

Report of Chief Officer, Welfare and Benefits
Report to Outer South Area Committee
Date: Monday 16th September 2013
Subject: Update on Welfare Benefit changes

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. Significant welfare changes were introduced in April 2013 and the impact of these changes has seen more tenants fall into arrears with their rent and their Council Tax. Steps have been taken to mitigate the impact of the changes, including changes to recovery processes, and support is being provided to those tenants who engage with the council about their arrears.
2. The Discretionary Housing Payments scheme, which provides support to tenants affected by the welfare changes, is on track to spend the full £1.9m budget with the bulk of this spend going on those deemed to be priority cases within the Council's policy. Further funding may be available this year from DWP but this is subject to a bidding process and details of the process have yet to be announced.
3. The Local Welfare Support scheme, which has replaced the Social Fund scheme in Leeds, provides goods and services rather than cash to those in need. The spend in the 1st quarter clearly shows that there will be an underspend against this fund and, as a consequence, proposals will be developed and taken to Executive Board for alternative uses of this funding. Proposals will also be developed on potential Local Welfare Support schemes for 2014/15. It is intended to discuss these proposals for the 14/15 scheme with Area Committees ahead of an Executive Board recommendation.
4. The roll out of Universal Credit has started with a further 6 small areas announced as Universal Credit sites. The main roll out of Universal Credit is now not expected until late 2014 or even later. Nevertheless, preparations continue and one of the key

aspects of the preparations relates to tackling high cost lenders in the city. A plan of action has been developed that includes city-wide and locality-based events and the report seeks input from Area Committees for the programme.

Recommendations

5. The Committee is asked to:
 - a) Note the information about the impact of the welfare reforms;
 - b) Note the information about the campaign against high cost lenders and contribute to options for locality-based events and initiatives to support the campaign
 - c) Note the work ongoing in the locality in response to the welfare changes

1. Purpose of this report

- 1.1 The report provides an update of the impact of the welfare reforms at both a city-wide and ward-level basis and also provides information on arrangements that have been put in place to support tenants.
- 1.2 The report details some of the preparations that are underway for Universal Credit with a focus on locality-based support that can be provided. A key element of the preparations for Universal Credit and a response to the welfare reforms is a programme of work aimed at tackling the issue of payday and high cost lending in the city. The report provides information about this programme and seeks input from Area Committees on how the programme of activity can work at a locality level.

2 Background information

- 2.1 As part of the Government's programme of welfare reforms, changes to Housing Benefit, Council Tax Benefit and the Social Fund came into effect from April 2013. These changes mean that:
 - Working age social sector tenants deemed to have one or more spare bedrooms see their Housing Benefit reduced;
 - The majority of working age households see their Council Tax Support reduced by 19%; and
 - Funding allocated to the Crisis Loans and Community Care Grants elements of the Social Fund is devolved to local councils.
- 2.2 In recognition of the difficulties these changes may cause for some families, the Government increased funding to local Councils for Discretionary Housing Payments schemes. Funding for Leeds increased from £800k in 12/13 to £1.9m in 13/14.
- 2.3 Further welfare changes came into effect later in the year.
 - Personal Independence Payments (PIP), which replaces Disability Living Allowance, came into effect from June 2013 for new claims only. The main programme of reviewing DLA cases to see whether they will transfer to PIP, starts in October 2015 although DLA claims that are due to be reviewed before then will be considered for PIP earlier;
 - The Benefit Cap comes into effect in Leeds from 12th August 2013 and will see around 424 families lose some or all of their Housing Benefit.
- 2.4 A number of analyses have been carried out on the total impact in Leeds of the programme of welfare changes. Sheffield Hallam University estimates that the changes see a loss of benefit of £232m a year in Leeds, while the LGA's analyses estimates the loss in Leeds at £171m a year.

- 2.5 The welfare changes come at a time when there is significant concern about the growing use of payday and high interest rate lending which is a growing sector of the unsecured lending market.

High Cost Lenders (HCL)

- 2.6 According to a recent analysis by Price Waterhouse Coopers and the Local Data Company, statistics show retail store closures have climbed tenfold in one year. However, pound shops, pawnbrokers, charity shops, cheque cashing, payday loan shops and betting shops are bucking the trend and showing considerable growth. The table below shows the 'risers and fallers' by business type across the UK's top 500 town centres during 2012:

Risers	Net Change (%)	Fallers	Net Change (%)
Cheque Cashing/Payday Loans	+20.0	Card & Poster Shops	-23.4
Pound shops	+13.0	Computer Games	-45.0
Pawnbrokers	+13.2	Women's Clothes Shops	-7.2
Charity shops	+2.7	Recruitment Agencies	-15.1
Betting Shops	+3.3	General Clothing	-8.7
Supermarkets	+3.6	Health Foods & Products	-24.7
Coffee Shops	+3.4	Banks & Financial Institutions	-2.9

Table - Top risers and fallers by business type in 2012 (Source: Local Data Company)

- 2.7 Work was undertaken in 2012 to try to determine the numbers of money shops in Leeds city centre and in district centres. This is not straightforward because there is no clear planning or industrial classification to distinguish these types of shops. **However, from available sources of information a list was compiled and is attached to this report at Appendix 4**
- 2.8 The high cost lending market (Home Credit, Pawn Brokers, Money Shops, Payday Lenders, rent-to-buy) was estimated by the OFT to be £7.5 billion in loans to consumers in 2008¹. The equivalent figure for payday loans at that time was £900 million but it is reported that this figure will have more than doubled by 2011. It is further estimated that 5 million people in the UK access high cost credit of which 2 million use payday lenders.
- 2.9 If this national picture is equated to the Leeds population it means that up to 60,000 people in Leeds may use high interest lenders including approximately 22,500 people who may take out Payday loans. In addition to the social cost, this market represents a potentially huge impact on the Leeds economy. Based on national data, the high cost market in Leeds could be in the region of £90m. If everyone using high cost credit in Leeds had access to affordable sources this could reduce the cost of borrowing by up to £60m in a year to Leeds families. Even a 10% penetration into this market would represent a significant annual gain for Leeds communities and the economy.

¹ OFT, Review of High Cost Credit, June 2010

- 2.10 According to research company Data Monitor, the payday lending market could account for £3.4bn of loans by 2014.
- 2.11 The StepChange debt charity, which provides a national debt counselling service, has said that more than twice as many people who sought help with debts in 2012 had payday loans compared with 2011. It helped 36,413 people last year who had payday loan debts, some 20,000 more than the previous year. They also reported that 42% of their clients under age 25 had payday loans. This is a fourfold increase in just 2 years.
- 2.12 Earlier this year the Office of Fair Trading (OFT) undertook a review of the businesses of the top 50 payday lenders (which together account for around 90% of the payday market by turnover). The review found a number of examples of non-compliance with the industry code of practice including:
- Failing to show the APR interest of their loans;
 - %age APR or calculated examples not prominent enough on their sites;
 - Omitting or downplayed information about the costs and risks to the borrower;
 - Not conducting adequate affordability assessments;
 - Actively promoting rolling over loans for an extended term when borrowers would be better served by a repayment plan;
 - A number of firms were using aggressive debt collection practices.
- 2.13 As a result, the sector will face advertising curbs and be under closer supervision. The government wants to limit the number of adverts shown per hour on TV and ensure that terms and conditions are displayed more prominently.
- 2.14 The OFT also required the companies to take immediate steps to address areas of non-compliance or risk losing their consumer credit licence. After the end of the 12 week deadline set by the OFT, 14 of the companies indicated that they were to withdraw from the payday lending market (1 company failed to respond). In addition the OFT has referred the whole of the industry to the Competition Commission, which has wider powers to deal with some of the issues identified for the protection of consumers.

Financial Conduct Authority (FCA)

- 2.15 The new financial services regulator – FCA - will take over the Financial Services Authority's consumer financial watchdog powers and have powers to cap the cost of payday loans, but not until 2014. The FCA will be granted this key weapon, along with other ways to keep rogue lenders in check. There will however be a 'legal loan sharks' window of opportunity before regulators can limit charges in 2014.

The FCA will also have powers to create rules which will:

- Limit the length of a payday loan
- Impose a limit on the number of times a payday loan is rolled over
- Make a payday loan agreement unenforceable
- Force money or property to be returned to consumers and redress to be given to consumers by a firm

- 2.16 While the regulator will have these powers, it has to assess whether they need to be used. In a recent report (March 2013) from the Department for Business Innovation and Skills (BIS), the Government Minister indicated that whilst: "the Government recognises that a cap might be appropriate at some point in the future" "The Government does not believe that a total cost of credit cap is the best way to address the concerns in the pay day lending market at this time."
- 2.17 In response to these concerns the council is launching a campaign to tackle high cost lenders and information about this campaign is contained in the main issues part of this report.

3 Main issues

- 3.1 **Appendix 1** provides data on the impact of the welfare changes as at the end of July 2013. The data is shown at both city-wide and ward level and, where appropriate, at ALMO level. The main issues to note are set out below.

Social sector size criteria (under-occupancy)

- 3.2 The number of tenancies affected has reduced since the start of April but continues to remain high at 7,834 across the city. The reduction in tenancies affected is fairly consistent across the ALMOs and is likely to reflect the intense activity undertaken to ensure that new and existing tenants are aware of the changes and their implications.
- 3.3 However, the level of rent arrears is increasing as a result of under-occupancy. Of the 7173 ALMO tenants that were affected by under-occupancy at the start of April 2013, 1,934 already owed rent – this equates to 27%. At the end of July 2013, 3,821 of the 6,296 tenants affected owed rent – this equates to 60%. It is clear from this that many tenants are struggling to cope with the changes.
- 3.4 In April 2013, Executive Board agreed a revised rent arrears recovery approach that recognises those who can't pay. The approach focuses on maximising income and signposting to support for issues around debt and budgeting for those tenants who engage with ALMOs about their rent arrears. The Committee may also be aware that consideration is being given to reclassifying some properties where the design of the property means that it would be appropriate to treat the properties as having one bedroom less. Around 850 properties are under consideration and approximately 280 are also affected by the under-occupancy rules.
- 3.5 A more detailed review of how tenants are dealing with the under-occupancy changes will be undertaken in the autumn. This will look at tenants who have moved to more affordable accommodation, tenants who are managing to pay the extra rent and tenants who are struggling to cope with the extra costs.

Discretionary Housing Payments (DHP)

- 3.6 The funding for Discretionary Housing Payments has increased to £1.9m for 13/14 to help deal with issues arising from under-occupancy and the Benefit Cap (see 3.18). This is an increase of £900k on the £1m spent on DHPs in 12/13 –

the vast majority of the spend in 12/13 went on private tenancies as a result of changes to Local Housing Allowance rates.

3.7 The policy for the allocation of DHPs was agreed Executive Board and priorities spend on the following groups:

- Disabled tenants in significantly adapted properties
- Tenants with child access arrangements
- Tenants approaching Pension Credit age
- Foster carers and kinship care
- Pregnant women allocated an additional room for the baby.

3.8 At the end of July 2013, £864k of the £1.9m spend has been committed and, with Benefit Cap coming into effect from 19th August 2013, it is estimated that the full £1.9m allocation will be spent. The breakdown of committed spend to date shows that:

- £572k (66%) has been spent on under-occupancy cases; and
- £292k (34%) has been spent on other cases, mainly private rented sector.

3.9 Following the outcome of a recent judicial review against the under-occupancy changes brought by disabled tenants – which concluded that the under-occupancy changes did not impact on the tenants' human rights – the Government has announced an additional £20m for DHPs. Councils will be able to bid for additional funds from this £20m although the bidding process has yet to be announced.

3.10 Spend against the DHP allocation will continue to be closely monitored and, should the circumstances allow it, the policy will be relaxed to support more applications.

Council Tax Support (CTS) scheme

3.11 Nearly 33,000 households have seen their Council Tax Benefit reduce by 19% as a result of the localisation of Council Tax Support and reduced Government funding. Of these, almost 25,000 previously had their Council Tax met in full by Council Tax Benefit. All Pension Age cases are protected from any reduction and a further 10,000 working age cases have been protected from any reductions under the Council's scheme – these are households where a severe or enhanced disability premium is applicable, where the householder is a lone parent with a child under 5, a carer or a war pensioner or war widow.

3.12 Council Tax collection is down at the end of June 2013 compared to the same point last year by 0.46% which equates to £1.3m less. The overall collection rate is 37.19% with the collection rate for CTS cases at 25.6% and 22.6% for those previously getting full benefit. Following a Central and Resources Scrutiny Board Working Group on recovery approaches, additional reminders have been built into the process and, where appropriate, payment arrangements are accepted where payments are below the level of the weekly or monthly liability. Despite these arrangements, 3,000 CTS cases have been summonsed and liability orders

obtained. This is a legal requirement in order to secure payments directly from DWP benefits.

The Council will need to decide whether to keep the existing scheme or change the scheme for 14/15. Options will be developed for consideration by Executive Board and a public consultation exercise undertaken if changes are proposed.

Local Welfare Support Scheme

- 3.13 Leeds received £2.8m scheme funding for a Local Welfare Support scheme.
- 3.14 A Local Welfare Support Scheme, approved by Executive Board, was put in place with effect from April 2013. The scheme is designed to provide emergency support and to provide help to people and families who need support to remain in the community. Unlike the Social Fund scheme delivered by Jobcentre Plus, the Council's scheme is largely non-cash based. Residents who need help are provided with the goods and services they require. This is in line with most other councils. The approved scheme also agreed to set aside up to £500k to support initiatives which promoted Leeds City Credit Union and increased provision of debt and benefit advice.
- 3.15 As at the end of July 2013, £361k had been spent on providing support to residents and a further £375k allocated to support Leeds City Credit Union and a range of debt and benefit advice initiatives. The scheme has also been adjusted to provide help during the summer to families who would be entitled to Free School Meals during school terms but who are struggling to feed their children during the school holidays.
- 3.16 The adoption of a non-cash based scheme seems to have reduced demand for the scheme and there is likely to be a significant underspend this year. This position is mirrored across West Yorkshire Councils. As the funding for the Local Welfare Support Scheme is not ring-fenced any underspend can be used as the Council sees fit. Options therefore include channelling funding into other initiatives, increasing DHP funding or using the funding to provide a hardship fund for CTS cases. Recommendations will be presented to Executive Board shortly.
- 3.17 Work has now started on developing a scheme for 2014/15 and it is intended to bring a consultation paper to the next round of Area Committees in order to inform proposals to Executive Board later in the year.

Benefit Cap

- 3.18 The Benefit Cap, which limits to £500 a week the amount of benefit a non-working family can receive, was launched nationally from 15th July 2013 with cases in Leeds starting to be capped from 19th August 2013. Around 424 families affected by the Cap and work has been ongoing to ensure that families are prepared for the Cap.
- 3.19 **Appendix 1a** provides a ward breakdown for the cases affected by the Benefit Cap. The cases most seriously affected have been considered a by a casework team consisting of Families First, Children's Services, Housing Options, ALMOs

and the Benefits Service. In most of these cases a move to cheaper accommodation is not an option because a) there are likely to be difficulties in finding primary school places for families with more than one primary school age child and b) a number of these cases lose all or most of their Housing Benefit making most alternative housing unaffordable. In these cases, Discretionary Housing Payments will be made.

- 3.20 Working with ALMOs and Housing Associations, visits have been made to most families affected. Contact has also been made by Jobcentre Plus to advise tenants about the help they can get with moving into work – families working more than 16hrs (lone parents) or 24hrs (couples) are exempt from the Benefit Cap.
- 3.21 It should be noted that Discretionary Housing Payment funding for the Benefit Cap is expected to be reduced from £75m in 13/14 to £45m nationally in 14/15. With this in mind most families are being asked to contribute up to £50 towards the cost of their rent from their remaining minimum benefit of £500 a week where possible. It remains the intention to ensure that none of the families are faced with eviction and further work will be carried out with families where this a real risk.

Preparations for Universal Credit

- 3.22 Following the Pathfinder phase of Universal Credit in Tameside, the DWP has rolled out Universal Credit to 6 more areas from October 2013. The areas are: Hammersmith, Rugby, Inverness, Harrogate, Bath and Shotton and this constitutes the start of the national roll out. A further announcement is expected in the autumn on future roll outs but it is unlikely that we will see any significant roll out of Universal Credit in Leeds until nearer the end of 2014 or even later.
- 3.23 Preparations are continuing for Universal Credit with the main focus being on preparing tenants for a digital claims process, developing a Local Support Services Framework, tackling high cost lenders and putting in place arrangements for dealing with direct payments of the housing element of Universal Credit to tenants.

a) Preparing for a digital claims process:

DWP remains keen to support a digital process for Universal Credit although the 'digital by default' intention has been softened and replaced by a 'digital where appropriate' approach. Nevertheless, this remains a key element of the preparations for Universal Credit. The emphasis of our reparations is on raising awareness of the need to claim online, supporting residents to become more proficient at online activity, providing facilities to get online and developing support arrangements for those that will struggle to manage an online claim.

The Council's network of OSCs, Libraries and Children's Centres will be important in facilitating and supporting users to get online. There are also other public facing PCs that can be used and the network of public PCs will be available in the near future.

As part of the awareness-raising campaign, a special mobile unit operated by Libraries and Information Services and a mobile Union Learn unit will be used across the city to promote online activity, encourage users to get online and promote classes aimed at making people more confident in going online. This will be supported by a poster campaign and information targeted to tenants with the campaign tied in with the launch of an online application process for Housing Benefit and Council Tax Support which could launch in the new year.

b) Developing a Local Support Services Framework

DWP recognises that local councils are essential partners in helping deliver Universal Credit and is looking for local delivery partnerships to be created between Jobcentre Plus District Managers and Local Authorities. These partnerships are intended to provide face to face support for vulnerable residents who may struggle with getting online, struggle with budgeting or need high levels of support to manage a Universal Credit account.

The DWP has now said that full details of the partnership arrangements, funding arrangements and required outcomes will not be provided until autumn 2014 – this will allow local councils to put in place a Local Support Services Framework for 2015/16. This statement, alongside a commitment from DWP to maintain Housing Benefit administration funding throughout 2014/2015, strongly supports the suggestion that Universal Credit will not be rolled out in a significant way during 2014. Nevertheless, work is underway to see how the council and Jobcentre Plus can work together to manage the impacts of the welfare changes.

c) Dealing with direct payments to tenants

Tenants getting Universal Credit will normally also receive the housing benefit element as part of their Universal Credit payment and will be expected to make arrangements to ensure their rent is paid regularly. It is expected that tenants with significant levels of rent arrears will continue to have the housing element paid directly to their landlords – early analysis shows that 1049 ALMO tenants have arrears of 8 weeks or more (in value) and would be expected to have their housing element paid to their landlord.

Leeds has developed a proposition which makes local councils responsible for decision-making around direct payments as part of the planned migration of HB cases to Universal Credit. Under the proposition, the council would check that the tenant is able to manage direct payments. This check would include a check on rent arrears, ownership of an active bank account, awareness of the need to set up payment arrangements and monitoring of initial compliance with the requirement. The proposition, which is at **Appendix 2**, has been issued to DWP and a response is awaited.

High cost lenders campaign

- 3.24 In June 2013, Executive Board approved a campaign to tackle high cost lenders in the city. The key elements of the campaign are:
- Coordinate activity across public, private and the third Sector to deal with high cost lending
 - City Wide High Profile campaign
 - Local Neighbourhood promotion and education Campaign
 - Build Capacity for alternative affordable credit
 - Reduce dependency on and use of HCLs
 - Provide direct support for those caught up in HCL
- 3.25 **Appendix 3** provides an update on the campaign and welcomes contributions from the Area Committee on locality-based events that would support the campaign.
- 3.26 A number of city wide initiatives have been providing support to citizens for many years involving a broad network of partner organisations. Some key services include.

Leeds City Credit Union

- 3.27 A key partner in the battle to tackle high cost lenders is Leeds City Credit Union (LCCU). LCCU is working closely with the Council and other partners to develop support for residents who do not have access to affordable banking services. As part of the Local Welfare Support Scheme adopted by the Council, the Executive Board approved a recommendation that an element of the scheme funding should be used to support, among other things, promotion and development of Leeds City Credit Union services and increased provision of advice and support.

Headrow Money Line

- 3.28 The Community Development Finance Institution (CDFI) operating as Headrow Money Line, is a sister organisation to LCCU and started lending in November 2012. In the initial months of trading, Headrow Money Line (HML) is taking a deliberately cautious approach to lending in order to embed systems and to protect against risk. HML is providing affordable credit to many of the residents who have been turned down currently for credit union loans. In so doing it will enable these residents to have access to the broader network of support either provided directly through HML or through partner agencies.
- 3.29 HML offers a source of credit which is significantly lower in cost and therefore much more affordable than payday loan companies, doorstep and similar lenders. CDFI's operating around the country charge interest in the region of 40% to 70%. HML is currently operating at the higher end of this range in order to ensure security of the business and give time to assess the impact of bad debt provision.

Although this seems high, it is significantly lower than the typical rate charged by doorstep lenders (300% and above) or of some "payday" lenders (up to 4000% plus).

Leeds Advice Partners

- 3.30 A partnership of advice agencies provide debt and welfare rights advice, along with the Councils own Welfare Rights Unit. This service is becoming increasingly important given the many changes to the benefits system highlighted in this report. The City Council is currently undertaking a review of advice provision with the intension of ensuring a more comprehensive coverage of support in all the areas of the city where there is a need and delivering advice in a more integrated way. The new service is planned to be introduced during 2014.

South East Welfare Reform Group/Locality Actions

- 3.31 In November 2011 the South East Area Leadership Team recognised Welfare Reform as a priority in its improvement and development plan. The South East Area Support Team (AST) along with partners agreed a task and finish group be established to work in the locality to explore, developing and where appropriate deliver actions to support residents to mitigate the impact of the welfare changes. A Welfare Reform group was established and have been meeting and delivering actions since that time.
- 3.32 The group has representatives from various council departments as well as external partners and the voluntary sector. The next meeting will take place on Tuesday 10th September at 1.00pm Dewsbury Road One Stop Centre.
- 3.33 During the run up to the implementation of under occupancy in April 2013 the focus of the work of the group was to ensure that all front line staff were briefed on the changes. The aim of this was to equip staff to work effectively with clients to ensure that they were prepared for the changes and aware of what the impact would be. Up to 150 frontline staff attended briefings in four sessions in the locality.
- 3.34 Since the implementation of the welfare changes there has been a significant increase in the number of clients visiting advice services including the CAB seeking support. This has ranged from advice on sanctions and discretionary housing payments, to debt and arrears advice.

Aire Valley Homes Leeds (AVHL)

- 3.35 Aire Valley Homes Leeds (AVHL) undertook visits to all of their tenants effected by the under occupancy changes, the same exercise was completed by Housing Associations in the area (Unity and Leeds Federated). The visits highlighted the changes and the likely shortfall in rent that tenants would face, discussions on how that shortfall could be met as well as options available to them.
- 3.36 In response to the welfare changes, AVHL has appointed additional staff (12.5 FTE) to maximise rent collection, rehouse tenants who are under-occupied and provide essential support and advice on money management and debt

prevention. This additional capacity and expertise in front line delivery includes six rent collection officers (Leeds City Council directly funded), three Financial Inclusion Officers, two Re-Housing Officers, one Independent Living Support Officer and an officer seconded from Leeds City Credit Union.

- 3.37 As at July 2013 Leeds Benefits Service identified 1,643 households in AVHL affected by Social Sector Size Criteria. Over 87% of these tenants have been visited (**Appendix 5**) to ensure tenants are claiming all eligible benefits and are given budgeting advice and assistance setting up Direct Debit, debt advice and referral to specialist support, referrals to Leeds City Credit Union, advice with establishing bank accounts, discretionary Housing Payment applications, outlining financial implications for tenants considering taking in lodgers or boarders.
- 3.38 Appendix 6** shows AVHL arrears on under occupiers by Ward
- 3.39 The 2012 Survey of Tenants and Residents (STAR) highlighted a city-wide reduction of 15% in customer satisfaction with regard to 'Advice and support received on managing finances and paying rent and service charges'. The additional staff resource for Financial Inclusion Officers is allowing more intensive income management advice and debt management support to those tenants in need.
- 3.40 AVHL has already undertaken significant preparatory work to ensure under-occupied tenants are aware of the welfare changes. In August 2012, two Welfare Reform Officers were recruited to prepare customers and staff for the welfare changes. This initial activity allowed AVHL to cross check household information with the data provided by Leeds Benefits Service, discuss rent payment requirements, raise awareness of the consequences of non-payment, Identify money management / budgeting problems with AVHL Financial Inclusion Officers and assist with applications for Discretionary Housing Payments (DHP).
- 3.41 The addition of an Independent Living & Support Officer is allowing the team to continue to assess, provide and facilitate essential tenancy support services for an increasing number of our most vulnerable customers. Examples of which include those with mental health, drug and alcohol dependency and those with significant life skills difficulties.
- 3.42 AVHL have focussed activity on matching under-occupying tenants with suitable alternative public and private sector accommodation. A House Exchange event 15th July 2013 at Middleton Community Centre which was attended by over 30 people. The event was publicised through Facebook, South Leeds Life, Internet, mobile texts and letters to target groups.
- 3.43 Since April 2013 AVHL have facilitated 34 house exchanges with 11 in the pipeline Approximately 56% of the approved exchanges have involved one or more households who were under-occupying their home. We are working with partner organisations to consider delivering a city wide house exchange event.
- 3.44 The Leeds City Credit Union (LCCU) officer seconded to AVHL is supporting tenants in building life skills and developing their financial knowledge and understanding. This key area of work directly combats the growing threat of illegal

and high interest doorstep lending. Credit Union services, such as Savings, Budget and Bill Paying accounts, with '*prioritised*' automated rent payments being created are promoted.

- 3.45 LCCU are working with Local Children's Centres promoting their range of accessible services. A number of surgeries are planned for areas where there is a higher proportion of low income families with debts. LCCU has now taken on a new staff member to concentrate on promoting LCCU services through schools and Children's Centres in Leeds. A partnership with local Churches has been developed to help lower income families. The first session will be held at Middleton Church Hall on September 12th.

Commissioned Projects

- 3.46 Funding was secured through Public Health to deliver targeted work with residents impacted by the changes. West Yorkshire Trading Standards were successful in bidding to deliver a Financial Fitness Project to two wards in the Outer South. Following consultation with Area Committees a programme of workshops and staff training was approved. At the Outer South Area Committee on 16th July 2013, Members approved Wellbeing funding of £2,200 to support a further two wards in the Outer South enabling all four wards to be covered by the Financial Fitness project. Neighbourhoods selected are:
- Northfields, Ardsley & Robin Hood
 - Fairfax, Morley North
 - Newlands, Morley South
 - Wood Lane, Rothwell
- 3.47 A staff briefing has been scheduled for 10.00 am on Tuesday 24th September at Dewsbury Road One Stop Centre and an invitation has been extended to front-line staff in the Outer South area. There is scope to provide a further staff briefing session if demand is high.
- 3.48 The briefing session will include:
- Welfare Reform
 - Banking and budgeting
 - Scams, frauds and rogue trader activity
 - Loan sharks
 - Practical support to practitioners can offer to their client group
- 3.49 Practitioners will receive a Front Line Workers Handbook packed with helpful tips and phone numbers and staff will be encouraged to sign up to run community sessions which are expected to be delivered in October.

Digital Inclusion

- 3.50 Members of the AVHL Independent Living Support Team (ILST) attended a Leeds Federated Housing Digital Inclusion Seminar in July. The session was also attended by a number of different Housing Organisations both Social and Private.

This seminar ensures a more joined up City approach to enable all tenants to have both access to and the skills to use the internet in a way that will benefit them, particularly with the advent of Universal Credit.

- 3.51 The three AVHL Area Panels have funded three digital media apprentices, in partnership with Leeds Federated Housing and Retrograde Academy. These apprentices will support teams to communicate key messages with tenants through digital technology, such as information surrounding Welfare Changes, house exchanges, Social Sector Size Criteria, Discretionary Housing Payment and Universal Credit. The idea behind using the digital media apprentices is to engage tenants using more diverse channels, which are appropriate and convenient to their needs and lifestyles.
- 3.52 Further work to refresh information on digital access across the area is being completed with a questionnaire developed by AST and health colleagues circulated to all groups and contacts across South East Leeds, this is part of a programme being completed across the City and co-ordinated at that level.
- 3.53 Details of events and meetings which can be used to promote digital access are being considered. A range of options for activities to get people online will be offered, tailored to different areas; these will include the use of mobile provision, mentoring and volunteering as well as utilising IT provision already available.
- 3.54 This will link with the on-going work as part of the Get IT together project which is operating across the city. A summary of this work will soon be available to Members.

Debt Prevention and High Interest Lenders

- 3.55 PC's, PCSO'S and NPT's are to be trained in dealing with loan sharks by Trading Standards; this will include what is defined as harassment.
- 3.56 A meeting has taken place with a representative of the illegal money lending team, Community safety and West Yorkshire Police. The Leeds ALMOs are planning further campaigns this year. Further meetings are planned to look at the outcomes of the work to target illegal loan sharks and approaches to high interest and other doorstep lenders aiming to prevent debt wherever possible.
- 3.57 A DVD has been produced highlighting the issues of loan sharks and this is to be shown in GP's surgeries. The DVD is also being looked at to roll out into Schools and Children Centres.

Employability

- 3.58 AVHL has an Officer seconded from Jobcentre Plus (JCP) working with tenants to create CV's, develop interview skills, and support tenants back into training, education and employment. Nearly 9% of tenants impacted by Social Sector Size Criteria (SSSC) have indicated they will be seeking employment to pay the additional rent.
- 3.59 AVHL have also developed a course in association with Jamie Oliver's 'Ministry of Food' to promote healthy eating and provide key skills in cooking on a budget.

This is an 8 week course for up to ten tenants who are unemployed. Each session includes 1.5 hours cooking skills followed by a different session each week covering topics such as employment, training, budgeting and Credit Union services. This is a popular course and plans are in place to deliver a third course in October 2013.

- 3.60 John O'Gaunts Tenants and Residents Association supported by the Outer South Area Committee's Neighbourhood Improvement Officer successfully accessed Aire Valley Homes Leeds' Outer South Area Panel funding to support them in setting up a work club. The funding helped to contribute towards the cost of laptops and broadband, which has enabled the group to promote internet access and job searches as part their existing weekly coffee mornings.
- 3.61 These sessions have been supported by a number of services including Get IT Together, Igen, Leeds City College, AVH staff, such as the seconded officers from Jobcentre Plus and Leeds City Credit Union, and the Outer South Area Committee's Neighbourhood Improvement Officer. Staff attend the sessions to provide advice and support. By supporting and empowering residents associations and community groups to promote a digital access channel for local residents, we are able to successfully reach out to residents affected by Welfare Changes.
- 3.62 Following the success of the work club at John O'Gaunts, the Outer South Area Panel has funded another two work clubs facilitated by community groups. The Friends of Drighlington Community are currently running a fortnightly work club from Drighlington Community Library, also supported by AVH staff, and Tingley Tenants and Residents Association supported by the the Outer South Area Committee's Neighbourhood Improvement Officer are in the early stages of launching computer access from Tingley Youth and Community Centre.
- 3.63 These community-based computer access channels will be particularly beneficial to AVH tenants when Universal Credit is introduced as they will only be able to apply for Universal Credit online.

Further work:

- 3.64 The Welfare Reform Group is also linking in with the Leeds Foodbank project to see how we can support and assist in developing the project in our area.
- 3.65 The group is linked to the Financial Inclusion Steering Group and East and West Leeds Debt Forums to ensure that projects and issues are communicated back to the team and benefits of initiatives maximised in the locality.
- 3.66 The South Leeds Debt Forum organised by the South East Welfare Reform Group was formally launched on 30th July with guest speakers including former MP John Battle and Cllr Kim Groves. Delegates also heard key note speeches from the Chairs of both East and West Debt Forums. There was excellent attendance and contributions from a range of partner organisations including CAB, local Churches, Housing Associations, BITMO, Aire Valley Homes and The South East Area Support Team.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The report provides information on progress in implementing the welfare changes and the impacts of the changes and is not a report which requires public consultation.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 The Government's welfare changes have implications for equality and diversity and have been subject to equality impact assessments. Similarly, the development of Discretionary Housing Payments and Local Welfare Support schemes have also been subject to equality impact assessments.

4.3 Council policies and City Priorities

4.3.1 The on-going development of responses to the welfare changes and preparations for changes still to come is aimed at supporting City Priorities around health and wellbeing and poverty. Cross-sector working, particularly with the advice sector and 3rd sector organisations such as the Credit Union, is aimed at ensuring tenants and residents receive support to manage the changes.

4.4 Resources and value for money

4.4.1 The report is for information only and does not have any resource implications directly. The on-going development of initiatives to tackle high cost lenders and put in place support for vulnerable tenants has resource implications. These are expected to be met from funding streams for local welfare scheme and local support services framework, once announced.

4.5 Legal Implications, Access to Information and Call In

4.5.1 There are no legal implications relating to this report.

4.6 Risk Management

4.6.1 The programme of welfare changes increases the risk of rent arrears and Council Tax arrears. Changes to the recovery process along with the application of the Discretionary Housing Payment scheme are aimed at mitigating the risks.

5 Conclusions

5.1 Many tenants are struggling to cope with the welfare changes that came into effect from April 2013 and this has seen increases in rent arrears and Council Tax arrears. On-going preparations for Universal Credit recognise the impact of the changes to date and focus on tackling high cost lending, increasing financial inclusion and supporting tenants to get online to manage benefit claims.

5.2 Potential reductions to Discretionary Housing Payments funding in 14/15 mean that further work is required to move tenants away from dependency on DHPs and into more sustainable and affordable renting solutions.

6 Recommendations

The Committee is asked to:

- 6.1 Note the information about the impact of the welfare reforms;
- 6.2 Note the information about the campaign against high cost lenders and contribute to options for locality-based events and initiatives to support the campaign.
- 6.3 Note the work in the South East locality in response to the welfare changes

7 Background documents²

- 7.1 There are no background documents.

App 1_ monthly update

App 1a_ward breakdown Benefit Cap

App 2_Direct payment proposition

App 3_High cost lending update

App 4_ Legal Credit in Leeds

App_5 Social sector size criteria by Ward

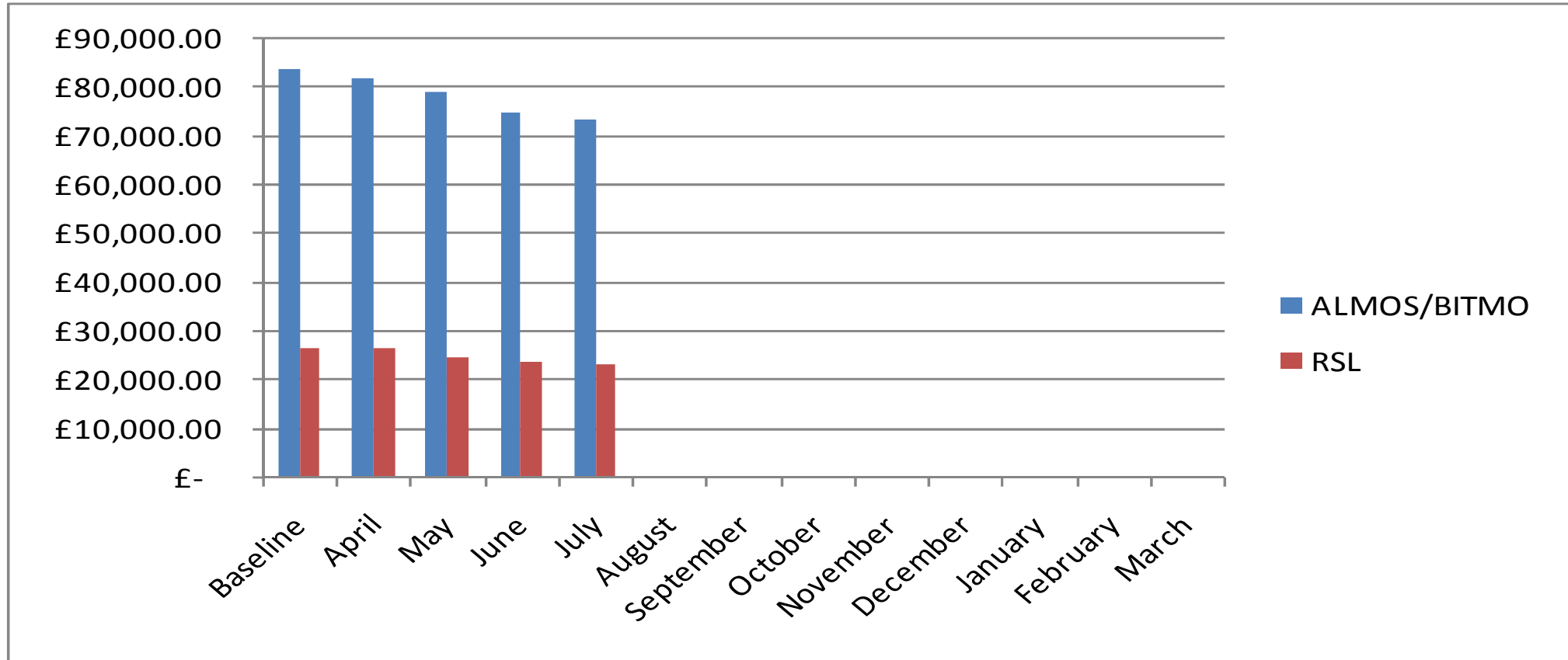
App_6 Areas on under occupiers by Ward

² The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Under-occupancy statistics

The weekly loss of Housing Benefit is:

- £ ALMOs £72,922.01
- £ HAs £ 22,841.63



Under-occupancy statistics

Ward breakdown

	ALMO NUMBER	ALMO £	RSL NUMBER	RSL £		ALMO NUMBER	ALMO £	RSL NUMBER	RSL £
Adel and Wharfedale	33	£ 432.15	15	£ 169.95	Horsforth	105	£ 1,227.11	7	£ 170.60
Alwoodley	125	£ 1,387.52	35	£ 592.83	Hyde Park and Woodhouse	287	£ 3,148.81	133	£ 2,109.14
Ardley and Robin Hood	61	£ 741.17	34	£ 452.59	Killingbeck and Seacroft	590	£ 7,102.39	67	£ 886.27
Armley	403	£ 4,306.47	99	£ 1,501.42	Kippax and Methley	84	£ 1,179.38	16	£ 242.46
Beeston and Holbeck	304	£ 3,297.04	37	£ 497.42	Kirkstall	337	£ 4,071.92	24	£ 333.74
Bramley and Stanningley	309	£ 3,732.27	30	£ 421.91	Middleton Park	483	£ 5,671.49	91	£ 1,269.29
Burmantofts and Richmond Hill	614	£ 6,420.96	115	£ 1,692.63	Moortown	43	£ 489.73	82	£ 1,317.19
Calverley and Farsley	59	£ 744.92	7	£ 132.97	Morley North	75	£ 842.70	18	£ 262.12
Chapel Allerton	277	£ 3,265.02	153	£ 2,448.51	Morley South	134	£ 1,471.47	19	£ 296.48
City and Hunslet	187	£ 2,170.55	120	£ 1,863.72	Otley and Yeadon	84	£ 937.13	19	£ 279.50
Cross Gates and Whinmoor	135	£ 1,626.24	30	£ 432.70	Pudsey	127	£ 1,551.41	25	£ 389.51
Farnley and Wortley	281	£ 3,188.82	16	£ 143.63	Rothwell	141	£ 1,810.84	46	£ 639.69
Garforth and Swillington	62	£ 754.88	3	£ 46.98	Roundhay	66	£ 712.51	42	£ 693.42
Gipton and Harehills	357	£ 4,081.02	149	£ 1,968.40	Temple Newsam	259	£ 3,262.03	46	£ 706.34
Guiselley and Rawdon	47	£ 558.56	8	£ 108.85	Weetwood	138	£ 1,569.59	16	£ 245.39
Harewood	25	£ 350.16	0	£ -	Wetherby	50	£ 623.43	9	£ 132.49
Headingley	14	£ 192.32	27	£ 393.49					

Discretionary Housing Payments as at 31.07.13

Priority Group	Total requests	Awards	% of awards	No award	% where no award	Ave Weekly award	Total cost of awards made
Sig adapted	498	309	62%	189	38%	£ 13.64	£ 195,538.24
Child access	322	246	76%	76	24%	£ 11.80	£ 137,773.77
Approach PC age	60	54	90%	6	10%	£ 15.77	£ 26,353.42
Housing & birth	21	19	90%	2	10%	£ 11.02	£ 2,121.07
Exceptional circs	547	341	62%	206	38%	£ 13.78	£ 188,305.04
Foster Carers	23	23	100%	0	0%	£ 15.48	£ 17,011.53
Not in priority group	550	10	2%	540	98%	£ 19.68	£ 5,077.27
Number of UO cases	2021	1002		1019		£ 15.45	£ 572,180.34
LHA cases affected by welfare changes	338	240		98		£ 30.61	£ 164,021.71
Benefit cap cases	None	None		None		None	None
Cases not in above categories	590	235		355		£ 26.41	£ 128,222.47
Total of DHP claims	2949	1477		1472			£ 864,424.52
Total spend to date	£ 402,912.94						
DHP Budget	£ 1,924,162.00						

Local Welfare Scheme statistics as at 31.07.13

Calls offered

Date	Offered	Abandoned	To CSO's	Eligible Applications	Awards
Apr-13	1896	768	1128	366	283
May-13	1866	711	1155	454	395
Jun-13	1737	600	1137	428	377
Jul-13	2151	803	1348	526	462
Total	7650	2882	4768	1774	1517

Decisions	
Outcome	Totals
Awarded	1517
Not awarded	257
Total	1774

Value of awards			Breakdown Of Goods	
Item	Value	Number	Goods	Total
Store Cards	£ 7,010.00	232	Dryer	8
ASDA baskets	£ 38,456.10	659	Cooker	393
Fuel (cash)	£ 10,602.30	527	Fridge	322
White / Brown Goods	£ 234,009.81	608	Bed	235
Flooring	£ 67,183.19	193	Bedding	32
Travel	£ 1,138.00	4	Curtains	11
Removal	£ 2,773.09	10	Washer	91
Total	£ 361,172.49	2233	Sofa	34
			Microwave	14

Breakdown Of Non Awards

Reason	Total
Referred to DWP	34
Single – not met emergency criteria	126
No response to our phone calls	50
Previous Claims	2
Living with family – not met emergency criteria	21
Cancelled / withdrawn by customer	24
Total	257

Local Council Tax Support

NUMBER OF CLAIMS AFFECTED BY 19% LCTS scheme

2013/14	April	May	June	July	August	September	October	November	December	January	February	March
ALL CLAIMS	34042	33535	32995									

Weekly Value Of Loss Of Benefit For Claims Affected By 19% LCTS scheme

2013/14	April	May	June	July	August	September	October	November	December	January	February	March
ALL CLAIMS	£ 85,364.44	£83,811.83	£82,003.06									

The average weekly reduction in May is equivalent to an additional **£4,264,159** per annum that needs to be paid by customers on Council Tax Support.

Council Tax Group		Comments
Elderly	30186	National prescribed scheme: no change to entitlement
War Pensioners	33	Protected: no change to entitlement
Severe Disability	2371	Protected: no change to entitlement
Enhanced Disability	5004	Protected: no change to entitlement
Carer	1524	Protected: no change to entitlement
Lone Parent Child Under 5	6600	Protected: no change to entitlement
Other	32512	No protection: entitlement reduced by 19%
Total	78230	

Local Council Tax Support: breakdown by ward of numbers with additional 19% to pay

WARD	Number Of Claims	WARD	Number Of Claims
Adel and Wharfedale	348	Horsforth	331
Alwoodley	690	Hyde Park and Woodhouse	1504
Ardsley and Robin Hood	498	Killingbeck and Seacroft	1804
Armley	2003	Kippax and Methley	438
Beeston and Holbeck	1784	Kirkstall	1160
Bramley and Stanningley	1292	Middleton Park	1877
Burmantofts and Richmond Hill	2788	Moortown	543
Calverley and Farsley	440	Morley North	531
Chapel Allerton	1596	Morley South	733
City and Hunslet	1981	Otley and Yeadon	493
Cross Gates and Whinmoor	809	Pudsey	675
Farnley and Wortley	1142	Rothwell	506
Garforth and Swillington	294	Roundhay	593
Gipton and Harehills	2987	Temple Newsam	905
Guseley and Rawdon	309	Weetwood	664
Harewood	146	Wetherby	219
Headingley	417		

Appendix 1a – Ward breakdown of Benefit Cap cases

WARD NAME	Number Of Claims	Total Weekly Loss	Average Weekly Loss
Adel and Wharfedale	2	£169.26	£84.63
Alwoodley	2	£194.26	£97.13
Ardsley and Robin Hood	5	£345.74	£69.15
Armley	21	£1,630.47	£77.64
Beeston and Holbeck	25	£1,660.83	£66.43
Bramley and Stanningley	24	£1,707.81	£71.16
Burmantofts and Richmond Hill	35	£2,166.03	£61.89
Calverley and Farsley	6	£417.93	£69.66
Chapel Allerton	26	£1,547.52	£59.52
City and Hunslet	34	£2,252.90	£66.26
Cross Gates and Whinmoor	8	£513.29	£64.16
Farnley and Wortley	13	£1,067.52	£82.12
Garforth and Swillington	2	£52.43	£26.22
Gipton and Harehills	53	£3,522.65	£66.47
Guiseley and Rawdon	1	£59.80	£59.80
Harewood	5	£424.07	£84.81
Headingley	3	£233.18	£77.73
Horsforth	4	£98.98	£24.75
Hyde Park and Woodhouse	16	£1,095.59	£68.47
Killingbeck and Seacroft	27	£1,483.36	£54.94
Kippax and Methley	3	£92.18	£30.73
Kirkstall	17	£963.45	£56.67
Middleton Park	34	£1,929.13	£56.74
Moortown	4	£212.22	£53.06
Morley North	7	£265.66	£37.95
Morley South	3	£235.38	£78.46
Otley and Yeadon	4	£138.10	£34.53
Pudsey	2	£136.29	£68.15
Rothwell	5	£257.23	£51.45
Roundhay	8	£424.26	£53.03
Temple Newsam	16	£1,272.73	£79.55
Weetwood	7	£541.06	£77.29
Wetherby	2	£165.17	£82.59
Grand Total	424	£27,276.48	£64.33

Appendix 2 – Proposition for direct payments

Proposition for a greater role for Local Authorities and Social Landlords in the delivery of Direct Payments.

Introduction

In order to successfully deliver Universal Credit, Local Authorities and DWP need to work closely together.

A key feature of Universal Credit is the intention to include the rent element in the monthly payments to Universal Credit customers. The rationale for this is about preparing people for the world of work where they would be required to take responsibility for paying all their housing costs. The potential benefits of the approach need to be balanced against the risks arising from direct payments: increased collection costs, increased rent arrears, homelessness, debt and impact on investment and self-financing regimes. The risks almost exclusively fall on social landlords, private landlords and local councils.

The operation of the direct payment and payment exceptions scheme is critical both to the success of the Universal Credit scheme itself and in ensuring customers make a successful transition to a new regime. The current proposals for the administration of direct payments and payment exceptions centre around an assumption in favour of direct payments at the start of the claim with payment exceptions being considered where information is

- a) presented to Universal Credit administrators for consideration; or
- b) identified through the Local Delivery Partnerships while supporting vulnerable customers.

These arrangements seem more suited to a 'steady state' Universal Credit operation but are less suitable for the implementation and migration phase of Universal Credit.

This paper sets out propositions for delivering direct payments that would:

- a) reduce the financial risk to landlords and councils;
- b) provide support to DWP in delivering Universal Credit; and
- c) deliver an effective direct payments process that helps prepare tenants for the world of work

The propositions build on the experience and expertise that councils have developed around operating direct payment schemes.

Roll out of Universal Credit

There are likely to be distinctive phases for the roll out of Universal Credit based around:

- new claims;
- natural migration;
- managed migration;
- steady state.

New claims/steady state claims

In both the new claims and steady state phases, customers moving onto Universal Credit will in the main be people moving from employment to unemployment, people experiencing a change of circumstance that brings them within the scope of Universal Credit or people moving from a household where Universal Credit was already in payment. They would normally have been making rent payments themselves or, if vulnerable, would be supported onto Universal Credit as part of the Local Delivery Partnership. A supported arrangement would allow for a payment exception to be identified.

These cases still represent a risk but an assumption in favour of direct payment could be argued. The challenge that 'steady state' presents is around those who fail to cope with monthly direct payments and the need to deal with this.

Proposition 1: In these cases, local councils would be responsible for making a decision around payment exceptions and dealing with expectations about a return to direct payments.

The advantages of this are:

- effective liaison arrangements already exist between landlords and local councils to allow for confirmation of the arrears position and its impact;
- tenants are more likely to present to local councils in the first place if threatened with eviction proceedings or when faced with homelessness;
- the decision on payment exceptions would be taken based on its effectiveness in preventing homelessness and in the context of overall costs to the public purse;
- debt and money advice and budgeting support would all be delivered locally including promotion of Credit Unions;
- the activity would fit with local councils' responsibilities to provide other financial support such as emergency payments and discretionary payments

Natural/managed migration

The process of natural and managed migration presents significantly different challenges.

Firstly, large numbers of tenants will migrate to Universal Credit probably local authority area by local authority area. They will move from a position of having their rent paid directly to their landlord with other benefits payments coming through on a mixture of fortnightly, 4-weekly or monthly payments to a position of having a single benefit payment paid monthly in arrears. The payment will include the rent. The changeover will not be gradual. The date of the first payment of Universal Credit is unlikely to reflect the pattern of previous payments. Tenants and landlords will see rental payments interrupted and will need to distinguish between structural arrears and other arrears.

Secondly, some tenants will not be prepared for or able to cope with direct payments at this time and some may fall to be payment exceptions because they have significant rent arrears or special arrangements are in place because of current possession orders or because some tenants are deemed to be high risk

Proposition 2: that local councils and/or social landlords would be responsible for assessing the suitability for a tenant to move to direct payment as part of the managed migration process.

Under this proposition, tenants would not be moved onto direct payments until the suitability test had been applied and would only move onto direct payments where the suitability test was met. The suitability test would cover issues such as whether the tenant had a bank account, debt issues, rent arrears or other factors that meant the tenant needed more support before taking full responsibility for direct payments.

Different approaches could be applied to tenants depending on whether they were getting full or partial benefit (and so were already making rent payments directly), the length of time a tenant had been on Housing Benefit (more recent claims would be likely to have a recent history of paying rent direct; long term claims may need more support)

Landlords/councils would be expected to put in steps to support customers to move to direct payments where this was appropriate

The advantages of this approach are:

- it would ensure that tenants were aware of their responsibilities on transfer to Universal Credit;
- it would result in a number of tenants moving onto direct payments straightaway;
- it would identify people unsuitable for direct payment right at the start of the process;
- it would reduce the costs and problems associated with a failure to effectively manage direct payments;
- it would deliver a more supportive approach to implementing Universal Credit;
- it recognises that a number of tenants are likely to visit their local council or landlord when they are notified they are migrating to Universal Credit.

The managed migration process, with its letter giving notice of migration, easily allows for this proposition to be built in.

The natural migration process will see tenants faced with the same sudden change as those in the managed migration caseload. The migration will occur when a relevant change of circumstance occurs and more difficult to plan for. Tenants moving under a natural migration will not be transitionally protected and could face reductions in benefit income caused by both the change in their circumstances and also if they are in a category where Universal Credit is less generous.

Proposition 3: the natural migration process will see Housing Benefit services given notice to end Housing Benefit cases in natural migration cases. As part of this process, councils should be given responsibility for assessing the suitability for tenants to move onto direct payments in line with proposition 2.

The advantages of this approach are largely the same as above. The added advantage is that tenants facing reductions in benefit income could be given added budgeting support.

There would be costs implications arising from these propositions for councils/social landlords and further work is required to quantify the costs. However, a more measured and supportive approach to establishing direct payments could see other costs reduce in the long-term and could lead to fewer failures by tenants to manage direct payments, fewer enquiries to DWP offices and a reduction in likely rent arrears.

Appendix 3 – High cost lenders action plan

Priority area	Actions	Involvement/Partners	Action Progress
Develop understanding of the scale of the issue in Leeds	1. Financial profiling at SOA level	FI Team, Regional Policy Team	Discussions with Salford University on feasibility of mapping Leeds research data against nationally available data.
	2. Mapping of provision of HCL through mapping of local financial services	Area Management	Baseline data set out in Executive Board Report, September 2012, to be supplemented by local knowledge.
	3. Utilise data analysed during the Advice Sector Review to map current resources and activity to tackle debt issues across Leeds	FI Team, Environment and Housing Commissioning Team	
Coordinate activity across public, private and 3 rd Sector to deal with HCL	4. Presentation to Financial Inclusion Steering Group on HCL campaign	FI Team	Presented to Steering Group on 3 July 2013
	5. Coordinate activity across ALMO's to ensure that best practice is delivered uniformly across city.	LCC Housing Management Service Area Management	ENE and AV both employ a dedicated CU staff member to work closely with tenants.
	6. Encourage all social housing providers to engage with best practice examples	LCC Housing Management Service Area Management	
	7. Area Management Locality working to coordinate partners at a community level	Area Management	
Develop Communication Plan in two parts. 1. City Wide High Profile campaign	8. Develop an overarching communication plan for producing a comprehensive promotion and marketing plan warning of the problems of HCL's and promoting alternatives ie. LCCU.	FI Team Corp. Comms.	Communications Plan developed and currently seeking marketing agency to deliver the plan via a tender exercise. Interviews to take place on 3 September.
	9. Engage major sports organisations in campaign against HCLs and promoting alternatives particularly LCCU;	FI Team	Met with Leeds Rugby, LUFC and YCCC. Leeds Rugby and YCCC keen to be involved. Further letter sent out to LUFC following their management changes.
	10. Engage with major public and private sector employers and the banking sector to support the campaign	FI Team LCCU Area Management	Discussions held with Chamber of Commerce. LCC Chief Exec article circulated in Chamber of Commerce bulletin.

2. Local Neighbourhood promotion and education Campaign	11. Engage with Leeds's Universities and NUS to support the campaign	FI Team	Met with University of Leeds, Student Advice. Letter to 2 Leeds universities seeking action on payday lending
	12. Engage with local media to seek their involvement in the campaign	FI Team Corp. Comms.	Contact made with YP reporter
	13. High profile public meeting/media event to launch campaign	FI Team	Conference to take place on 25 October
	14. Investigate the use of "void space" on advertising hoardings, both public and private sector	FI Team Corp. Comms.	Meetings have taken place with relevant officers and possibilities being explored
	15. Investigate prominent banner adverts on public buildings	FI Team Corp. Comms. Area Management	See 13
	16. Ban websites carrying adverts for HCLs;	FI Team Corp. Comms.	List of 190 payday lenders compiled and forwarded to LCC IT. Also sent to all other WY authorities and York who have agreed to block websites. Date agreed – 2 September. Internet redirect pages prepared and press release ready for issue.
	17. Discourage contractors promoting HCLs;	Corp. Procurement	
	18. Develop campaign website to support HCL campaign with advice and information about partner services	FI Team Corp. IT Services	Met with IT services and temporary web pages have now been set up until new campaign branding in place.
	19. Develop a social media campaign through Facebook, Twitter etc	FI Team Corp. Comms.	
	20. Develop promotional and educational material to support local campaigning activity against HCL and promoting LCCU	Corp. Comms. Area Management	
	21. Provide comparisons between HCLs and more affordable options;	FI Team LCCU	Case studies prepared with LCCU
	22. Provide guidance on dealing with money issues that avoid using HCLs;	Advice Agencies LCCU Area Management	
	23. Create programme of events to keep issue fresh, raise awareness of issues and to raise awareness of frontline role;	FI Team Area Management	

	24. Provide briefing and training to frontline staff;	All Directorates Public Health Area Management	
	25. Develop HCL toolkit for frontline staff;	Advice Leeds All Directorates Area Management	
	26. Link with illegal lending team campaigns where appropriate;	Illegal Money Lending Team Area Management	IMLT are members of the FI Steering Group and work regularly with partners across the city
	27. Investigate advertising on side of council vehicles	LCC Transport Corp. Comms. Area Management	
	28. Work with Secondary Schools to develop media for education on HCL's possibly utilising such as "Shontal" theatre group	Children's Services Area Management	
	29. Investigate possibility to produce video production of the "Shontal" play for use by community groups and schools	FI Team Corp. Comms.	
Build Capacity for alternative affordable credit	30. Develop a programme of initiatives to support the delivery of expanded credit facilities through LCCU and Headrow Money Line (CDFI)	FI Team Corp. Comms. Area Management	See 8 above. A package of support initiatives agreed and funding provided to LCCU to implement.
	31. Engage with the banking sector to seek their support for working closely with LCCU to enhance provision	FI Team LCCU	Meeting set up with some banking partners and LCCU preparing for a larger meeting in the Autumn
Reduce dependency on and use of HCLs	32. Set costs reduction targets for ALMO tenants;	ALMO's LCC Housing Services	
	33. Promote alternative options including CDFI, LCCU Payday Loans and LCCU Budgeting Accounts;	Corp. Comms. Area Management	See 8 above
	34. Use control zones in worst affected areas to discourage doorstep lenders visiting homes in the area;	ALMO's Area Management	
	35. Support social enterprise models for furniture re-use;	FI Team Citizens and Communities Directorate	

	36. Investigate possibility of developing a “Brighthouse” social model for white goods and furniture	FI Team Citizens and Communities Directorate	
	37. Link in with fuel poverty activity, including Wrap-up-Leeds, Warm Front and Community Energy Together (switching scheme)	Fuel Poverty Officer Area Management	Regular dialogue takes place with the Fuel Poverty Officer
	38. Work with employers to educate and support staff about Payday Loans and alternative arrangements	FI Team Area Management	
	39. Work with Public health to tackle lifestyle issues	LCC Public Health Area Management	
	40. Discourage HCL as a way of paying council/utility bills	LCC Revenue Division	
	41. Work with Food Banks and other anti-poverty initiatives	FI Team Citizens and Communities Directorate Area Management	
Provide direct support for those caught up in HCL	42. Increase money, debt and benefits advice	FI Team Env. And Housing Commissioning Team	
	43. Include debt review in rent/Ctax arrears cases;	LCC Revenue Division, Corporate Debt Team ALMO's	
	44. Ensure a unified approach to debt collection by utilising the Corporate Debt Team and coordination through the Corporate Debt Liaison Group	FI Team LCC Revenue Division, Corporate Debt Team	Next meeting of the Corporate Debt Liaison Group taking place on 4 October
Measure the impact of the approach	45. Agree indicative KPIs	FI Team	
	46. Review and refresh approach as required	FI Team	

Appendix 4 - Legal Credit Activity in Leeds

Details of Credit Businesses Based in Leeds

Businesses involved in Consumer Credit activity (loans, brokerage, debt collection, debt management) are required to hold a Consumer Credit Licence, issued by the Office of Fair Trading. As the local regulator of consumer credit West Yorkshire Trading Standards Service (WYTSS) is sent details of any new or amended application for a Consumer Credit licence for their comments, e.g. that a person is fit/unfit to hold such because of convictions, etc.

A list of all businesses in West Yorkshire with a Consumer Credit Licence was formerly maintained by WYTSS but there is now a national register kept on line (link below) and the West Yorkshire service has to rely on this national register for local information.

<http://www2.crw.gov.uk/pr/Default.aspx>

Legal High Cost Credit Providers in Leeds

The following high cost home collected credit lenders are based in Leeds:

Adamson Finance - 135 Otley Old Road, Leeds, West Yorkshire, LS16 6HH

CLC Finance - Unit 4, Meadow Court, Millshaw, Leeds, West Yorkshire, LS11 8LZ

Fowlers Permanent C& S LTD - 53 Stanningley Road, Leeds, West Yorkshire, LS12 3ND

Leeds & District Clothing & Supply Co Limited - 164 Harehills Lane, Harehills, Leeds, West Yorkshire, LS8 5JP

Naughton Finance Ltd - Mayflower House, 14 Pontefract Road, Leeds, LS10 1SG

Martin Oddy & Co - 4 Griffin House, Station Road, Morley, LS27 8JW

Park Finance Co Ltd - 9 Ring Road, Seacroft, Leeds, West Yorkshire, LS14 1AT

Pioneer Finance - 2 Holly Tree Lane, Colton, Leeds, West Yorkshire, LS15 9JF

However in addition to these businesses there are a number of other businesses that operate 'rounds' in Leeds, including Provident and West Riding Family Finance (Bradford); D & J McGuinness, J R Naylor and Provida Loan (Wakefield); and Shopcheck (Birstall) plus some businesses from Rotherham, Chester, Solihull and Worcestershire.

All businesses involved in small cash loans are required to place their details on the Lenders Compared website – www.lenderscompared.org.uk – which lists all the businesses who will offer such credit by postcode and includes rates, payment periods and other key terms and conditions. It is interesting to note that some businesses operate at a very local level. There are for example some businesses that will offer loans in Seacroft but not Morley or the city centre.

The Lenders Compared web-site lists loans (a) which offer a number of repayments and (b) loans between £50 and £800. As such it does NOT include the high cost short-term payday loan businesses such as Wonga or Quickquid; or high cost loan businesses offering medium sized loans (£1,000 - £5,000) such as Ocean Finance. Most of these businesses operate regionally or nationally and advertise via newspapers, television and increasingly via the internet (especially using formats specifically tailored for mobile phones).

Lenders Compared does also NOT pick up businesses which offer high cost loans based on a security (usually a car - often referred to as log-book loans) who use a range of archaic financing tools that mean they are not legally defined as either "small amount" or "multiple payment" credit service. There are a number of such businesses that operate in but are not based in Leeds.

Below is a list of shops operating in Leeds by postcode which has been compiled by the Economic Policy Team. The list may not be fully comprehensive as there is not one simple data source for this information, some shops may be part of national groups which are registered outside of Leeds and due to the provisos indicated above. However, this is probably the most up to date list available at the current time.

Credit shops operating in Leeds

POSTCODE		
LS1	Money Shop	2 Call Lane, Leeds LS1 6DN
	Money Shop	25-27 The Headrow, Leeds LS1 6PU
	Pawnbrokers/payday loans	8 New Market Street, Leeds LS1 6DG
	Finance 321	57 Great George Street, Leeds LS1 3AJ
	Ramsdens 4 Cash	11-12 Kirkgate, Leeds LS1 8BY
	Herbert Brown Pawnbrokers	19 Kirkgate, Leeds LS1 6BY
	Cash Shop	26 New Market Street, Leeds LS1 6DG
	Cash for Gold	35 Vicar Lane, Leeds LS1 6DS
	Ramsdens 4 Cash	49 New Briggate, Leeds LS1 8JD
	Brown and Gold Cash for Gold	Park Cross Street
LS2	Money Shop	38 Eastgate. Leeds LS2 7JL
	Money Shop – Ramsdens	49 New Briggate, Leeds LS2 8JD
	Cash Converters	21 Eastgate, Leeds LS2 7LY
	Everyday Loans	Unit 2 Merrion Centre, Leeds LS2 8NG
	Herbert Brown Pawnbrokers	12 Eastgate, Leeds LS2
	The Money Shop	2 Call Lane, Leeds LS2
	Herbert Brown Pawnbrokers	40-42 Merrion Centre, Leeds LS2 8NG
	Brighthouse	Merrion Centre, Leeds LS2
LS7	Automoney	122 Potternewton Lane, Leeds LS7 2EG
LS8	Cash Converters	254 Roundhay Road, Leeds LS8 5RL
	Money Shop	243 Roundhay Road, Leeds LS8 4HS
	One Stop Money Shop	83 Roseville Road, LS8 5DT
	Cash Converters	164 Harehills Lane, Leeds LS8 5JP
LS9	Cash Converters	76 Lincoln Green Road, Burmantofts, LS9 7SU
	Automoney/Log book loans	577 York Road, Leeds LS9 6NH
	Ramsdens 4 Cash	314 Harehills Lane, Leeds LS9 7BG
LS10	NFL Cash Direct	Pontefract Road, Stourton, Leeds LS10 1SP
	Naughton Finance Limited	Mayflower House, 14 Pontefract Rd, Leeds LS10 1SG
LS11	Cash Converters	211 Dewsbury Road, Beeston, Leeds LS11 5FZ
	Cash Express	247 Beeston Road, Leeds LS11 7LR
	Shopacheck	Oakhurst Avenue, Dewsbury Road, Leeds LS11 7HL
	Cash Xpress	2 Parkfield Mount, Leeds LS11 7PA
	CLC Finance	Unit 4, Meadow Court, Millshaw, leeds LS11 8LZ
LS12	Cash Converters	6-8 Town Street, Armley, Leeds LS12 3AB
	Log book loans	
	Money Shop	26 Town Street, Leeds LS12 3AB
	One Stop Money Shop	12 Town Street, Leeds LS12 1UX
	Cash Generator	41-43 Town Street, Leeds LS12
	Fowlers Permanent C&S Ltd	53 Stanningley Road, Leeds LS12 3ND

LS13	Cash Converters	30 Bramley Shopping Centre, Leeds LS13 2ET
	Albemarle and Bond Pawnbrokers	25 Bramley Centre, Leeds LS13 2ET
	Cheque Centre	21 Bramley Centre, Leeds LS13 2ET
	Brighthouse	27-29 Bramley Shopping Centre, Leeds LS13
LS14	Cash Converters	853 York Road, Leeds LS14 6AX
	Park Finance Co Limited	9 Ring Road, Seacroft, Leeds LS14 1AT
LS15	Money Shop	14 Station Road, Crossgates, Leeds LS15 7JX
	Cheque Centre	25 Crossgates Shopping Centre, Leeds LS15 8ET
	Herbert Brown	39 Crossgates Shopping Centre, Leeds LS15
	Pawnbrokers and cheque cashing	36 Austhorpe Road, Leeds LS15 8DX
	Cash Generator	7 Crossgates Shopping Centre, Leeds LS15 8ET
	Ready Steady Dough	Park Approach, Leeds LS15 8GB
	Cash Express	241 Selby Road, Leeds LS15 7JR
	Cash for Gold	243 Selby Road, Leeds LS15
	Pioneer Finance	2 Holly Tree Lane, Colton, Leeds LS15 9JF
	Brighthouse	Cross Gates Shopping Centre, Leeds LS15
LS16	Adamson Finance	135 Otley Road, Leeds LS16 6HH
LS18	Carloantoday	164 Town Street, Horsforth, Leeds LS18 4AQ
	ScrapGold	85b Town Street, Horsforth, Leeds LS18
LS20	Shopacheck	5-8 Richmond Terrace, Leeds LS20 8BP
LS22	One Stop Money Shop	21 Market Place, Wetherby, Leeds LS22 6LQ
	Brown and Gold – Cash for Gold	10 North Street, Wetherby, LS22 6NN
LS27	Ramsdens 4 Cash	62 Queen Street, Morley, Leeds LS27 9BP
	Martin Oddy and Co	4 Griffin House, Station Road, Morley, LS27 8JW

Appendix 5

Social Sector Size Criteria By Ward - Update on Contacts/Visits Undertaken to the end of July 2013

Description	Inner South			Outer South				Outer East				Total	
	Beeston & Holbeck	City & Hunslet	Middleton Park	Ardsley & Robin Hood	Morley South	Morley North	Rothwell	Crossgates & Whinmoor	Garforth & Swillington	Kippax & Methley	Temple Newsam (AVH Only)		
Total Number of Tenants Affected per list provided by Welfare & Benefit Service July 2013	329	190	290	66	155	77	177	165	76	99	11	1635	
Completed Visits / Contacts	282	185	279	50	115	57	127	156	70	90	10	1421	
No Response to Contacts	36	5	11	11	35	15	43	6	4	6	1	173	
Family Size Dispute	16	17	25	3	2	0	11	14	7	4	1	100	
Property Size Dispute	13	9	12	5	2	2	7	8	4	4	0	66	
Transfer Requested * see below	50	26	53	11	14	4	19	26	21	15	0	239	
Registered for Mutual Exchange	13	9	12	2	6	1	5	8	4	8	0	68	
Cover shortfall from Income / Benefits **	102	80	113	13	29	12	25	72	40	41	2	529	
Seek Employment **	28	15	34	0	10	5	4	9	7	7	0	119	
Plan to move to other tenure **	9	1	6	1	5	0	2	3	1	3	0	31	
Seek Lodger **	3	2	6	3	1	0	3	4	2	6	0	30	
Foster Carers	4	2	4	0	1	0	4	4	2	3	0	24	
In adapted Properties	17	11	17	6	13	12	19	9	9	7	1	121	
Access to Children or Applying	20	15	19	3	6	2	12	11	7	5	2	102	
Tenants considered High Risk **	96	51	83	15	42	24	50	51	17	32	1	462	
*Bedroom Requirements of those requesting a transfer	1 Bed	41	13	31	7	11	2	15	17	14	12	0	163
	2 Bed	8	11	21	3	2	2	4	9	6	3	0	69
	3 Bed	1	2	1	1	1	0	0	0	1	0	0	7
	4 Bed	0	0	0	0	0	0	0	0	0	0	0	0
	5 Bed	0	0	0	0	0	0	0	0	0	0	0	0

** Please note some tenants are considering more than one option as a response to SSSC

*** Tenants classed as high risk are those where an income and expenditure assessment has been undertaken and they have insufficient income to pay the Housing Benefit charge or have refused to provide income and expenditure details

Last Updated: 13/08/2013

Appendix 6

Aire Valley Homes Leeds by Ward

Arrears on Under Occupiers

		<u>Arrears @ Week 52</u>		<u>Arrears @ Week 18</u>	
IS	Beeston & Holbeck	£	48,099.41	£	55,644.81
	City & Hunslet	£	16,028.54	£	27,008.22
	Middleton Park	£	42,253.75	£	50,187.85
OS	Ardsley & Robin Hood	£	8,180.66	£	14,631.35
	Morley South	£	12,250.12	£	18,600.93
	Morley North	£	5,735.48	£	8,708.51
	Rothwell	£	15,878.80	£	22,204.24
OE	Crossgates & Whinmoor	£	29,099.57	£	39,659.22
	Garforth & Swillington	£	4,055.45	£	7,327.78
	Kippax & Methley	£	9,547.19	£	18,925.36
	Temple Newsam (AVH Only)	£	233.17	£	978.57
	Grand Total	£	191,362.14	£	263,876.84

Data Point Week 18 (5th Aug 13)