

Democratic Services Officer: Erica Fredericks (Ext. 37547)

3 July 2013

HOUSING & CUSTOMER SERVICES WORKING GROUP

A meeting of the Housing & Customer Services Working Group will be held in Committee Room 1 at the Arun Civic Centre, Maltravers Road, Littlehampton on **Tuesday, 16 July 2013 at 6.00 pm** and you are requested to attend.

Members: Councillors Clayden (Chairman), Edwards (Vice-Chairman), Bicknell, Mrs Bower, Chapman, Mrs Goad, Mrs Harrison, Haymes, Mrs Oakley, Oliver-Redgate, Oppler, Mrs Pendleton, Squires, Dingemans (Cabinet Member), Mrs Madeley (Deputy to Cabinet Member), Elkins (Cabinet Member), Gammon (Deputy to Cabinet Member)

A G E N D A

1. APOLOGIES FOR ABSENCE

Please send your apologies to Erica Fredericks – tel: 01903 737547 or e-mail: erica.fredericks@arun.gov.uk

2. DECLARATIONS OF INTEREST

Members and Officers are reminded to make any declaration of personal and/or prejudicial/pecuniary interests that they may have in relation to items on this agenda.

You should declare your interest by stating:

- a) the item you have the interest in
- b) whether it is a personal interest and the nature of the interest
- c) whether it is also a prejudicial/pecuniary interest

You then need to re-declare your interest and the nature of the interest at the commencement of the item or when the interest becomes apparent.

3. MINUTES

To approve as a correct record the Minutes of the meeting of the Housing & Customer Services Working Group held on 23rd May 2013.

4. ITEMS NOT ON THE AGENDA THAT THE CHAIRMAN OF THE MEETING IS OF THE OPINION SHOULD BE CONSIDERED AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCES.

5. GAS SAFETY CERTIFICATES VERBAL UPDATE

The Housing and Customer Services Working Group is requested to note that there are 14 Gas Certificates outstanding as of 27th June 2013 made up as follows; 5 are being pursued by Legal to gain access to the property, 2 have received hand delivered letters requesting that the Council is given access to the property to conduct a gas safety check and 7 have expired certificates and arrangements are still being made to carry out inspections.

6. *REVIEW OF ROUGH SLEEPERS AND COLD WEATHER SHELTER PROVISION

All Members have been invited to attend this item. A presentation will be given by Stonepillow. This report identifies the success of the homelessness night shelter operating from Glenlogie, and outlines possible next steps for the future development of the service.

7. *IMPACT OF WELFARE REFORM ACT (INCLUDING BEDROOM TAX, HOUSING AND RENT ARREARS AND HOUSING ALLOCATIONS)

All Members have been invited to attend this item. This report outlines the potential impact of the Welfare Reform changes on Arun Council tenants, and identifies possible next steps that will assist in reducing the impact of such changes.

8. *WORK PROGRAMME 2013/14

To note the revisions to the work programme for 2013/14 and make any necessary amendments.

(Note: *Indicates a report is attached.)

'Subject to Approval at the Next Working Group Meeting'

HOUSING & CUSTOMER SERVICES WORKING GROUP

23 May 2013 at 6.00 p.m.

Present: - Councillors Clayden (Chairman), Edwards (Vice-Chairman), Mrs Bower, Mrs Oakley, Oliver-Redgate [from minute 7], Mrs Pendleton [from minute 7] and Squires.

Councillors Dingemans, Elkins and Mrs Madeley were also present for either all or part of the meeting.

1. ELECTION OF CHAIRMAN AND VICE-CHAIRMAN

Nominations for the role of Chairman of the Housing and Customer Services Working Group for the Municipal Year 2013/14 were requested. Councillor Clayden was proposed, seconded and duly elected as Chairman.

The Chairman then requested nominations for the role of Vice-Chairman of the Housing and Customer Services Working Group. Councillor Edwards was proposed, seconded and duly elected as Vice-Chairman.

2. APOLOGIES FOR ABSENCE

There were no apologies for absence.

3. DECLARATIONS OF INTEREST

There were no Declarations of Interest made.

4. TERMS OF REFERENCE

The Housing and Customer Services Working Group's Terms of Reference for the Municipal Year 2013/14 was agreed.

5. MINUTES

The Minutes of the meeting held on 27th February 2013 were approved by the Working Group and were signed by the Chairman.

6. ITEMS NOT ON THE AGENDA THAT THE CHAIRMAN OF THE MEETING IS OF THE OPINION SHOULD BE CONSIDERED AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCES

The Chairman confirmed that there were no items to consider.

‘Subject to Approval at the Next Working Group Meeting’

7. REVIEW OF HOUSING CONTRACTORS MEARS

The Head of Housing introduced representatives from Mears. He informed the working group that the Mears Contract with Arun District Council is worth 2.5 million pounds annually, the contract had a balance of seven years left and that the Council and Mears have the joint aim of maintaining a close, in-house, working relationship.

The Mears Regional Director gave a short presentation on Arun District Council's Working Partnership with Mears. Key points presented were:

- Mears had partnered more than 70 local authorities, Arm's Length Management Organisations and Housing Associations. Mears currently operates three other contracts in Sussex with Brighton and Hove City Council, Crawley Borough Council and Eastbourne Homes. It was stated that the service aimed to achieve value for money, exceptional levels of customer service, continuous improvement and help the local community.
- Mears had provided all basic repairs to Arun District Council's properties amounting to 900 repairs per month. A 24 hour, 365 day service had been made available to residents.
- Noted as a good example of joint working, an appointment booking system had recently been implemented by Mears and the Council, enabling customers to receive their appointment at the first point of contact without the need for a second phone call.
- Mears reported on their ethos of supporting the local community and described their work with a local primary school to improve the school's outside space. It was noted that Mears had worked with the Council and Stonepillow on the works required to convert Glenlogie into a suitable shelter for the homeless. It was also noted that during the 2012 floods in the Arun District a small team of 14 Mears tradesmen attended to nearly 100 emergency calls.
- Mears will set up DIY workshops to help train tenants in basic DIY.
- Members were informed that Mears and Arun District Council had formed a partnering board with the aim of promoting co-operative working. The partnering board's aim is to achieve excellent customer satisfaction, dealing with any complaints immediately and effectively and seeking to continually improve.
- It was reported that responsive repairs had been completed in an average of 8 working days and in the last quarter the time taken to complete voids had reduced from 18 days to 15 days.

The Chairman invited Members of the Working Group to ask questions. A question was raised asking if Mears were able to offer timed appointments. It was confirmed that appointments are offered on a morning, afternoon basis with a first and last appointment slot available. It was noted that Mears operatives carry hand held units that are used to contact customers alerting them to the expected arrival time.

Members agreed that DIY workshops for tenants were a good idea. Tenant responsibility to maintain/improve upon the condition of their property

‘Subject to Approval at the Next Working Group Meeting’

was discussed. The Head of Housing explained that there had been some confusion as with the introduction of Flexible Tenancies the Flexible Tenancy Policy stated that tenants could not undertake their own modifications. The Head of Housing confirmed that this policy would need amendment.

Following question it was confirmed that Mears achieved an 80% first time fix rate. This performance was described as mid-ranging and it was acknowledged that improvements were a possibility. Mears performance was then questioned further in terms of void properties and tenants complaints. It was confirmed that Mears Void turnaround time was 15 days and the contractors were still seeking to improve this. It was stated that the average time for a void to become empty and then be made available for a new tenant was 29 days which was described as being good.

Members discussed the standard of a property at handover to a new tenant and were concerned that tenants should receive a property which is safe, clean with no basic repair needs. Members felt that properties should be checked regularly especially those that had never been visited for repair and therefore could have been poorly maintained and cost the Council a large amount of money to rectify. The Head of Housing pointed out that due to the Council's Savings exercise a £600,000 cut had been made in housing refurbishment. He stated that resources were limited but Neighbourhood Officers had been visiting properties and would continue to do so. It was noted that properties with a gas supply had to, legally, be visited on an annual basis.

A question was raised with respect to compensating tenants. It was confirmed that under the Act for Tenancy Improvements certain items could require compensation. Members agreed that properties should be inspected regularly. Members were informed that electronic invoicing would be introduced shortly that will provide data on what properties had been visited whilst also identifying the type and number of repairs.

The need for visiting properties was discussed further in terms of tenant welfare and how a visit can help identify those occupants that could benefit from a disabled facilities grant. It was suggested that the Council's Wellbeing Team, Neighbourhood Officers could work with Housing to form a joint approach in order to visit properties and report vulnerable tenant's needs to the correct agencies.

It was confirmed that Invoices were up to date with three weeks work in progress and no backlogs. It was noted that the introduction of electronic invoicing would help to ensure further efficiency.

The Regional Director of Mears confirmed that the joint working approach with Arun District Council was working well and the Partnership Board would continue to improve the service provided to tenants of Arun District Council.

The Chairman thanked Mears for their informative presentation.

‘Subject to Approval at the Next Working Group Meeting’

8. CUSTOMER SERVICE ACCESS STRATEGY

The Head of Human Resources and Customer Services presented the report on the Customer Access Strategy 2013-17. It was stated that the report describes the background to the Customer Access Strategy, presented the proposed strategy and set out proposed actions.

The Head of Human Resources and Customer Services raised the following key points:

- The challenge of delivering a wide range of services in a complex and changing environment was outlined. It was pointed out that no aspect of customer service exists in isolation and every opportunity must be sought in order to “join up” service delivery for a more efficient and cost effective service.
- The Head of Human Resources and Customer Services recognised that Members had concerns about ensuring customers will be able to contact us in a number of different ways according to their choice. It was emphasised that “face to face” contact was being improved and not forgotten. It was explained that Arun District Council had adopted a new web based system from West Sussex County Council which is designed to provide help point information. Reception staff will be trained with the expectation that they will be able to provide a cost effective and quicker service.
- The need to integrate technology was highlighted and it was noted that the lack of widespread integration between systems had remained a barrier to improved customer service. It was confirmed that the Council will explore the most cost effective way of achieving the required integration.
- Members were provided with a high level action plan with more detail to be provided in the coming months. The Head of Human Resources and Customer Services stated that the aim was to complete the action plan within two years subject to appropriate resources being available.

The Working Group discussed the Customer Access Strategy and it was agreed that maintaining a customer’s choice of access was important, as was the integration of IT systems.

It was suggested that a flexible approach to working was considered to provide the customer with a service that extended beyond the normal working day. The Head of Human Resources and Customer Services agreed this would be possible and discussions had taken place with the Manager of Arun Direct concerning this idea. It was confirmed that customer research would be required to ensure the Council offered opening hours that match demand at a cost effective rate.

Following further discussion it was agreed that the Head of Human Resources and Customer Services would amend the wording of the Strategy slightly to reflect Member’s comments and the report’s recommendation was then agreed.

‘Subject to Approval at the Next Working Group Meeting’

The working group agreed to

RECOMMEND TO FULL COUNCIL

that the Customer Service Access Strategy 2013-17 be approved.

9. WORK PROGRAMME 2013/14

The Head of Housing presented the Work Programme 2013/14 stating that the broad aim was to achieve two items per meeting. Members considered the programme and acknowledged that as the work programme would be added as an agenda item at every meeting any required revisions would be addressed.

The Housing and Customer Services Working Group agreed the Work Programme 2013/14.

(The meeting concluded at 7.40pm)

AGENDA ITEM NO.6ARUN DISTRICT COUNCILHOUSING & CUSTOMER SERVICES WORKING GROUP – 16TH JULY 2013

Decision Paper

Subject : Review of Rough Sleepers and Cold Weather Provision

Report by : Brian Pople

Report date: June 2013

EXECUTIVE SUMMARY

This report identifies the success of the homelessness night shelter operating from Glenlogie, and outlines possible next steps for the future development of the service.

RECOMMENDATIONS

That the Housing & Customer Services Working Group:-

1. Note this report
2. Support further investigations into funding and development of a service to support homelessness and that, once concluded, these be brought back for consideration prior to recommendation to Cabinet on agreed way forward.

1.0 INTRODUCTION

- 1.1 Arun District Council, along with Chichester District Council, has the highest levels of homelessness of all the Council in West Sussex. When a survey of Rough Sleepers was conducted in November 2012 involving various agencies, the numbers identified were 26 and 28 respectively.
- 1.2 For the past two winters, the Council has operated a Night Shelter between 1st November and April which has opened when the temperature is forecast to be below -0⁰C for three consecutive evenings. The service, which is located in the basement of Glenlogie in Bognor Regis, provides accommodation and a hot meal for up to 18 street homeless. The service is managed and delivered by Stonepillow, a charitable organisation based in Chichester which offers shelter, information, and support to empower homeless and vulnerable people to make positive changes to their lives.

- 1.3 In January, Arun District Council made a grant application to Homeless Link for £2,000, which it was successful in obtaining. The grant enabled Stonepillow to extend the service it was able to offer by funding a driver and fuel to transport rough sleepers from other areas in the Arun District to Bognor Regis. The funding also provided the opportunity to open the night shelter to emergency clients (No Second Night Out) when the temperature felt like it was below zero (but not forecast to be below 0 degrees or below for 3 nights) due to wind or snow conditions.
- 1.4 The Night Shelter provision at Glenlogie has been very successful in terms of providing a service which is much in demand. The location of the service has proven to be ideal in terms of its proximity to other agencies that provide a range of support, including:
- Old Glassworks – operated by Stonepillow, the Old Glassworks is a day centre that offers help and assistance to homeless and vulnerably housed people. The centre provides breakfast and snack facilities, laundry facilities, assistance with access to statutory services, life skills training, GP surgery, access to mental health nurse, substances misuse triage, and a resettlement service
 - Arun Resettlement Worker - Supported via Stonepillow, the Arun resettlement Worker's primary role is to support new rough sleepers into accommodation
 - Clockwalk Project - the project offers a wide variety of treatment and support for substance users. The service offers assessment and referral, structured day programme, drug rehabilitation, needle exchange, one-to-one support, health awareness, employment/training/education, structured and therapeutic group activities.
 - Bedale Centre – Provide support to recover and maintain mental health and wellbeing

2.0 SUMMARY OF SERVICE PROVIDED

- 2.1 During this year's operation, the Night Shelter had 443 visits, and 291 overnight stays. This number includes clients who stayed on more than one occasion. For those who had just visited the Night Shelter, they were provided with advice, guidance and support, including referrals to those agencies mentioned in 1.3 above.
- 2.2 A total of 51 individuals were seen at the Night Shelter and, of those, 39 individuals stayed at various times and for between 1 and 27 nights. Of the 51 individuals, 49% were existing Arun rough sleepers, 36% were Chichester and out of area rough sleepers, and 22% were identified as 'No Second Night Out' referrals.
- 2.3 The average length of homelessness for the 51 clients that were seen was identified at 17 months.
- 2.4 The reasons given for homelessness included:-
 43% - substance misuse/Alcohol
 33% - family breakdowns

29% - loss of job
18 - crime related and prison discharge

- 2.5 The clients were referred for support to the following agencies , which included:-
84% to Old Glassworks
37% to Arun Resettlement Worker
22% to Clockwalk Project

3.0 NEXT STEPS

- 3.1 Now that a decision has been taken regarding retaining Glenlogie for temporary accommodation, there is now an opportunity to develop the night shelter operation, should the Council wish to do so.
- 3.2 As has been highlighted earlier in the report, there is clearly a demand for a service supporting homelessness in the District. The existing facility at Glenlogie is well placed in terms of its proximity to other support agencies. Additionally, there have been no reported incidents resulting from its operation at this site.
- 3.3 The opportunity now exists to consider extending the services that could be made available using the basement at Glenlogie, beyond the night shelter provision during the winter months.
- 3.4 Stonepillow, who has successfully operated the night shelter provision on the Council's behalf for the past two years, are keen to expand the service it is able to deliver. Such options could include:-
- Provision of a night shelter on a 'year round' basis
 - Regular surgeries, during the day or evening and offer dinners for a specified period each day
 - Day Centre/Hub – provide regular daily opening, Hub for all services and workshops
 - Continued delivery of Night shelter for winter months

By providing any of the above services within the Arun area, Stonepillow and Arun District Council would:-

- a) Meet the national requirements from Homeless link for No Second Night Out (NSNO) by offering a Hub and referral point for the team, with the potential of overnight stay
- b) Provide a central point within the Arun area for supporting new and entrenched rough sleepers, enabling them to access Healthcare, Housing Support and Links into work as part of their recovery. This would be open all year round
- c) The service is based near many other services, including Addaction, Ravenscourt, The Bedale Centre (mental health), CRI Clockwalk

- d) Provide a gateway into Stonepillow specialist services and Move On Accommodation
- e) Provide a Hub to facilitate reconnection, nationally and internationally, to entrenched and new rough sleepers
- f) Stonepillow could offer housing related support to the Arun DC occupants in the TA (above). In this way, the risk is minimised for Arun DC plus Stonepillow staff could receive funding from IHM. The rents would also be excluded from the HB cap as it would be classed as 'supported', therefore ARUN DC could claim higher rents
- g) Establish a more permanent base for the Arun SWEP (Severe Weather Emergency protocol) provision
- h) Arun has one of the highest rough sleeper counts within the South and currently NO provision is available to work with non substance using entrenched rough sleepers within the district.

3.5 It is proposed that consideration be given to the various options noted above and that, should the Council wish to take one or more of thee forward, work should be undertaken in conjunction with Stonepillow to explore funding/grant opportunities which could be used to support such an operation. The fully costed options would then be brought back to the appropriate Committee for approval.

Background Papers: None

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AGENDA ITEM NO.7ARUN DISTRICT COUNCILHOUSING & CUSTOMER SERVICES WORKING GROUP – 16TH JULY 2013

Information Paper

Subject : Implications of Welfare Reform on Council tenants and the Housing Service

Report by : Richard Ayres

Report date: June 2013

EXECUTIVE SUMMARY

This report outlines the potential impact of the Welfare Reform changes on Arun Council tenants, and identifies possible next steps that will assist in reducing the impact of such changes.

RECOMMENDATIONS

That the Housing & Customer Services Working Group:-

1. Note the report and refer to the Overview Scrutiny Committee to note the suggested resources and strategies, listed in the report, to help minimise the effects of the Welfare Reform.

1.0 INTRODUCTION

- 1.1 Attached is a report that sets out the potential impact of the Welfare Reform changes, along with details of the impact on Council tenants. The report also identified how some of the impact may be able to be mitigated.

Background Papers: None

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Housing and Customer Services Working Party (H&CSWP)

Implications of welfare reform on Council Tenants and Arun Housing Services

Implications of welfare reform on Arun Housing Services

Purpose of this report

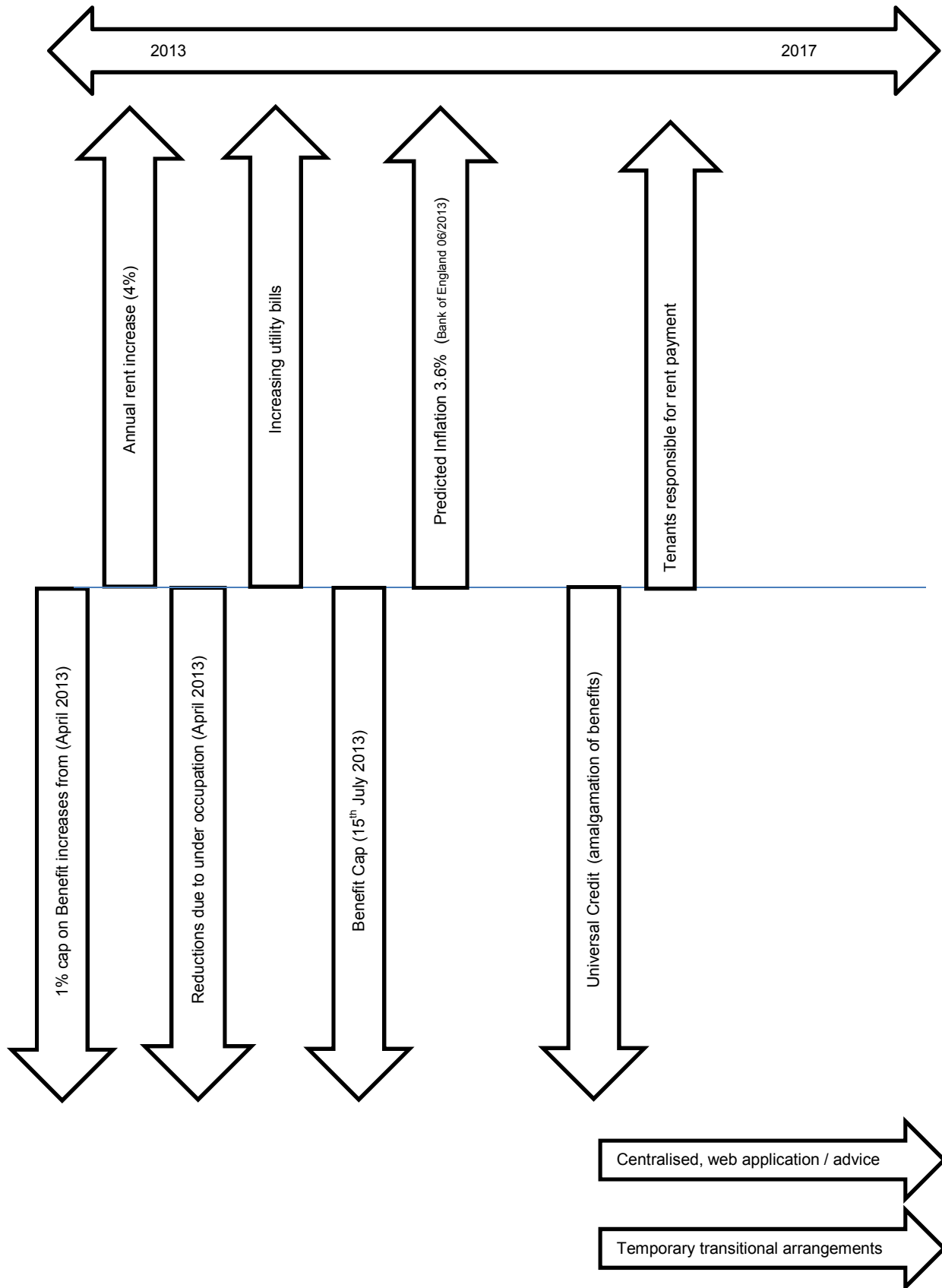
This report outlines the potential impact of the Welfare Benefit changes and the continuing difficult nation financial climate on tenants.

The report identifies how these and other external forces are increasing pressures and demands on Arun Housing Services.

The report is not meant to provide Elected Members with a detailed understanding of the benefit changes.

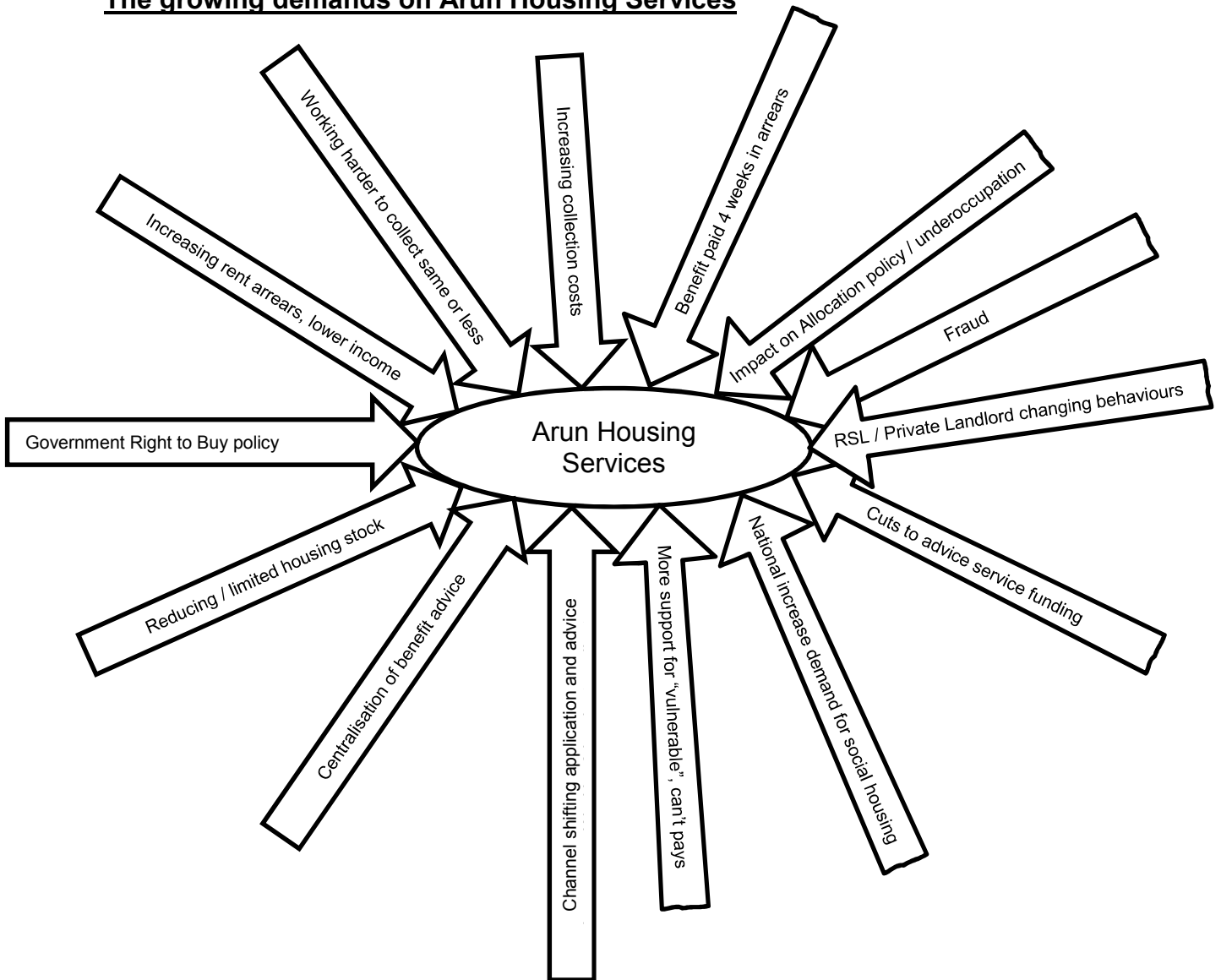
Implications of welfare reform on Arun Housing Services

Summary of pressures on the tenant's purse / wallet



Implications of welfare reform on Arun Housing Services

The growing demands on Arun Housing Services



Implications of welfare reform on Arun Housing Services

Setting the scene

Rental income

Rent is debited weekly throughout the 52 weeks of the year. We collect approximately £282,000 (other charges such as heating do not attract housing benefit and are payable by the tenant) per week. A weekly snapshot for the same week shows a £176,000 paid in housing benefit.

Extrapolated the annual rent debit is in the region of £14,664,000 with £9,152,000 payable in Housing Benefit. Including garages rents are charges on approximately 4,170 accounts.

Collection rates and rent payment culture

Some years ago we created a specialist rent arrears team and completely reviewed our approach and procedures for arrears chasing in line with best practice and Court Protocol. The team have been very successful in reducing arrears.

Evidence suggests that counter to what might have been expected many tenants have recognised the implications of the national financial climate and the risk to their home and made efforts to pay their rent. Rent arrears are the lowest they have been for many years.

On average we have held current rent arrears below £200,000 with approximately 1000 rent accounts showing some arrears at any given time. Our collection rates are currently in the region of 98.5%

Indications are that hardship is growing as unemployment and economic inactivity shows signs of increasing and pay rises are the lowest since comparable records started in 2001. It is becoming more difficult to hold the line and early indications are that rent arrears will rise this year for the first time.

Working age tenants

Currently tenants over pensionable age are exempt from many of the welfare benefit changes.

Unfortunately some of tenancy records that were created many years ago before our present IT system was set up do not hold dates of birth. Therefore, it is not possible to give an entirely accurate picture.

Approximately 70% on tenants are under pensionable age and the remaining 1/3 are over pensionable age. Therefore we can deduce that approximately 2,400 tenanted households are under pensionable age.

Housing Benefit

Of the 2,400 working age tenants about 20% are in receipt of full Housing Benefit and a further 20% are in receipt of partial benefit.

Implications of welfare reform on Arun Housing Services

The potential impact on tenants and Arun Housing Services

Rent increase

Arun increased rents by 4% in 2013/2014. The average rent increase for a tenant is £3.27 per week, or £170 per annum.

This will add approximately £586,560 to the rent to be collected making our gross rent up to approximately £15,250,560.

1% cap on welfare benefits

From April 2013 the Government have placed a 1% cap on the increase in welfare benefits rather than usual CPI / RPI uplift.

The cap will apply to working age benefits such as, Job seekers allowance, income support, employment support, child benefit, child tax credit, industrial injuries disabled relief, carers allowance (unless a member of the household is entitled to disability living allowance, personal independence payment, attendance allowance or constant allowance). The Government's own impact assessment states households affected by the cap may lose around £93 a week.

Inflation

In December 2012 the Retail Price Index was 3.1% (RPI) and the Consumer Prices Index (CPI) is currently 2.7%. As with every household tenants shopping costs and other bills are increasing.

Added to this, if tenants are reliant on benefits the 1% cap will result in an approximate drop of 2% in the benefit that would have been payable.

Under occupation

Tenants under state pension age who under-occupy their homes will have their housing benefit reduced by 14% if they have one spare bedroom in the household, or a 25% if there are two or more spare bedrooms or more from 1 April 2013.

As at the 4th January we identified 188 households in receipt of housing benefit who under occupy by 1 room and 55 households in receipt of housing benefit who under occupy by 2 or more rooms.

The 188 cases who under occupy by 1 bedroom the reduction in weekly benefit loss equates to £2,308, an average of £12.27 per household per week. The overall annual reduction in benefit is likely to be in the region of £120,024.

The 55 cases who under occupy by 2 bedrooms the reduction in weekly benefit loss equates to £1,235, an average of £22.45 per household per week. The overall annual reduction in benefit is likely to be in the region of £64,244.

A total reduction in benefit paid to tenants who under occupy of £184,488 per annum. This figure will have to be collected in rent.

The Rent Arrears Team report that approximately 60% of these cases are already in arrears. National and local indications identify that many tenants will be unable to sustain paying an additional £12 every week. (An additional £600 per annum) (£22

Implications of welfare reform on Arun Housing Services

per week for two bedroom or £1,140 annually). It is fair to say the arrears situation will worsen.

Predicting the number of cases that will default in obviously very difficult and comparing year on year is not simple because of all the various factors, for example the 4% rent increase.

Impact if 10% unpaid = £18,500

Impact if 20% unpaid = £36,800

Impact if 30% unpaid = £55,000

Impact if 40% unpaid = £73,700

Impact if 50% unpaid = £92,000

Overall Housing Benefit cap

It has recently been announced that from the 15th July families in receipt of benefits are to be capped at £500 per week and an individual's benefits are to be capped at £350 per week.

The overall Housing Benefit cap will impact more on those living in larger properties with bigger families.

As at June 2013, it has been identified that there are 92 cases across Arun of which 11 are local authority tenants.

Currently only one of the cases is in arrears because all the rest are on 100% housing benefit and pay nothing towards their rent.

Although 11 Housing cases sounds minimal the actual impact on the households will be very high.

All the households have between 4 and 9 children.

One household is facing a loss of over £300 a week in overall benefits including 96 in housing benefit. Two other cases will be losing over £90 per week housing benefit and will go from receiving full housing benefit to getting 50p per week.

The additional weekly rent due to be paid by the 11 cases is £440 per week or £22,860 per annum. The impact will be significant at a household level and we are already taking a multi-agency approach to contacting these cases and endeavouring to put in place comprehensive support mechanisms. It is anticipated that even with active support and guidance many of these households will fall into arrears.

Universal Credit (UC)

According to the Government Universal Credit is a new single payment for people who are looking for work or on a low income. Universal Credit will help claimants and their families to become more independent and will simplify the benefits system by bringing together a range of working-age benefits into a single streamlined payment.

Implications of welfare reform on Arun Housing Services

The new Universal Credit system aims to:

- improve work incentives
- smooth the transitions into and out of work, supporting a dynamic labour market
- simplify the system, making it easier for people to understand, and easier and cheaper for staff to administer
- reduce in-work poverty
- cut back on fraud and error.

It will be launched in 2013 and will replace:

- income-based Jobseeker's Allowance
- income-related Employment and Support Allowance
- Income Support
- Child Tax Credits
- Working Tax Credits
- Housing Benefit.

Currently advice indicates that very little is likely to change in Arun during 2013 / 2014. Below are outlined some of the components of UC which taken together will have a significant impact. We need to prepare and make plans as these changes will add to the impact of the recent welfare benefit changes.

Direct payments

When Universal Credit is rolled out nationally the Government intends that the housing component will be paid direct to tenants. It is envisaged that certain vulnerable tenants and pensioners will continue to have their housing costs paid direct to the landlord.

Even if nothing else were to change paying benefit direct to tenants will have a dramatic impact.

Direct payment of the housing element of Universal Credit to social housing tenants is controversial. Social landlords across the country are concerned that it will result in increased rent arrears and impact on their revenue streams.

Information published by the Direct Payment Demonstration Projects in May 2013 indicates an average rent collection rate of 94% across the areas piloting direct payment of Housing Benefit to social housing tenants.

Currently we collect 98.5%. A reduction to 94% overall would result in an increase in arrears of 4.5% or £659,880. However, estimating the impact on just working age tenants could mean arrears will rise from £200,000 to £360,000.

Payment in arrears

Currently the Housing Benefit IT system is based in the local authority. Housing Benefit is credited to rent accounts on a weekly basis after the weekly rent debt has been added. If someone gets 100% benefit their account will remain at zero and will not fall into arrears throughout the year. There are no / minimal staffing / resource implications because the account does not need to be monitored.

Implications of welfare reform on Arun Housing Services

In the future Housing Benefit will be administered centrally and paid direct to the tenant one month in arrears. Therefore at best if everyone paid their Housing Benefit over to the Council immediately we will be running with 1 month in arrears.

A month's arrears of 40% of the rent debt is £500,000. Instead of recording approximately £200,000 rent arrears each month, rent arrears could be running at £500,000.

Increased transactions

In addition to the inevitable increase in arrears there will be more payment transactions.

Currently approximately 1,000 rent accounts of working aged tenants have some form of Housing Benefit paid, About 500 are on full Housing Benefit and about 500 receive partial benefit. Many of the 500 working age households who currently get full benefit and currently pay nothing will all have to start to pay and this will add to the transactions we have to process. We process about 8,000 payment transactions per month, 96,000 per annum.

If the 500 tenants paid weekly the number of transaction per month would increase by 2,200 per month or 26,000 transactions per annum. One could expect the annual number of payment transactions to rise to in the region of 120,000 per annum. An increase of over 20%.

It is assumed that the 500 working age households receiving partial housing benefit will continue to pay as they do now but have to pay more.

Payment stationary will have to be issued to the additional working aged household who currently do not pay, including the ordering of Allpay cards.

Many of these people will not be used to paying rent to the Council a certain percentage of transactions are bound to be mis-posted. There may be pressures on remaining cashier staff to process more cheque payments and answer payment enquires. Rent accounting staff will need to identifying where the payment has come from and move payments to the correct rent accounts. There will be more customer enquiry's regarding payments and arrears. Staff will spend more time talking to and making phone calls, sending SMS text messages and door knocking.

Tenants bank account take up

More than 15% of local authority tenants and 13% of housing association tenants do not have a bank account, and so would be unable to pay their rent by direct debit, standing order or cheque.

We already offer a range of payment methods and frequencies but these groups will require additional advice, guidance and support.

We promote the West Sussex Credit Union. Discussions have taken place with the West Sussex Credit union who are able to offer a Bank Account to those less able to access a High Street Bank. There are weekly costs associated with the service which are currently being explored.

Implications of welfare reform on Arun Housing Services

Payment to landlord / Switchback

If rent is not paid and the rent account falls into arrears, after 8 weeks the Local Authority can request Housing Benefit is paid direct to the Local Authority.

Currently it is unclear how benefit payments will be paid to local authorities, but presumably it will require a computer interface to some centrally operated Department of Work and Pensions (DWP) IT system.

The DWP accepted that there are some working-age people who will not be capable of managing a monthly payment, and for whom direct payments to the landlord will remain appropriate. There will be a mechanism within UC to facilitate the payment of benefit direct to the landlord once someone is identified as vulnerable.

Resources will be required to test and manage the computer interface. Housing will need to have a good understanding of a tenants circumstances to ascertain vulnerability.

Making enquires

The scale of the change is massive. The DWP taking on £4.8 million housing cost cases and over £2.0 million in work claims. The total UC caseload will be around 8 million people.

The central administration of such large sums and values is bound to be a complicated and require a large bureaucracy which will make clarifying claims and issues time consuming. The probability of making contact with a case worker who knows a case in-depth enough to resolve an issue is likely to be difficult. To make contact twice with the same person, will probably be near on impossible. It is also very unlikely DWP staff would call us back to resolve issues. This will make dealing with individual customer cases difficult and lengthen resolution time scales and heighten customer frustrations let alone staff. Time spent waiting for telephones to be answered may become more common.

Local Authorities have a duty under the Court Protocol to check the latest Housing Benefit position before undertaking Court action. This will make applications to Court for rent arrears more time consuming and difficult.

Budget advice and or subsidised banking product

We know that the funding and contract for the CAB is under review and negotiations with Christians Against Poverty have so far proved of limited success.

The incidents of door step loans is likely to increase unless the Government takes significant steps to legislate against the perpetrators.

The distance of future DWP support and guidance will for many be more difficult to access.

Although the Government make great claims for the on-line solution the reality is tenants will contact the Council for advice and guidance.

Implications of welfare reform on Arun Housing Services

Vulnerable people such as those with drink and drugs problems may well find it particularly difficult to maintain payments. The welfare changes could lead to greater tenant credit card debt, increased use of payday type loans and the risk that loan sharks may become more predatory. Payday loan companies charge in the region of 3000% to 4200% APR, as opposed to the Credit Union which charges 28%.

It is very likely we will need to provide far more in-depth financial support and guidance.

Application process

The Government say they want to make the process of claiming Universal Credit as simple as possible for claimants. Universal Credit is being designed so that each claimant can make a claim online and then personally manage their claim directly through an online account. Wherever possible, they want claimants to notify the DWP via their online account of any relevant information and changes of circumstance as soon as possible after the change occurs.

Claimants who cannot get online or use a computer will get support to complete their online claim for Universal Credit. This may be in a high street outlet or via a telephone service. For claimants who require a little bit more support, face to face help and a one to one telephone service will be available and an adviser will complete an online form on the claimant's behalf, checking for accuracy as they proceed.

To help more people get online, we will continue to take part in digital inclusion campaigns such as the Government's **Go ON UK** campaign.

In our last comprehensive survey tenants in 2008 40% of tenants did not have access to the internet at home although we recognise this figure will have reduced.

It is very likely that some tenants will have difficulty making an application and it is also probable that they will approach either Housing or the Council for help. If we wish to minimise arrears and other housing problems it will be difficult not to put more resources into providing guidance and support.

Estimating potential arrears levels

Working out the impact of the welfare benefit on collection rates is difficult. Below there are a number of possible scenarios bases on the government pilots.

The Governments own demonstration pilots show 50% of tenants would find some difficulty managing direct payments. For working age households in receipt of direct payments this could equate an additional £900,000 rent arrears accruing throughout the year. (20% of £9m divided by 2)

The LQ pilot estimates rent arrears increasing from 3% to 7%, a 5% increase in our current 1.5% arrears.

Information published by the Direct Payment Demonstration Projects in May 2013 indicates an average rent collection rate of 94% across the areas piloting direct payment of Housing Benefit to social housing tenants.

Implications of welfare reform on Arun Housing Services

Currently we collect 98.5%. A reduction to 94% would result in an increase in arrears of 4.5% or £659,880.

Other external factors

The welfare benefit changes above are not happening in isolation and other external factors are adding to the burden falling on local authorities.

Homelessness

The Department for Communities and Local Government published in March 2013 statistics show:-

Household acceptances

- During the 2012/13 financial year, there were 53,540 acceptances. This is an increase of 6 per cent from 50,290 in 2011/12.

Households in temporary accommodation

- 55,300 households were in temporary accommodation on 31 March 2013, 10 per cent higher than at the same date last year.
- On a seasonally-adjusted basis, 55,310 households were in temporary accommodation on 31 March 2013, 3 per cent higher than the figure of 53,710 in the previous quarter.
- 8 per cent of households were in bed and breakfast style accommodation. This is an increase from 3,960 to 4,500 (14 per cent) compared to the same date last year.
- 9,000 of the households in temporary accommodation on 31 March 2013, were in accommodation in another local authority district. This is an increase of 14 per cent, from 7,870 at the same date last year.

Elected Members will be aware that the Council's budget provision for housing people in Bed and breakfast has been under pressure for many years and the budget has been increased to £200,000 for 2013 / 2014 to cope with the increasing demand.

Households presenting as homeless require considerable advice, guidance and support and the limited housing available compounds the challenges.

Right to Buy

The Department for Communities and Local Government published in March 2013 statistics show:-

Sales

- In 2012-13 Quarter 4, local authorities sold an estimated 2,449 dwellings under the Right to Buy scheme. This is over four times the 566 sold in the same quarter in the previous year.
- In 2012-13, local authorities sold an estimated 5,942 dwellings under the Right to Buy scheme. This is more than twice the 2,638 sold in 2011-12

During 2012 / 2013 the Council purchased back 7 ex-council houses to increase stock. In addition preparations are well underway to form a partnership to build new Council houses.

Implications of welfare reform on Arun Housing Services

Despite these efforts sales outweigh purchases and stock numbers have declined.

This compounds the problems housing those and need and tenant choice for mutual exchanges and downsizing.

In 2012/2013 we sold 11 properties under Right to Buy. The previous year we sold 2 properties.

Under occupation

With 1.7 million households on housing waiting lists in England and the turnover of social rents homes at around 5% there has never been a more pressing need for social landlords to make best use of the housing stock.

Identifying under occupied homes, working with tenants to explore their housing needs and options alongside providing support to move if they decide they want to do so are all important elements of a strategic approach to managing stock.

The Governments reduction in benefits for those of working age has already identified over 200 cases of under occupation and we are working with these tenants. However, we recognise that many pensionable age tenants are also under occupying.

Moving people to the right sized house for their needs, in an acceptable not only makes best use of stock but it can reduce financial burden and the risk of arrears.

To progress the under occupation agenda requires detailed knowledge of our stock and tenants and detailed dialogue with tenants and a period of intensive intervention.

Housing associations and private sector landlords

The Council has a Tenancy Strategy which is supposed to provide a framework in which other housing providers working within Arun work. However, although many Housing Associations nod to the policy their behaviours are changing and bringing subtle but increasing pressures on social landlords like the Council.

The drop in lending due to the credit squeeze and the sharp reduction in private new-build have increased the pressure on housing associations to maintain the flow of affordable homes in all areas of the country. In a bid to protect their income housing associations and private landlords are more reluctant to take tenants who are claiming benefits which are likely to reduce under the new welfare reforms.

Private landlords and housing associations are for example requesting larger deposits in advance and generally being more choosy over which tenants they accept. This is resulting in more tenants turning to the Council for help.

Limitations of voluntary advice services

The Citizens Advice Bureaux in England and Wales recorded a seven per cent drop in the total number of people they were able to help (779,000) compared with the

Implications of welfare reform on Arun Housing Services

same period last year. Cuts to bureau funding averaging 10% nationally are having an effect on the support that can be provided by the voluntary sector. The CAB are not the only charity facing these pressures and further reducing the help available.

CAB use volunteers and have a finite capacity which means we can't simply signpost tenants and housing applicants.

We have discussed working with other financial advice organisations such as Christians Against Poverty but some customers appear to feel they do not have an affinity with such organisations.

Increasing costs

An over-whelming majority of local government chief executives and senior managers believe the welfare reforms will increase costs to local authority costs

Fraud

The 2013 National Fraud Authority estimate that public sector debt could amount to £20.6 billion. Local government fraud is estimated at £2.1 billion.

Housing tenancy fraud is estimated to be in the region of £845 million. Housing tenancy fraud is the use of housing by someone who is not entitled to occupy that home. It includes but is not limited to, unlawful subletting, wrongful tenancy assignment and succession, failure to use the property as a principal home and use of false information in a housing application to gain a tenancy.

Housing and financial pressures may increase the propensity for people to attempt fraudulent activities.

National forecast of implications of welfare benefit reform

The key indicators to where risk lies are to be found in current patterns of financial stress and rent arrears. Analysis demonstrates that risk of failure within the new regime is concentrated in a key segment of vulnerable social tenants they have called the "Troubled reform resistant strugglers". In essence this is predominantly our customer base.

- Eight in ten (79%) say they will find it more difficult to manage money monthly, with 65% saying it will be "a lot" more difficult.
- Almost all, 94%, fear that they will be unable to prioritise their rent within their budgets with half (49%) not confident that they will be able to keep up rental payments.
- This segment represents 33% of the value of all housing benefit payments to those of working age.

The "Troubled reform-resistant struggler" segment represents 29% of working age social tenants, and would appear both vulnerable and already highly stressed.

- In the last twelve months, 45% of these tenants have struggled to afford food and 39% fuel, while 49% have struggled to afford shoes and clothing.

Implications of welfare reform on Arun Housing Services

- Seven in ten exhibit at least one of a range of vulnerability factors. One in five (20%) have numeracy issues, 17% literacy issues, one in four (25%) mental health issues, 28% a major health condition.
- A half (50%) are experiencing problematic credit use and a third (34%) have consulted debt advice.

Resources and strategies

The pilots receive additional time and attention both from landlords' staff and from local authorities' housing benefit staff in a way which would not be practical as larger numbers are brought into Universal Credit. As an organisation we need to be aware of this and do what is practical to fill the identified gap that has been identified.

There is no single solution to minimising the effects of welfare reform and the other external factors. Staff in Housing are already employing many of the activities listed below. However, there is a need to extend this effort and work more intensively with the those severely affected individuals and families.

- Contact and work with tenants early
- Close monitoring of arrears and proactive debt chasing
- Increase our understanding of tenants personal and their financial circumstances and ability to budget. (customer insight)
- Provide a wide range of payment options to allow tenants to take control of the budgets including standing orders, payment cards or cash, as well as direct debits.
- Encourage direct debit sign up
- The pilots have identified that most tenants prioritise the payment of their rent, fully understanding that non-payment would result in eviction. But some could imagine a situation when their housing benefit could be spent to cover unexpected expenses. We wish need to continue to identify these cases and encourage them to stay on track.
- Budgeting support that recognises that people on low incomes often budget on a fortnightly or weekly basis.
- Continue to provide coordinated support that allows customers to separate several 'pots' of money are likely to be helpful.
- Close working with other departments and agencies is crucial for effective implementation.
- The definition of vulnerability in relation to the transition to the new welfare regime needs to be widely drawn and to take in the full range of factors.
- Carry out risk assessment to focus resources and effort
- Consider communities not just individuals
- Continue to work to free up stock property (smaller, bedroom size)
- Targeted expert advice to tenants who are struggling and need in depth financial advice and support.
- Encourage tenants to apply for Discretionary Housing Payment
- Provide advice and guidance on all the options including taking a lodger, maximising benefit, finding a job / additional work
- Increasing awareness of the alternative resources and information available
- Carry out more households visits
- Keep under review and improve web site and other information

Implications of welfare reform on Arun Housing Services

- Provide outreach sessions to raise awareness
- Provide additional telephone advice / hot line
- Run “start paying now campaign”
- Keep associated policies such as allocation policy and procedures under review
- Encourage and support people to move where appropriate
- Use discretionary housing payments to ease removal costs
- Explore the possibility of a hardship fund
- Promote the Credit Union rather than door step lending / pay day loans
- Promote awareness and give advice and ease access to bank accounts
- Monitor loan shark activity and target activity to prevent
- Fuel poverty support by helping customers to change providers or switch to lower tariffs
- Help with internet access / use
- Proactive budgeting / financial advice
- Improve our knowledge of household make-up
- Actively encourage mutual exchange
- Improved information and web site on mutual exchange
- Priority given to bid, for example we currently prioritise Band A cases if under occupying by 2 bedrooms and band B cases if under occupying by 1 bedroom
- Help with bidding for alternative / downsize accommodation
- Increase Bad debt provisions

Staffing resources

The Rent Arrears Team is small but focused and effective. There are currently 2.5 staff and they manage approximately £200,000 of arrears (£80,000 each) and 1000 cases.

As arrears increase as a consequence of the under occupation and capping we will require to put additional resources into arrears collection and rent accounting. In anticipation of increasing arrears an further staffing resources have been budgeted for in 2013 / 2014. This may need to become permanent as service demands take hold and high arrears sadly become a permanent fixture.

It is clear to be effective we need to be proactive getting beneath the surface in understanding our tenants housing needs and financial circumstances. As can be seen there is mounting evidence that directly employing a financial inclusion officer / debt advice officer would be a significant benefit to provide in depth support, advice and guidance to both existing tenants to manage their financial affairs to minimise rent arrears. This resource could also be used to support the work of the options team in helping people manage their finances better to avoid becoming homeless. Understanding individuals finances and circumstances may have the spinoff of identifying and reducing fraud.

Financial inclusion / in depth debt advice supports the Corporate Plan priority – If you and your family need help. Having some specialist resource within Housing could also help us identify cases that fit into other current Arun initiatives such as Think Family and Restorative Justice and where we may need to consider multiple debts in accordance with the Corporate Debt Policy.

Implications of welfare reform on Arun Housing Services

Morale of staff should not be forgotten as they have spent many years successfully reducing arrears to the lowest levels in living memory. It is already a stressful work area and seeing rent arrears rise will inevitably be de-motivating.

When Unified Credit is implemented there may be a need for a further larger scale reappraisal.