

Report of Chief Officer Housing Leeds

Report to Director of Resources and Housing

Date: 25th September 2017

Subject: Increasing the Resource within the Enhanced Income Management Service

Are specific electoral wards affected? If yes, 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. This report seeks the approval of the Director of Resources and Housing to increase the number of staff within the Enhanced Income Service. There are currently 16 Housing Officers (Income) within the service; it is proposed to increase that number by 5 to 21.
2. It is further proposed to increase the funding for the Enhanced Income Service for an additional 12 months, up until March 2020 due to the delays in Universal Credit being rolled out across the country.
3. The Enhanced Income Service (EIS) has been in operation since February 2016 and provides an enhanced level of support to tenants who are affected by Welfare Reform. To date the service has engaged with and supported 1814 tenants affected by Under Occupation, the Benefit Cap and Universal Credit.
4. To date the team have generated an additional £470K in income for those tenants who have been supported. Some of this income has been paid directly on to the tenants rent accounts thereby making a positive contribution to rent collection performance.
5. The number of tenants affected by the Benefit Cap significantly increased in January 2017 from 71 to 350 cases.

6. Universal Credit Full Service goes live in Leeds in June 18. This will mean the numbers of tenants claiming Universal Credit will increase from approx. 80 cases to 240 cases per month.
7. Due to the positive outcomes being delivered by the scheme and the increasing numbers of tenants being affected by Welfare Reform and requiring support, it is suggested that the size of the team is increased to cope with the increase in demand for the service.

Recommendations

1. That the Director of Resources and Housing notes the contents of this report and approves the extension of the Enhanced Income Service up to March 2020.
2. That the Director of Resources and Housing approves the allocation of funding from the Welfare Reform Reserve Fund to create an additional five C3 Housing Officers (Income) within the Enhanced Income Team.

1. Purpose of this report

- 1.1 The purpose of the report is to provide the Director of Resources and Housing with the business case to seek approval to increase the number of staff working within the Enhanced Income Service.
- 1.2 The report provides an overview of the Enhanced Income Service, key outcomes to date and information on how the additional staff will be able to provide further support to tenants affected by Welfare Reform.

2. Background information

- 2.1 The Enhanced Income Service has been in operation since February 2016. It is funded via reserves set aside for mitigating the impact of Welfare Reform.
- 2.2 The Team consists of 16 Housing Officers (Income) who provide an enhanced level of income management support to tenants affected by Welfare Reform including the Benefit Cap, Under Occupation and Universal Credit.
- 2.3 The Enhanced Income Team provides support to tenants in a wide range of areas. Following an initial interview, a bespoke package of support is then tailor made for each individual tenant depending on their circumstances. The types of support offered include the following;
 - DHP Application
 - Council Tax Support Application
 - Grant and Trust Application
 - Money Management
 - Employment Support
 - Help with finding voluntary work
 - Healthy Living
 - Utility Switch
 - Mutual Exchange
 - Benefit Advice

- 2.4 At the end of March 2017 the Enhanced Income Team has generated additional income of £470K for the tenants it has supported. This is made up of £280K in Discretionary Housing Payment paid direct onto tenants rent accounts and £190K in Grants/Utility Bill savings.
- 2.5 A key focus for the team has been to provide support to tenants as they switch over onto Universal Credit. The introduction of Universal Credit is having a severe impact on the rent collection streams of Housing Organisations. It is causing severe financial hardship whilst tenants await their first payment and it is having a negative impact on the health and well-being of tenants. As claimants have to wait 6 to 7 weeks for their initial payment they are in financial difficulty, with many turning to Foodbanks and Local Welfare Support Schemes to help them with the transition.
- 2.6 In a recent benchmarking exercise with a number of other organisations, Housing Leeds compared well in managing the impact of Universal Credit having one of the lowest increases in arrears for Universal Credit cases. This demonstrates that the work of the Team is proving successful in managing the transition onto Universal Credit.
- 2.7 A key area of work the Team is undertaking is capturing the impact of Welfare Reform on the health and wellbeing of tenants. Leeds is one of the few areas capturing and measuring this data and it is invaluable in providing feedback to Members, other organisations and the DWP.
- 2.8 The work carried out as part of the Enhanced Income Service is being shared with a number of other organisations as an example of good practice.

3. Main issues

- 3.1 Due to the success of the Enhanced Income Service and increasing numbers of tenants being affected by further Welfare Reforms, it is proposed to extend the project until March 2020. These include;
- Universal Credit Full Service going live in Leeds in June 2018
 - Loss of automatic housing costs being paid for Under 21 year olds, launched in April 2017 but will only apply to cases on Full Service Universal Credit
 - Migration of remaining cases to Universal Credit (timetable not confirmed yet)
 - Working Tax Credit Changes – no additional award for a third child born on or after 6th April 2017
 - Employment Support Allowance changes in relation to the working related activity and associated payments from April 2017
- 3.2 The following budget has been identified for the additional resources to be added to the Enhanced Income Team. The Team is funded via the Welfare Reform reserve fund;
- For 2017/18 the existing budget for the 16 staff equates to £457.1K. To increase the team by a further 5 staff, with effect from July 2017 up to year end, will require an additional £107.1K.
 - The total budget for the team this year will increase to £564K (equivalent to 21 full time employees).

- For 2018/19 the total cost of the team will be £605.9k.
- For 2019/20 to total cost of the team will be £612K.

3.3 Proposal for Use of the Additional Resource

- 3.4 The additional resource will enable the team to offer support to the increasing numbers of tenants affected by the future Welfare Reform changes detailed above.
- 3.5 The main increase in workload will arise from the implementation of Universal Credit Full Service in Leeds in June 2018. It is estimated that the number of new monthly Universal Credit claimants will increase by 200% from 80 to 240 cases. However from speaking to other authorities who have moved onto Full Service, they have experienced higher percentage increases in terms of tenants moving onto Universal Credit. CURO homes have found that 20% of the potential Universal Credit caseload actually moved onto Universal Credit in the first 10 months.
- 3.6 This is partly due to high number of Employment Support Allowance claimants being moved over incorrectly onto Universal Credit. These tenants are being supported to see if they should move back onto Universal Credit. It is hoped that following the recent feedback to the DWP Select Committee that enhancements and changes to the system may be implemented. We can then review the position in Leeds and revise the forecasting figures going forwards.
- 3.7 By 2020 approx. 22,000 tenants will have moved onto Universal Credit and it is this cohort that will require the bulk of the support from the Enhanced Income Team.
- 3.8 The Team will continue to support the new list of Under Occupancy cases each month. With the additional resource the team will be able to profile and re visit some of the existing Under Occupancy cases with high arrears. A review of their situation will be undertaken to see if any additional support can be provided to prevent Court and Eviction proceedings. It is intended to review 100 cases with the highest levels of arrears when the additional resource is in place.
- 3.9 The additional resource will be able to provide support to the 50 new Benefit Cap cases each month that are being referred from Leeds Benefit Service following the recent reduction in the Cap from January 2017.
- 3.10 The resource will enable additional promotional, support and campaign work to be carried out by the team. This will include supplementary general arrears and financial inclusion campaigns to be undertaken including;
- Loan Shark action days
 - Tackling poverty and working with outcomes from the Poverty Truth Commission
 - Support pre tenancy and tenancy sustainment projects
 - Increase Digital Inclusion outcomes
 - Expand the number of text, Direct Debit and other targeted campaigns
- 3.11 The resource will enable the Team to be able to ensure appropriate training and support is put in place to prepare Area Teams for the migration phase of Universal Credit. Ultimately the work of the Enhanced Income Service will then move into the generic Housing Officer role.

3.12 The resource will enable the Enhanced Income Service to be able to respond effectively to any particular increase in volume of work, or issue which may arise such as the recent situation with White Rose Energy.

3.13 Management Arrangements

3.14 The 16 Enhanced Income Team staff is managed by two Neighbourhood Support Officers. The additional 5 staff will be managed within this existing resource.

3.15 Performance Measures

3.16 Outcomes will be measured monthly and incorporated into the regular Enhanced Income Team report to include the following indicators:

- Income Generated through various themes, Housing Benefit, Discretionary Housing Payment, DWP benefits, grants and reduced household bills
- Level of rent arrears for supported tenants
- Number of tenants in scope for support and engaging with support
- Survey results which demonstrate how the project has impacted on the way a tenant feels about their finances and opportunities
- Number of tenants moving into work or volunteering
- Number of tenants we have helped move to more suitable housing
- Social Value impact

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 The proposals within this report have been developed in consultation with the Income Team and Heads of Housing Management who are all supportive of the proposal.

4.1.2 The Unions have been consulted on the proposals and have not raised any concerns or objections with the recommendations of this report.

4.1.3 The job description for the Housing Officer (Income) posts already exist and has been evaluated by the Leeds City Council Job Evaluation Team.

4.2 Equality and diversity / cohesion and integration

4.2.1 Delivery of responses to Welfare Reform has provided personal support to tenants to meet individual needs.

4.2.2 An Equality Impact Assessment screening document was completed to support the introduction of the Enhanced Income Service in July 2015.

4.3 Council policies and best council plan

4.3.1 The Enhanced Income Service contributes to the Council's strategic objectives of supporting communities and tackling poverty.

- 4.3.2 The Enhanced Income Service supports delivery of one of Housing Leeds key priorities in maximising income and increasing rent collection.
- 4.3.3 The Enhanced Income Service will continue to support the Council and its tenants in preparing for the introduction of Universal Credit Full Service which will go live in Leeds in June 2018.
- 4.3.4 The project will continue to foster excellent relationships that have been developed with Leeds City Councils Welfare and Benefits, Employment and Skills, Public Health and external partners such as Ebor Gardens Advice Centre, GIPSIL, Voluntary Advice Leeds, Pinnacle People, Money Buddies, Leeds City Credit Union and Stepchange.

4.4 Resources and value for money

- 4.4.1 It is anticipated the additional resources within the team will enable the following outcomes to be achieved;
- In 2016/17 the annual income generated by Enhanced Income Team was £470K. It is expected this amount will increase by 20% to £564K per year.
 - Total annual Income being generated by the Team to increase by 20% to £1.46M, during 2016/17 the amount generated stood at £1.22M.
- 4.4.2 The Social Value impact of the Enhanced Income Service is being developed using a nationally recognised model by the Housing Associations Charitable Trust (HACT). In 2016/17 the positive impact of the service was estimated to be worth £2.2M. It is anticipated this will increase by 20% to £2.64M in 2017/18.

4.5 Legal implications, access to information, and call-in

- 4.5.1 This report does not contain any exempt or confidential information.
- 4.5.2 This report is not eligible for call in.

4.6 Risk management

- 4.6.1 Welfare Reform has an adverse impact on the Council's financial position and creates financial hardship. As such it has been deemed a High Risk to the council and this risk is regularly monitored and reviewed in the Corporate Risk Register.
- 4.6.2 The recommendations within this report will help to minimise the risk by supporting tenants to move to a better financial position and therefore more able to pay their rental charge.

5. Conclusions

- 5.1 The Enhanced Income Service has made a positive contribution to tenants affected by Welfare Reform and to the rent collection performance of Housing Leeds. The Enhanced Income Service is shown to be working effectively to minimise the potential impact of Welfare Reform, in particular Universal Credit, when compared to our peers.
- 5.2 The impact of Welfare Reform will increase significantly over the next few years. By increasing the resource within the Enhanced Income Team it will ensure that

tenants who will be affected will be effectively supported through the transition. This will make a positive contribution to these tenants and help reduce the risk to the rent collection stream of the council.

6. Recommendations

- 6.1 That the Director of Resources and Housing notes the contents of this report and approves the extension of the Enhanced Income Project up to March 2020.
- 6.2 That the Director of Resources and Housing approves the allocation of funding from the Welfare Reform Reserve Fund to create an additional five C3 Housing Officers (Income) within the Enhanced Income Team.

7. Background documents¹

- 7.1 None

¹ 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.