
Staff Costs - LPS Admin Team											
Staff Costs - NIHE Admin Team											
Staff Costs - LPS Landlords Team											
Project Review and Legal Costs											
Communication Costs - LPS											
Communication Costs - NIHE											
TOTAL REVENUE	3,516,211	2,486,204	1,799,446	1,637,998	1,637,998	1,637,998	1,637,998	1,637,998	1,637,998	1,637,998	19,267,849
TOTAL COSTS	3,516,211	2,526,204	1,799,446	1,637,998	1,637,998	1,637,998	1,637,998	1,637,998	1,637,998	1,637,998	19,307,849
OPTIMISM BIAS	40,766	15,008	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	65,493
DISCOUNT FACTOR	1.0000	0.9662	0.9335	0.9019	0.8714	0.8420	0.8135	0.7860	0.7594	0.7337	
DISCOUNTED CASHFLOWS	**3,556,976**	**2,455,277**	**1,681,357**	**1,478,882**	**1,428,872**	**1,380,552**	**1,333,867**	**1,288,760**	**1,245,179**	**1,203,072**	**17,052,795**

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The full NPC for the HB Future Delivery Project - Final Net Present Calculator for Full Business Case - March 2022 (FI1/22/341679) can be located in Appendix C.

4.2 Assumptions

A HBLIRR Project Assumptions Summary Log has been maintained throughout the project (FI1/20/309723) and can be located in Appendix D.

Financial Assumptions

- LPS Staff Costs - All LPS Staff costs have been updated to reflect 2021/22 costs using the DoF ready reckoner 2020-21.
- NIHE Staff costs include an inflationary increase of 4% comprising of a 2% pay award, 1% incremental progression, 1% assumed Superannuation and NIC contribution increase. The NIHE salary figures also include 31.3% for administration and support costs overheads.
- NIHE Staff costs Caseload Assumption: UC has now been implemented in NI and the move to UC for all legacy benefit claimants is anticipated to begin in 2023 with an aim to complete this by December 2024. The caseload converts to staffing as a ratio of 1 staff member to 1,000 cases. The forecasted rate at which the caseload reduces quarter by quarter is based on the rate of UC Natural Migration to date and, for UC Managed Migration, on an agreed NIHE/LPS position.
- Optimism Bias has been applied at 4%. This represents the increased risk around the development of an ABBACUS and NIHE Interface, the NIHE System & Maintenance Charge categories and NOVA.
- LPS staffing requirements for 2022/23. From 1st June 2022, all relevant HB staff will transition to other LPS Business Areas and training will be provided where appropriate.
- HB Support Team: From 1st June 2022, all relevant HB staff will transition to the HB Support team and training will be provided where appropriate.

- There will be a need for some LPS HB resources to support the HB Future Delivery Project for a short period of time. It is assumed that these additional staff will be required from 1st June 2022 to 31st July 2022 and these costs have been incorporated into the LPS resource costs.
- Project Team costs and funding will be in place until 31st July 2022. Where appropriate, relevant Project Team members will return to their previous posts from 1st August 2022.
- LPS Admin Team costs have been updated to reflect actual staffing position (47.0 FTE HB Staff noted in OBC – reduced to 40.60 FTE).

Operational Assumptions

- The Project has been endorsed by the DoF and DfC Ministers and Permanent Secretaries.
- There will be an ICT solution in place to deliver HB/LIRR for Owner Occupiers before the existing ABBACUS DAC expires in 6th April 2024.
- UC Managed Migration in NI would commence 2023 and aims to be completed by the end of 2024.
- DWP will not make any changes to the future of HB (rent) for pension aged claimants by the end of 2023.
- HB/LIRR for Owner Occupiers will be delivered through a new digital first solution.
- Appropriate consultation with Unions is undertaken and there would be no disagreement that cannot be resolved.
- This option would not involve staff transfer between organisations.
- LPS HBCU staff will move to other LPS business areas to manage existing and projected vacancies.
- HB/LIRR awards will be credited or debited to the relevant rate account for the relevant time period and within a specific rating year period.
- The Project Team will receive the necessary access, co-operation, information and support from DoF, DfC and NIHE to support the project purpose and objectives. There is organisational buy-in for the objectives of the Project from DoF, DfC and NIHE.
- Appropriate data sharing arrangements required to support the preferred option will be both operationally possible and within the legal gateways.
- IT systems required to operate the preferred option will be in place in time and will successfully interface with all necessary existing systems so that all relevant data will be obtained to administer and calculate HB and LIRR for Owner Occupiers.
- Responsibility for the administration of HB (rates) and LIRR to all non UC working age, pensioner and temporary supported accommodation tenants (new and existing) will be carried out by NIHE.

4.3 OBC V's Actual Full Business Case Net Present Calculations

Category	OBC NPC	FBC NPC	VARIANCE
Nova Interface			
TOTAL CAPITAL			
ABBACUS Support and Maintenance			
ABBACUS HB Support Costs			
ABBACUS and NIHE Interface			
NIHE System & Maintenance Charge			
Staff Costs - LPS Project Team			
Staff Costs - NIHE Project Team			
Staff Costs - LPS Admin Team			
Staff Costs - NIHE Admin Team			

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Staff Costs - LPS Landlords Team	[redacted]			
Staff Costs - LPS Nova Team				
PAR/Gateway/DSO				
Communication Costs - LPS				
Communication Costs - NIHE				
TOTAL REVENUE				
TOTAL COSTS				

5.0 ASSESS AFFORDABILITY AND FUNDING ARRANGEMENTS

In relation to the funding and affordability of the preferred option the expectations are:

- LPS will meet NIHE's costs on a full cost recovery basis.
- LPS will meet the NIHE's Project Team costs for the duration of this project.
- LPS will meet the NIHE's ICT costs for the duration of this project.
- DoF LPS will continue to pay for the administration of HB (rates) for Owner Occupiers.
- DoF LPS expects the costs identified by NIHE to deliver an efficient service.
- As part of retaining statutory responsibility, DoF LPS will retain financial responsibility.
- The arrangements for the transfer of payment from DoF LPS to NIHE will be similar to the existing arrangements governing LIRR/LPA.
- To stay on the right side of Article 21 of the Housing (Amendment) Act (Northern Ireland) 2011, it must be that DoF LPS is paying the NIHE to carry out this work on behalf of LPS. This means that the baseline budget provision for the delivery of this function in LPS will have to remain with DoF.

5.1 OBC Affordability Statement

The table below provides the DEL budget and the cash flow requirements for the OBC preferred option over the length of the project.

Table 4: OBC Preferred Option DEL Budget and cash

Option 3 - NIHE to administer HB (rates) and LIRR for owner occupiers

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	Total £'000
DEL STATEMENT											
Capital - LPS	0	40	0	0	0	0	0	0	0	0	**40**
Revenue - LPS	2,587	414	406	410	414	418	422	426	431	435	**6,364**
Revenue - NIHE	914	1,624	1,438	1,273	1,323	1,375	1,430	1,486	1,545	1,606	**14,013**
Revenue - Optimism Bias	21	2.3	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	**28.8**
Total DEL requirements	**3,522**	**2,081**	**1,844**	**1,683**	**1,738**	**1,794**	**1,852**	**1,913**	**1,976**	**2,042**	**20,445**
Existing DEL Provision	-891	-256	-256	-256	-256	-256	-256	-256	-256	-256	**-3,199**
HB DEL Provision	-1,802	-1,802	-1,802	-1,802	-1,802	-1,802	-1,802	-1,802	-1,802	-1,802	**-18,022**
Total DEL provision	-2,693	-2,059	-2,059	-2,059	-2,059	-2,059	-2,059	-2,059	-2,059	-2,059	**-21,221**
Additional DEL requirement	**829**	**22**	**-215**	**-375**	**-321**	**-265**	**-206**	**-145**	**-83**	**-17**	**-776**

5.2 FBC Affordability Statement

The table below provides the DEL budget and the cash flow requirements for the preferred option over the length of the project.

Table 5: NIHE to administer HB (rates) and LIRR for Owner Occupiers

FBC - NIHE to administer HB (rates) and LIRR for owner occupiers

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	Total £'000
DEL STATEMENT											
Capital - LPS	0	40	0	0	0	0	0	0	0	0	**40**
Revenue - LPS	2,162	868	411	411	415	419	423	427	432	436	**6,403**
Revenue - NIHE	887	1,505	1,390	1,268	1,317	1,368	1,420	1,475	1,533	1,592	**13,755**
Revenue - Optimism Bias	19	8.6	0.9	0.7	0.7	0.7	0.7	0.7	0.7	0.7	**33.5**
Total DEL requirements	**3,068**	**2,421**	**1,803**	**1,679**	**1,732**	**1,787**	**1,844**	**1,903**	**1,965**	**2,029**	**20,232**
Existing DEL Provision	-716	-442	-267	-269	-272	-275	-278	-280	-283	-286	**-3,369**
HB DEL Provision	-1,802	-1,802	-1,802	-1,802	-1,802	-1,802	-1,802	-1,802	-1,802	-1,802	**-18,022**
Total DEL provision	-2,518	-2,244	-2,069	-2,072	-2,074	-2,077	-2,080	-2,083	-2,085	-2,088	**-21,390**
Additional DEL requirement	**550**	**177**	**-266**	**-392**	**-342**	**-290**	**-236**	**-179**	**-120**	**-60**	**-1,158**

The full HB Future Delivery Project - Affordability for Full Business case - March 2022 (FI1/22/342083) can be located in Appendix E.

Capital - LPS

These costs relate to a NOVA (Now Rapid) and NIHE Interface. Under the NOVA Project it is hoped that LPS APIs will be developed via this contract, however should this not be the case then it is assumed that a change control via the new NOVA/RAPID contract will be required to reconfigure the SFTP processes (developed under the HB Project) to suit the new Rapid system.

Revenue - LPS

This balance is comprised of all LPS costs but with the inclusion of inflationary increases of 1% and removal of corporate overheads of salaries for affordability purposes. The LPS staff costs included cover staff within the Project Team, Admin team and Landlords team. These costs also include the ABBACUS Support Costs which provide support to the current rating system which are being incurred within the current rating system to prepare it for the introduction of a new system in 2023. Communication costs are included to allow LPS to inform current claimants to the change in the administrative arrangements for the delivery of HB and LIRR for Owner Occupiers.

Revenue - NIHE

The revenue costs have been provided by NIHE and an inflationary increase of 4% comprising of a 2% pay award, 1% incremental progression, 1% assumed Superannuation and NIC contribution increase. The NIHE salary figures also include 31.3% for administration and support costs overheads. The NIHE Communication costs cover printing and postage of Owner Occupiers customer notifications going forward.

Existing DEL Provision

As this service is currently being provided by LPS there is an existing baseline costs which is already being met by LPS which covers the ABBACUS HB Support Costs and the staff costs for both the Project Team the Landlords team, who are already in employment. Therefore, these are already provided for and no additional DEL provision would be required.

HB DEL Provisions

In line with the above existing DEL provision, the LPS Admin team are also currently in place and included in the baseline figures for LPS. This figure is based on the full 2019/20 budget provision carried forward to the end of the project. These costs have been adjusted for the 1% inflationary rate, and removal of corporate overheads, for all LPS salaries for affordability purposes.

Additional DEL Requirement

Once all of the DEL requirement has been established and adjusted for the provisions that are already in place we are left with the Additional DEL requirement which is the funding required in excess of our baseline.

Affordability has been confirmed and a bid for £278K has been submitted for financial year 2022/23.

5.3 Outline Business Case Vs Full Business Case Affordability Variance

Table 6: OBC Vs FBC Affordability Variance

Sect 43(2)	Sect 43(2)	Sect 43(2)	£0
Sect 43(2)	Sect 43(2)	Sect 43(2)	
Sect 43(2)	Sect 43(2)	Sect 43(2)	
Sect 43(2)			
Sect 43(2)			

6.0 TIMETABLE FOR PROJECT AND PLANS FOR CONTRACT MANAGEMENT

This Project did not include the establishment of a new contract, Sect 41 [redacted] and LPS utilised the current IT contract with Equiniti.

LPS Digital Services Directorate manages the LPS IT services via a contract with Equiniti. Sect 41 [redacted]

6.1 Project Plans

The Housing Benefit Future Delivery Project Development and Implementation Plan incorporates a number of data extracts from the LPS IT System (ABBACUS) to the NIHE Iworld system from August 2021 to June 2022. The final data extract will take place on 7th June 2022. The NIHE HB Iworld IT system will go live on 15th June 2022.

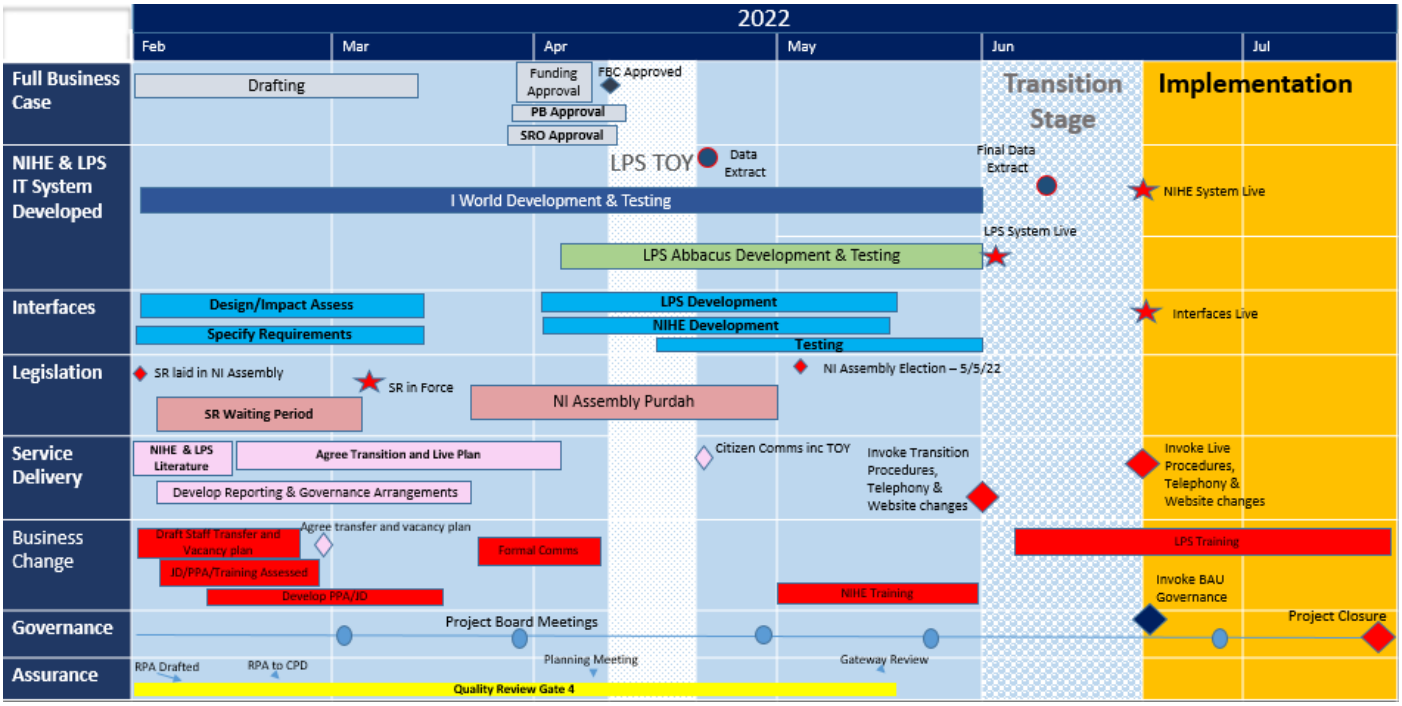
In preparation for this final data extract, from 1st June 2022 to 14th June 2022 LPS will not input any HB data or rating data into ABBACUS for HB and/or LIRR rate accounts. This will ensure that NIHE are provided with the most up to date HB/LIRR data.

The period from 1st June to 14th June 2022, is referred to as the **Project Transition Period**.

The NIHE will have responsibility for administering HB and LIRR for Owner Occupiers from 1st June 2022; however, to allow for the final data extract to be loaded onto the Housing Executive's HB system, the NIHE will begin processing HB/LIRR Owner Occupier claims from **15th June 2022**.

The HB Future Delivery Project - Transition and Implementation Plan (FI1/21/1573260) can be located at Appendix F.

Table 6: Current HB Future Delivery Project Plan



The full HB Future Delivery Project Plan (FI1/21/1524490) can be located in Appendix G.

6.2 Project Risks

A risk register has been maintained throughout the project (FI1/21/1433245) and can be located in Appendix H. The following risks were identified as key risks within the OBC and the table below provide an updated position on the status of the Project risks.

Risk	Description	Risk Status
Risk 1: Legislation	That legislative arrangements are not in place at the appropriate time to provide the legislative vehicle for the transfer of the administration of Housing Benefit (HB) (rates) and Low Income Rate Relief (LIRR) for Owner Occupiers from LPS to the NIHE under Section 21 of the Housing (Amendment) Act (NI) 2011.	**Closed.** The Project Board agreed on 2nd March 2022 to close this risk and remove it from the Project's Risk Register Summary Log for significant and serious risks. The Housing-Related Functions of the Department of Finance (Exercise by the Housing Executive) Regulations (Northern Ireland) 2022 came into operation on 1st March 2022.
Risk 2: Communic-ations and Engagement	Failure to have an effective communication plan (internal and external) implemented before 01/03/2022. Key stakeholders are not informed at the appropriate time and in an appropriate manner to achieve optimal delivery and continued business as usual to service users. Public not informed or engaged at the appropriate time to manage expectations and prevent reputational damage.	**Significant.**
Risk 3: Technology - ICT	There is not an ICT solution in place to deliver HB / LIRR for Owner Occupiers before the 'go live' date, which is before the existing LPS ABBACUS Direct Award Contract (DAC) expires.	**Serious.**
Risk 4: Data	That the relevant data is not obtained, or data quality is not sufficient, to administer and calculate HB and LIRR for Owner Occupiers.	**Serious.**
Risk 5: Data Sharing Mechanism	There is not a solution in place to enable the sharing of data between LPS and NIHE before 15/06/2022.	**Serious.**
Risk 6: Finance	That all necessary approvals are not obtained for the Full Business Case (FBC). That there is no / insufficient funding allocated to allow the project to	**Serious.**

	carry out its objectives within the required timescales.	
Risk 7: **Business Change**	Changes brought about by the implementation of this project cause disruption or failure to current and future operation models, business as usual (for HB, R&B, recovery) and / or service delivery. The administration of HB / LIRR for Owner Occupiers is new and more complex than anticipated for the NIHE causing disruption or failure to business as usual and service delivery. That a re-alignment of administration of HB and LIRR does not realise the benefits outlined in the Benefits Realisation Plan (BRP).	**Serious.**

7.0 FINAL PLANS FOR MONITORING, EVALUATION AND BENEFITES REALISATION

7.1 Monitoring of Project

The Project and work streams have and will continue to be organised and managed in accordance with the key principles of PRINCE2, using effective cross-departmental working arrangements.

The Project Manager will have overall managerial responsibility and be assisted by Project support staff.

The LPS Director of R&B is the SRO. The SRO will chair the Project Board, which will oversee the successful implementation of the future delivery of HB and LIRR for Owner Occupiers to the NIHE.

A Project Manager will be responsibility for the day-to-day running of the Project and for delivering all of the required products to the agreed quality, within the time and the cost constraints. Key documents and processes, which the Project Manager has used to manage the project, included:

- **Project Initiation Document**: that will define the Project to enable the Project Board to give approval for the project to proceed;
- **Project Plan and Workstream Plans**: showing all key products, outcomes and milestones. This plan will be used to review and to track progress;
- **Assumptions Log, Risk Register and Issues Log**: identifying risks and issues and their analysis, countermeasures and status. The logs will be maintained until the project closes and will be constantly reviewed and updated;
- **Weekly Checkpoint Meetings**: to review and to highlight progress towards the milestones within the Project Team and to raise and to address issues;
- **Monthly Project Board Meetings**: Enable Oversee the implementation of the Project.
- **Highlight Reports**: sent by the Project Manager to the Project Board every month. These consist of achievements in the current period, achievements expected in the next period and the risks, the issues and the actions planned to bring about their resolution and include the financial status, key milestones and the benefits management; and
- **Gateway Review Process**: A PAR review took place in October 2021 and a gateway 4 will take place in May 2022.

7.2 Monitoring Post Go Live

Whilst administration of the service will transfer to the NIHE, DoF will remain statutorily responsible for the HB and LIRR for Owner Occupiers. This means that in the meantime, LPS will provide the funding for the administration of HB/LIRR, including NIHE IT costs, NIHE staff costs and NIHE communication costs.

A new Memorandum of Understanding (MoU) will be developed to outline the agreement and relationship between LPS, DfC and the NIHE for the purpose of the new administrative

arrangements governing HB and LIRR for the Owner Occupier sector. The MoU will set out how the arrangements will function and outline each parties roles and responsibilities. The MoU will be reviewed annually. All parties will sign a Data Sharing Agreement (DSA) supplemented by data protection impact assessments in accordance with DoF policies.

NIHE costs associated with staff are reliant on the HB/LIRR caseload and these costs will be monitored on an annual basis to ensure they align with the FBC.

7.3 Evaluation

The Project Manager will prepare the End Project Report and the Lessons Learned Report, in line with the PRINCE 2 guidance. The lessons learned report will be shared with the NIHE and the relevant LPS business areas for future reference.

A review of the Benefit Profile will be undertaken one year following go live (June 2023) to assess the extent to which noted benefits have been realised.

A Project Evaluation Review (PER) will be conducted by June 2023 by an individual independent of the Project Board and the Project Team. The PER will examine and will provide evidence on the realisation of benefits projected in the OBC and FBC.

7.4 Benefits Realisation

The full Project Benefits Realisation Plan (FI1/21/1106286) can be located at Appendix I. The agreed preferred option will fully deliver against all identified benefit criterion as follows:

Objective	Measured Target	Preferred Option
Consolidate existing services, by introducing a single point of HB and LIRR customer contact and contributing positively towards collaboration between NICS Departments.	**By March 2023** • Consistency of approach for all HB and LIRR claimants. • Ensure a digital first self-service platform is available for all HB and LIRR claimants. • Improve customer satisfaction for all HB/LIRR as good or above by 5%. A baseline across all sectors will need to be established by 1st June 2022.	• Will provide a consistent approach as all HB/LIRR claimants (both private and public) will be provided by NIHE. • From June 2022, all HB/LIRR claimants will be able to apply for HB/LIRR online via the NIHE portal. • Customer satisfaction will be monitored post go live to monitor customer feedback.
Improve delivery of public services for HB and LIRR Owner Occupier claimants.	**By March 2023** • Increased Accessibility for all HB Claimants. • Streamline customer journey. • Ensure a digital first self-service platform is available for HB and LIRR Owner Occupier claimants.	• From June 2022, NIHE will provide 6 Benefit Processing Centres and 32 District Offices throughout NI which is an increase from LPS (1 Benefit Processing Centre and 5 LPS Customer Information Centres). • Will provide a consistent approach as all HB/LIRR

	• Improve customer satisfaction for all HB/ LIRR as good or above by 5%. A baseline will need to be established by 1st June 2022. • Improve response/ turnaround times to be in line with the tenanted sector.	claimants (both private and public) will be provided by NIHE. • From June 2022, all HB/LIRR claimants will be able to apply for HB/LIRR online via the NIHE portal. • Customer satisfaction will be monitored post go live to monitor customer feedback. • Claimants turnaround times will align with the current NIHE tenant/private sector. These should improve the current response/ turnaround times and will be monitored via the new MoU between LPS and NIHE.

Minimise the potential for fraud and error.	**By November 2024**
	• Reduce fraud and error for Owner Occupiers to the same level as in the tenanted sector in terms of:
	  • Customer Fraud;
	  • Customer Error; and
	  • Official Error.
		• HB/LIRR fraud and error will continue to be monitored via DfC Professional Services Unit and DfC Standards Assurance Unit. LPS will be included in the monthly reporting of these figures and will monitor these as part of the regular MoU review.

Develop our business efficiency and opportunities through innovation.	**By 31st March 2023** • Provide LPS Revenues & Benefits (R&B) with the capacity to concentrate on its core rate collection and recovery objectives. • Where appropriate explore further options to change legislative and administrative arrangements to administer the HB/ LIRR for Owner Occupiers more efficiently and effectively.	• From 1st June 2022, LPS HB Staff will be reallocated to other R&B roles providing more capacity to concentrate on its core rate collection and recovery objectives. • Whilst administration of the service will transfer to the NIHE, DoF will remain statutorily responsible for the HB and LIRR for Owner Occupiers until such times as it is deemed that the primary legislation should be amended to provide a more permanent solution and a better strategic fit for the delivery of this service.
Reduce costs of service delivery	**By March 2023** • Reduce HB/LIRR administrative costs as outlined in the OBC. • Reduce LPS IT costs as outlined in the OBC.	• From 1st June 2022, the implementation of the preferred option will result in a reduction of administrative costs.

8.0 SUMMARY

The analysis undertaken within this business case confirms that the project continues to represent value for money and meets the DoF Supply approval requirements adhering to the following strict conditions:

- that project continues to be implemented in line with timescale indicated in the revised business case;
- that there are no substantial changes to the scope/scale of the project as described in the submission; and
- that the capital and/or resource costs vary by no more than 10% from the value stated.

The DoF and DfC Ministers and Permanent Secretaries have endorsed the Project.

9.0 APPENDICES

Appendix	CM Reference	Document
Appendix A: Outline Business Case (OBC) for the Future Delivery Arrangements of HB and LIRR Schemes for Owner Occupiers	FI1/18/1135255	 OBC Future Delivery of HB (rates) and LIR
Appendix B: DoF Supply for Outline Business Case (OBC) for the Future Delivery Arrangements of HB and LIRR Schemes for Owner Occupiers approved on 15th May 2020	FI1/20/547242	 Supply - DoF - Future Delivery of Housing B
Appendix C: Net Present Calculator for Full Business Case (FBC) for the Future Delivery Arrangements of HB and LIRR Schemes for Owner Occupiers	FI1/22/341679	 HB Future Delivery Project - Final Net Pr
Appendix D: HBLIRR Project Assumptions Summary Log	FI1/20/309723	 HBLIRR Project Assumptions Summai
Appendix E: Affordability for Full Business Case (FBC) for the Future Delivery Arrangements of HB and LIRR Schemes for Owner Occupiers	FI1/22/342083	 HB Future Delivery Project - Affordabilit
Appendix F: HB Future Delivery Project - Transition and Implementation Plan	FI1/21/1573260	 HB Future Delivery Project - Transition an
Appendix G: HB Future Delivery Project Plan	FI1/21/1524490	 HB Future Delivery Project - Project Plans
Appendix H: HB Future Delivery Project Risk Summary Log	FI1/21/1433245	 HB Future Delivery Project Risk Summary
Appendix I: HB Future Delivery Project Benefits Realisation Plan	FI1/21/1106286	 HBLIRR Benefits Realisation Plan - NIH

10.0 GLOSSARY OF TERMS

ABBACUS	Assessment Billing Benefit and Collection Update System
DEL	Departmental Expenditure Limit
DfC	Department for Communities
DoF	Department of Finance
DPA	Disabled Person's Allowance
DSA	Data Sharing Agreement
DSB	Digital Services Belfast
DSO	Departmental Solicitor's Office
DWP	Department for Work Pensions
FTE	Full Time Equivalent
HB	Housing Benefit
HBCU	Housing Benefit Central Unit
HFSP	Housing Financial Support Programme
ICT	Information and Communication Technologies
LIRR	Low Income Rate Relief
LPA	Lone Pensioner Allowance
LPS	Land & Property Services
MOU	Memorandum of Understanding
NEC	NEC Software Solutions
NI	Northern Ireland
NICS	Northern Ireland Civil Service
NIHE	Northern Ireland Housing Executive
NPC	Net Present Cost
OBC	Outline Business Case
PER	Project Evaluation Review
PfG	Programme for Government
RFC	Request for Change
RRS	Rate Rebate Scheme
R&B	Revenues & Benefits
SAU	Standards Assurance Unit
SRO	Senior Responsible Owner
SOC	Strategic Outline Case
UC	Universal Credit
UK	United Kingdom

LAWFULNESS, FAIRNESS AND TRANSPARENCY TEST

Application of FOI exemption Section 40(2)

DOF/2025-0514 ANNEX D

A Lawfulness, Fairness and Transparency Test must be carried out by the Department of Finance when considering disclosure of third-party personal data which falls within the scope of an FOI or EIR request.

FOI / EIR request

A copy of the final Business Case and any Gateway project review reports for the transfer of rates project for Owner Occupiers from LPS to the Northern Ireland Housing Executive in June 2022.

Consideration of the personal data falling within the scope of the request

Guidance from the Information Commissioner's office states that personal data only includes information relating to natural persons who:

- can be identified or who are identifiable, directly from the information in question; or
- who can be indirectly identified from that information in combination with other information.

Description of personal data/issue(s) under consideration:

LPS Staff & Third-Party names/details.

Lawfulness

Do either of the two lawful basis below, which allow for the disclosure of personal data, apply? **No**

☐ **Consent:** This applies when the data subject(s) clear consent exists, allowing the department to disclose personal data falling within the scope of this request.

☐ **Legitimate interests:** This applies when disclosure is necessary for the department's legitimate interests or the legitimate interests of a third party that overrides the data subject(s) rights and freedoms, particularly their right to privacy.

Conclusion

Having considered all the information contained within the Lawfulness, Fairness and Transparency Test, the department has established that, on balance, there is no lawful basis for the disclosure of third-party personal data falling within the scope of the request (of which the requester is not the data subject).

Annex D

PUBLIC INTEREST TEST					
Request Ref:	FOI DOF/2025-0514				
Request Summary:		Final Business Case and any Gateway project review reports for the transfer of rates project for Owner Occupiers from LPS to the Northern Ireland Housing Executive in June 2022			
Information details:		Exception applied	Disclosure		Non-disclosure
Financial Data relating to HB IT systems and associated contract information		**Section 43 (2) Commercial Interests**	There is a public interest in individuals being able to exercise their rights under the FOI/EIRs, in order to enhance their understanding of the reasons for decisions taken by senior members of a public body. Showing compliance with the spirit of the FOI Act 2000 by disclosing information held by the Department. Promoting accountability and transparency by public authorities.		The information is commercially sensitive: 1. Providing details about specific IT Contract could prejudice future procurement of these contracts if bidders know the amounts involved. 2. Providing details of ongoing contract could allow potential competitors an unfair advantage. 3. Existing suppliers would not expect details of the contract to be made available and may influence working relationships.
PUBLIC INTEREST DECISION: In balancing where the public interest lies, my view is that the public interest considerations against disclosure are predominant, and the public interest would be better served by non-disclosure. Signed: Chris Rooney Date: 29/ 09/2025					