

NUNAVUT HOUSING CORPORATION

RESPONSE TO THE STANDING COMMITTEE ON OVERSIGHT OF GOVERNMENT OPERATIONS AND PUBLIC ACCOUNTS RECOMMENDATIONS

1 Introduction

In a report to the Legislative Assembly of Nunavut presented on June 8th, 2009, the on Oversight of Government Operations and Public Accounts provided the Nunavut Housing Corporation (NHC) with recommendations to address ten critical areas identified in the 2008 Report of the Auditor General.

Recommendations from the Standing Committee Report were reviewed by the NHC's Senior Management Committee (SMC) at their planning meeting in Rankin Inlet July 7-9, 2009.

The Committee's recommendations are both welcome and timely. The NHC is currently engaged in several major renewal initiatives, including:

- the development of a long-term strategic plan;
- the development of a comprehensive evaluation framework to monitor the implementation of the Nunavut Housing Trust Strategy; and,
- the Nunavut Housing Needs Assessment, with the cooperation of Statistics Canada and the Nunavut Bureau of Statistics.

These activities will provide an excellent context for the integrations of the Committee's recommendations.

This document summarizes the measures planned to address the recommendation provided by the Standing Committee.

2 Appeal Process

"The importance of developing and introducing a transparent, formal, and independent appeals process for public housing applicants and tenants. This issue is of particular relevance to the public housing allocation process. An element of this process should include provisions whereby applicants are provided with a prescribed period of time following a housing allocation decision during which they may submit an appeal. Members were pleased to have received a commitment during the hearings that work will

be undertaken by the Nunavut Housing Corporation in this area and will be closely monitoring progress. Members recommend that the Nunavut Housing Corporation examine the experience of such existing Nunavut bodies as the Social Assistance Appeal Board in developing a model for use in this area.”¹

Response:

- NHC will develop an independent, transparent process that is simple and accessible.
- This process will be developed in consultation with the GN’s Department of Executive and Intergovernmental Affairs, under the direction of the NHC Vice-President of Operations.
- Research will be conducted in other jurisdictions to locate comparable appeals processes, review their strengths and weaknesses, and identify best practices for adaptation in Nunavut. Other appeals processes current operating effectively within Nunavut will also be reviewed, including the procedures of the Social Assistance Appeals Board.
- A discussion paper setting out key considerations, options and a recommended approach is being prepared.
- As an interim measure, NHC will prepare and circulate a list specifying contacts within the NHC and LHOs on any issues that require redress.

3 Board of Directors Training

“The importance of enhancing the training and orientation provided to members of the boards of directors of local housing organizations. The standing committee noted that the manual provided to board members by the Nunavut Housing Corporation has not been updated since 1995. Given that it has been almost 15 years since this manual was developed, it is essential that it be updated to reflect current standards and expectations. The standing committee also stresses the importance of providing clear guidance and training to board members with respect to the issue of conflict of interest.”²

¹ Report on the Review of the 2008 Report of the Auditor General of Canada to the Legislative Assembly of Nunavut on the Nunavut Housing Corporation (Schell) Monday, June 8, 2009 Nunavut Hansard 22.

² Ibid.

Response:

- The NHC is committed to providing Boards of Directors with training each year after the annual election of the LHOs. A revised Board Manual has been completed and will be translated shortly. This training will address Board responsibilities, Conflict of Interest, and other key areas of governance.
- Under the direction of the Vice-President of the Nunavut Housing Trust and the Vice-President of Operations, the Corporation will take the following specific steps.
 - NHC Headquarters and NHC Directorate, working in partnership with INAC, will prepare on a proposal for \$1M in funding to develop and deliver appropriate and effective governance training for LHO Boards of Directors.
 - This training will be based on a revised Board of Directors' Manual, to be prepared by November. This revised manual will include provision for addressing conflict of interest.
 - A territorial training session will be held during the winter of 2010 with the Chairs of the LHO Boards of Directors to review the revised manual, and address roles and responsibilities, eligibility within the bylaws for board member selection, and other key governance issues.
 - Training for the LHO Boards of Directors will be held each year. The Minister will be provided with a report for the spring session of the legislature each year on the outcomes of this training.

3. Eligibility for Election of Boards of Directors

"The importance of working with local housing organizations to review the eligibility criteria for election to their boards of directors. Members noted the desirability of ensuring that as many residents as possible have the opportunity to contribute to their communities through service on such boards."³

Response

- Eligibility provisions are defined in each LHO's bylaws, which are registered under the Society Act
- LHO are autonomous, community-based organizations. NHC does not have the authority or mandate to address the issue of eligibility; the matter must be addressed by each LHO through the process described in their own bylaws.

³ Ibid.

This would normally require an amendment to the bylaws, approved at an Annual General Meeting or special meeting of members.

- In order to raise LHO awareness of this issue, and to clarify their rights and responsibilities, the question of eligibility will be addressed as part of the proposed Board training package. Registrar of Societies will provide NHC with all the LHO bylaws. NHC will provide a model set of bylaws for each of the LHOs.
- The issue will also be raised and addressed at the proposed territorial meeting of LHO chairpersons.

4 Partner with third parties to enhance training and support provided to Tenant Relations Officers

*"The importance of partnering with such entities as the Municipal Training Organization to enhance the training and support provided to Tenant Relations Officers (TROs). During the standing committee's hearings, it was also noted that these positions have historically experienced high turnover rates as a consequence of the stressful nature of the work and the relatively low remuneration. The standing committee is supportive of measures that will serve to enhance stability with respect to these important positions."*⁴

Response

- NHC is aware of a number of factors that have led to high levels of turnover among TROs. These include high levels of stress, low remuneration, competition from other employers, and other factors.
- NHC recently increased the TROs remuneration. This will be periodically reviewed on an ongoing basis to ensure that the Housing Sector remains a competitive employer.
- NHC will initiate discussions on partnering with the Municipal Training Organization (MTO) on providing access for TROs to the MTO training programs, and will explore additional alternative training delivery mechanisms.
- The Operations/Rental Division will take the lead in developing and implementing TRO training.
- The training manual for the TROs will be revised as part of this process and during this timeframe, and will include approaches to stress management, specific guidelines for difficult functions like the collection of rental arrears, and other measures to alleviate stress.

⁴ Ibid.

5 Work with LHOs to address issue of rental arrears

“The importance of working with LHOs to address the issue of rental arrears. During the standing committee’s hearings, members were advised that between \$11 million and \$12 million is outstanding on a Nunavut-wide basis in rental arrears and tenant damages. This amount has increased significantly since November 2004, when the Nunavut Housing Corporation, in response to a question posed by a Member of the Legislative Assembly, reported that the total amount owing to LHOs was approximately \$6.6 million.”⁵

Response

- Although LHOs are currently collecting 83-85% of their receivables, as of March 31, 2008 rental arrears/tenant damages were approaching \$13M. NHC views this as a serious issue, particularly in light of the analysis has identified several factors contributing to this problem. These include:
 - **Legal limits:** LHOs are legally constrained in their ability to collect arrears that date back more than six years.
 - **Jurisdictional complexity:** Collection of arrears is the responsibility of the LHOs. The provision of support for the collection of arrears is among between the three district offices of the NHC.
 - **Accumulation of arrears:** LHOs have not been exercising their authority to write off debts beyond the statutory limit of six years.
- A number of measures to address the issue have been identified and will be implemented. These were:
 - Calculation of the precise amount of current arrears due to each LHO.
 - The NHC Chief Finance Officer will develop a detailed procedure for collection of arrears by each LHO. An overview of this procedure will be available to all tenants, so there is no question of the LHOs’ authority. As noted above, the procedure will be covered in detail during TRO training.
 - District Directors will identify additional support measures required to assist LHOs in their region, and will pool information on successful approaches.

⁵ Ibid.

6 Tabling Requirement to Table Annual Report

“The importance of the enhancing the transparency of the Nunavut Housing Corporation’s operations through the annual tabling in the Legislative Assembly of a report on the corporation’s contracting, procurement and leasing activities. Members note that while such information is tabled annually with respect to the Government of Nunavut’s departments, it is not done so for its Crown corporations and agencies. The standing committee also stresses the importance of tabling the corporation’s statutorily-required annual reports on a timely basis. This is an essential component of accountability.”⁶

Response

- The NHC has taken a number of measures to ensure its accountability. Annual Reports are tabled each year with the Legislative Assembly. We seek to ensure that our Minister is fully and completely briefed at all times, and cooperated fully with the Auditor General during the compilation of her report. We believe that the interests of all Nunavummiut are best served by maximizing the transparency of our operations and the full, open assessment of our outputs and outcomes.
- The final tabling of Annual Reports has, in the past, been delayed by the current financial planning and reporting cycle and, in particular, by the timing and process for preparation of audited financial statements. This is implicit in the current *Financial Management Act*: earlier submission of reports can be achieved with appropriate revisions to the Act, but this is beyond the authority of the NHC. If reports are to be tabled earlier then there will have to be amendments to the Act (FMA) which is outside the control of the NHC. As well the timing of financial statements are slow due to the consolidation process.
- The NHC is currently in the final stages of developing a comprehensive evaluation framework to assess the operations, outputs and outcomes of the Nunavut Housing Trust. It is our intention to use this framework as the basis of an enhanced tracking and reporting system, ensuring an even higher level of accountability and transparency.
- As part of NHC’s planning exercise the Corporation has also developed an initial Communications Strategy to improve the flow of information from the Corporation to the Legislative Assembly and the general public.

⁶ Ibid.

7 Delivery Strategy for New Units under Federal Funding

*"The importance of tabling in the Legislative Assembly a copy of the delivery strategy for the 285 new units that the Nunavut Housing Corporation has announced will be constructed between 2009 and 2011. During the standing committee's hearings, members were advised that the Cabinet would be reviewing this strategy in May of this year. Members encourage the Nunavut Housing Corporation to consult closely with LHOs with respect to the mix of housing types that are to be delivered. Members also stress the importance of close cooperation between the Nunavut Housing Corporation and such partners as Nunavut Arctic College, the Department of Education and the Nunavut Trades Training Centre, which is scheduled to open in the fall of 2010, with respect to enhancing training and apprenticeship opportunities for Inuit. While members recognize that efforts have been made to provide apprenticeship opportunities, it is disappointing that no certified trades people have emerged from the Nunavut Housing Trust Delivery Strategy. Members recommend that the Nunavut Housing Corporation be open to innovative approaches in this area, including providing opportunities for apprentices to gain hours by working on projects in communities with longer construction seasons."*⁷

Response

- NHC has approached the LHOs as recommended. In November and December 2008, NHC actively sought out community input on local needs and preferences for the mix of housing types. This exchange will continue.
- NHC is currently conducting a comprehensive, long-term Housing Needs Survey to obtain direction for determination of future priorities in housing types. This is scheduled for completion in April 2010.
- NHC tabled its most recent status report on delivery of housing to Cabinet on April 15th, 2009.
- The NHC VP of Implementation will prepare an updated delivery plan for new funding and consolidating items by January 2010 for submission to Cabinet.
- NHC has sought to maximize the employment and training benefits to Inuit arising from the Housing Trust in a number of ways, including the use of LHOs to support the greatest possible number of construction functions, and the selection in some cases of construction approaches that provide local employment opportunities. These were deliberate attempts to promote certification in trades by enhancing labour market demand. However, NHC has no control over the actual certification process or rates of completion: these are under the control of other organizations, most notably the Nunavut Arctic College and the Apprenticeship Board. NHC will continue to maximize opportunities for trades people to acquire the required hours, and to encourage apprentices to continue to accumulate the necessary hours and required courses. It should be noted that the actual impact of NHC's

⁷ Ibid.

contribution to the process cannot be measured in the short term; it can require up to eight years to achieve journeyman status.

8 Reduce reliance on consultants

*"The importance of reducing the Nunavut Housing Corporation's reliance on consultants and casual employees by identifying and eliminating the barriers that exist to the successful filling of its positions on a permanent basis. During the standing committee's hearings, the issue of capacity was raised on a number of occasions. The Nunavut Housing Corporation advised that a third party organizational review was expected to have been completed in the spring of 2009. Members look forward to the tabling of the results of this review in the Legislative Assembly. The government's recently announced "Report Card" initiative may also contribute to this process. The standing committee also acknowledges the necessity of reviewing the corporation's decentralized structure in order to improve its success in filling highly technical positions."*⁸

Response

- NHC has long sought to establish the appropriate balance between in house capacity and judicious use of external resources required for short-term or one-time technical support.
- The issue is currently being addressed through three in-house planning exercises: an organizational review, a strategic planning process, and the GN's Report Card process. Recommendations and findings from these initiatives will give the Corporation a very clear sense of the areas within the organization that require supplementary capacity on an ongoing basis. NHC is currently preparing a Cabinet submission for November 2009

9 Cost saving – delivery of housing material

*"The importance of identifying opportunities to maximize the impact of Nunavut's scarce housing dollars by pursuing cost savings in relation to the delivery of housing materials on the annual sealift. Members encourage the Department of Community and Government Services and the Nunavut Housing Corporation to work together in this area."*⁹

Response

- The NHC fully supports the goals of cost savings and maximizing housing dollars. We welcome the opportunity to work with the Department of Community and Government Services on discussions of tendering of the

⁸ Ibid.

⁹ Ibid.

sealift contract. There is one year left on the current sealift contract: we suggest that discussions begin prior to the expiry of that contract to explore options on arrangements for sealift to maximize savings.

- Several potential expenditure reduction strategies have already been identified. These include solicitation of quotes for service on the open market from suppliers such as NTCL, NEAS and Nunavut Sealift and Supply Inc., and an assessment of alternative shipping ports based on lowest costs (Vancouver or Montreal).
- As one of the biggest shippers of sealift cargo, the NHC would also welcome the opportunity to participate in the development and implementation of GN Shipping and Transportation Policies in the future.

10 Nunavut Housing Strategy

"The importance of tabling in the Legislative Assembly a copy of the framework for a strategic plan for housing delivery in Nunavut that the Nunavut Housing Corporation has indicated has been under development and which is expected to be finalized in the spring of 2009."¹⁰

Response

- NHC shares the Standing Committee's desire to see this strategic framework completed, and its concern that the process has taken longer than anticipated. This is, in part, a consequence of NHC's expanded and aggressive construction program resulting from the Nunavut Housing Trust, of recent personnel changes at the highest levels of the Corporation, and an initial draft that did not meet all of our expectations. However, we are pleased to report that the planning initiative is now solidly on track. A draft strategy will be submitted to the Corporation for review by mid-October, with a final revision scheduled for completion by October 30th.

In conclusion, we would like once more to thank the Committee for its recommendations. These have provided valuable input to our planning process and to the creation of our evaluation framework. We look forward to ongoing collaboration and further input as we continue to address the goals we all share – the provision of adequate, affordable, safe and appropriate housing to all Nunavummiut.

¹⁰ Ibid.

Communications:

None

Attachments:

None

**Hon. Hunter Tootoo,
Minister Responsible for
The Nunavut Housing Corporation**

Date: _____
