

Joint Report of the Chief Executive Aire Valley Homes Leeds, Chief Officer(Revenues & Benefits) and South East Area Leader

Report to Outer East Area Committee

Date: Tuesday 12th February 2013

Subject: Welfare Reform Impact On Council Tenants

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Garforth & Swillington Kippax & Methley Temple Neswam Cross Gates & Whinmoor		
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: Appendix number:		

Summary of main issues

1. A number of welfare reforms come into effect from April 2013 which will see:
 - Social sector size criteria changes;
 - Reductions in Council Tax Support; and
 - The implementation of local welfare schemes following the abolition of elements of the Social Fund.
2. There has been considerable activity to undertaken to ensure that tenants and Council Taxpayers are aware of and understand the implications of the changes. Further work will take place in March to provide personalised information to those directly affected as well as providing general guides to Elected Members on the help that is available.
3. The changes set out above have to be implemented by local councils and are all on track to take effect from April 2013. Other changes due to come into effect from April 2013 have been deferred slightly:

- The Benefit Cap, whereby DWP will tell Local Authorities which cases to apply the cap to, will now come into effect in 'the summer'
- Personal Independence Payments, which replaces Disability Living Allowance, will come into effect in June 2013 for new claims with most existing DLA claims not being reviewed until October 2015

Recommendations

4. The Area Committee is asked to note work done to date by ALMOs and the Council to prepare for the introduction of Welfare Reform changes.

1 Purpose of this report

- 1.1** The purpose of this report is to update Outer East Area Committee on Welfare Reform changes that impact on council tenants and are due to be implemented in April 2013. It also summarises work that is currently being undertaken to prepare tenants for those changes and for future changes that will impact later in the year.

2 Background information

- 2.1** The Welfare Reform Act 2012 continues to introduce a national programme of reforms and changes to the Welfare Benefit system. The focus for the reforms is on benefits for working age people whilst people of pensionable age remain largely unaffected by the reforms. The drivers for the reforms are that people should be better off being in work rather than on benefits and that the overall costs of benefits should be reduced.
- 2.2** The main thrust of the reforms are the introduction of a “Universal Credit” which will replace a range of existing means tested benefits and tax credits for people of working age starting from October 2013. The Act follows the November 2010 White Paper “Universal Credit - Welfare Works” which outlines the Government’s proposals for reforming welfare to improve incentives to work, simplify the existing welfare benefits system and tackle administrative complexity.
- 2.3** Besides introducing Universal Credit and related measures, the Act makes the following significant changes to the current Benefit systems that are due to be implemented at different stages during 2013:-
- Personal Independence Payments replace the current Disability Living Allowance starting with new claims in June 2013;
 - Social Sector Size Criteria will result in housing benefit entitlement being reduced for working age tenants living in Council or Housing Association homes where the household is deemed to have more bedrooms than they require;
 - Local Council Tax Support replaces Council Tax Benefit which is to be abolished from April 2013, with new local schemes of Council Tax support decided by Councils and a national scheme for pensioners. Local schemes will apply to working age customers only with the Government prescribing a national scheme for those customers of pension age. The cost of both the local scheme for working age customers and the national scheme for pension age has to be met by Councils from reduced funding to be provided by Government;
 - Social Fund Changes mean Community Care Grants and Crisis Loans for Living Expenses elements of the Social Fund will be abolished from April 2013. The funding for these schemes will be devolved to local Councils with an expectation from the Government that *“the funding be concentrated on those facing greatest difficulty in managing their income and to enable a more flexible response to unavoidable needs, perhaps through a mix of cash or*

goods and aligning with the wider range of local support local authorities / devolved administrations already offer”;

- A Benefit Cap will result in the total benefit that a family can receive being limited to £500 per week for working age families and £350 per week for single claimants. There will be some exemptions for tenants working at least 24 hours a week, tenants getting disability benefits and households where a child is getting a disability benefit, all of whom will be exempt from the cap.

3 Main issues

3.1 Social Sector Size Criteria (SSSC)

3.1.1 As from April 2013 this reform introduces changes for ALMO and Housing Association claimants on Housing Benefit that are of working age and that are living in a property that is deemed to be too large for their needs - too many bedrooms for the number of occupiers. Those tenants that are affected will have a percentage reduction in housing benefit applied as follows:-

- 14% reduction for 1 bedroom more than required;
- 25% reduction for 2 or more bedrooms than required.

3.1.2 Collectively the ALMOs and the Council have been making preparations for the implementation of Social Sector Size Criteria (SSSC). The SSSC will have a significant impact in Leeds with over 8,000 households known to be affected in the City. A breakdown of the numbers affected by ward is shown at **Appendix 1** along with value of cuts in Housing Benefit by ward.

3.1.3 In July 2012 all the ALMOs/BITMO and Housing Associations undertook to contact tenants who data at that time indicated would be affected by SSSC changes. A further data extract was undertaken in November 2012 to identify changes to the numbers affected. Overall, the number had reduced but the extract identifies an additional 880 tenants that would be affected by the changes.

3.1.4 A statement is attached at **Appendix 2** which details the visits/contacts and the potential implications such as customers saying they will be unable to continue to live at their properties due to affordability and requesting to downsize. The Central and Corporate Scrutiny Board has set up a working group to consider the collection and recovery issues arising from this reform and the changes to Council Tax Benefit and will be making recommendations to Executive Board on collection and recovery activity. The terms of reference for the working group are attached at **Appendix 3**. As indicated the ALMOs have been taking steps to ensure that tenants are supported where possible to deal with the changes. A statement setting out issues raised by the ALMOs and activities underway to manage the impacts is attached at appendix 4.

3.2 Benefit Cap

3.2.1 The Department for Work and Pension has written to councils to say that the implementation of the Benefit Cap will be deferred and will be implemented ‘in the Summer of 2013’. In the meantime, DWP will test the processes for applying the

Cap within 4 London Boroughs before rolling out the processes nationally. Although Councils will be required to operate and apply the new rules on the Benefit Cap, the responsibility for identifying families affected by the Benefit Cap lies with the Department for Work and Pensions (DWP). Recent data from DWP suggests that over 500 families in Leeds will be affected by the Benefit Cap and DWP has written to all those families likely to be affected. Home visits have also been undertaken by Revenues and Benefits and ALMO staff to ensure people affected are made aware of the changes.

3.3 Discretionary Housing Payments

3.3.1 DWP has now notified the council of its Discretionary Housing Payments funding to help deal with the impacts of the Social Sector Size Criteria. In total Leeds will receive £1.92m in Government funding in 13/14 for Discretionary Housing Payments. This is an increase of just over £1m in funding compared to the allocation in 12/13 with the increase intended to recognise the additional pressures caused by the Social sector Size Criteria rules and the Benefit Cap.

3.3.2 In November 2012, the Executive Board approved a policy for the award of Discretionary Housing Payments that prioritises awards to:

- People with disabilities living in significantly adapted accommodation;
- Foster carers and kinship carers;
- People requiring additional rooms to accommodate access to children arrangements;
- Pregnant women taking in a new tenancy that takes account of the expected birth.

3.3.3 Awards will be administered by Revenues and Benefits with applications in relation to Social Sector Size Criteria requiring ALMO validation around housing need and availability of alternative accommodation in the area. This is expected to help ensure that funding is targeted to those priority cases with few options to deal with the change.

3.4 Localised Council Tax Support

3.4.1 The Government's Local Government Finance Act 2012 received Royal Assent on 1st November 2012 and requires that Councils put in place local schemes of Council Tax support by 31st January 2013 to replace Council Tax Benefit. The Government has confirmed that the funding for the 13/14 Leeds scheme will be £49.2m which represents a £5.2m reduction in funding compared to 12/13 Council Tax Benefit projected costs of £54.4m.

3.4.2 Council met in January 2013 to approve a local scheme of Council Tax Support that sees:

- The Council and precepting authorities putting additional funding into the local scheme to protect certain vulnerable groups from reductions in support. The

groups to be protected are: lone parents with children u5, carers, people getting the severe or enhanced disability premium and people in receipt of Armed Forces Compensation Payments (war pensioners and war widows);

- Council Tax support for the remaining working age customers reduced by 19%. **Appendix 1** also shows the impact of the change at ward level. The collection of issues arising from the local scheme are also being considered as part of the Scrutiny Board Working Group review.

3.5 Local Welfare Scheme

3.5.1 Leeds will receive £2.8m scheme funding in both 13/14 and 14/15 to run a local welfare scheme. The funding has been devolved to local councils as a result of the abolition of Community Care Grants (CCG) and Crisis Loans for Living Expenses (CL). The funding represents the amount that was spent on CCGs and CLs by Jobcentre plus in 11/12.

3.5.2 At its November meeting, Executive Board approved a scheme design for local welfare provision in Leeds that aims to:

- support people to return or remain in the community without the need for extra care;
- support the most vulnerable in urgent situations through signposting to the most appropriate support services or through provision of goods
- engage individuals with appropriate support services where needed to prevent repeat applications and develop resilience
- support the most vulnerable in a holistic way that will have a positive effect and minimise cash payments.

3.5.3 As well as providing direct support, the report also received approval for scheme funding to be spent on developing initiatives that would help with addressing future demand and supporting a more sustainable scheme in the event of change to funding. This includes initiatives aimed at increasing provision of debt and benefit advice, promoting financial inclusion primarily through Leeds City Credit Union, supporting the Furniture re-use network and supporting Third Sector organisations.

3.5.4 A brief consultation exercise is underway with all Elected Members and a further report will be presented to Executive Board in March 2013 setting out the full scope of the scheme and more detailed eligibility criteria for consideration.

3.6 Universal Credit

3.6.1 Implementation is planned from October 2013 but there are indications that this timetable may slip.

- The 'Pathfinder' planned for April 2013 will go ahead at the end of April but will now deal only with the more straightforward single Jobseekers Allowance claimants who are not homeowners, have no children and who already have bank accounts;

- The national roll out from October 2013 is now more likely to be a geographical or sector roll out with further details to follow about the planned migration of Housing Benefit cases to Universal Credit.

3.6.2 DWP are expected to issue a statement at the end of January 2013 with the details of the roll out intentions. At the same time DWP are also due to issue a statement about the way face-to-face services will be commissioned for Universal Credit. It is recognised by DWP that some people will need help to access Universal Credit online and with budgeting requirements. The commissioned face-to-face service is intended to provide that support. Local Authorities are expected to be the lead agencies in providing this support.

3.7 Communicating the changes

3.7.1 Each year in March, Revenues and Benefits is required to issue Council tax bills and Benefit Notifications to all its customers informing them of their new Council tax liability and, where appropriate, their new Housing Benefit and Council Tax Benefit entitlement. This results in over 330,000 Council Tax bills being issued and around 85,000 benefit notification letters being issued.

3.7.2 This year the intention is to include targeted information to those affected by the SSSC changes and Council Tax Support changes so that they:

- a) Understand why their benefit has changed;
- b) Understand the importance of paying their rent and Council Tax;
- c) Are encouraged to open bank accounts, particularly through the promotion of Leeds City Credit Union; and
- d) Know who to contact and where to go for additional support.

The information is currently being developed by Revenues and Benefits working closely with ALMOs, Housing Associations and Customer Services.

3.7.3 It is also intended to provide a 'guide' sheet for all elected members giving a synopsis of the changes and providing details of where people can go for help. This will also include details of the Local Welfare Scheme that will replace elements of the Social Fund (see below).

3.7.4 The cross ALMO / BITMO action plan (now Version 8) has been updated ensuring that it links to the citywide Welfare Reform Communication Plan and Welfare Reform Strategy.

3.7.5 There are a number of joint Welfare Reform 'Roadshows' taking place throughout the city, with representatives from each of the ALMOs attending, as follows:-

22 October – Dewsbury Road One Stop 9-3

16 November – Armley One Stop

19 November – Great George Street

03 December – St George's Centre

07 December – Aireborough Centre

10 December – Compton Centre

07 January – Otley
11 January - Osmondthorpe

Further Roadshows are being planned

4 South East Locality Perspective

4.1 Frontline staff briefing Sessions

4.1.1 Briefing sessions took place on the Monday 26th November; over 50 attended representing a range of agencies. Information was provided on the welfare reform changes, work being done by Aire Valley Homes Leeds to prepare tenants for the changes, details of the work planned by the South East Area Support Team, information on Credit Union bank accounts, access to IT and information on the Pinnacle People project supporting people into work.

4.1.2 In other areas interest has been high and it maybe that additional sessions maybe required later, these sessions will provide staff with an overview of the changes and how they can support clients to prepare and respond.

4.2 Communications

4.2.1 Discussions are ongoing with colleagues from North East and West North West Support Teams and Steve Carey to develop a coordinated approach across the three Wedges. These discussions have identified various work streams that will be progressed. Further meetings are planned to consider best practice and share ideas to support the agenda going forward. The work will include:

Employer engagement.

Work to address high interest lenders and loan sharks.

3rd sector approaches.

Food bank and social enterprise opportunities.

4.2.2 Information and support will be shared with as many front line staff as possible through the networks that have been identified from the staff briefings.

4.2.3 Targeted marketing of the Credit Union budget account (and the other budget bank accounts available) is being considered to better prepare residents for universal credit. Information on accounts to be provided as part of briefings for front line staff to share with clients. Voluntary organisations will be encouraged to actively promote the use of budget bank accounts and encourage uptake.

4.2.4 There will be continuing promotion of the need for people to begin to use budget bank accounts. Work to address loan sharks and debt management will identify what may be done on a local level linked to the development of citywide approaches.

4.2.5 Further promotion of the Pinnacle People and Get IT Together projects and increase referrals in preparation for digital by default and the universal credit changes.

4.2.6 Funding has been secured through the NHS Leeds Public Health to deliver additional support to engage and support residents linked to the impact of welfare reform on people's health, this could include providing drop in advice for tenants with concerns and queries about the changes and engage with vulnerable and hard to reach tenants.

4.2.7 Other briefings.

- At the 8th October Landlords Association meeting, Leeds Benefits Service was invited to give a presentation on the Welfare Reform Act.
- The Landlord Association also hosted in partnership with Unipol a Landlords day on the 15th November 2012 at Pudsey Civic Hall, there was networking opportunities and seminars on Universal Credit as well as other topical issues.

4.3 Information Sharing

4.3.1 Information is being shared between Housing providers, Children's Services and Benefits to cross reference those affected by changes and the Families First client list so that additional support and joint visits may be carried out where possible.

4.4 Digital Access

4.4.1 A review of the mapping information and approaches by Jobs & Skills are planned so that where gaps in IT availability are identified consideration may be given to remedies.

4.4.2 Work to establish how The Get IT Together scheme is progressing in the area will be put in place. Our objective will be to create strong links with Jobs & Skills and the local housing associations; work to promote the scheme in the area will be considered.

4.5 Co-ordination

4.5.1 Area Support Team has been established a small group to assist the co-ordination across agencies in the South East. The group will develop proposals which will be shared with Area Committees.

5 Corporate Considerations

5.1 Consultation and Engagement

5.1.1 Extensive consultation is taking place on Welfare Reform as detailed above.

5.2 Equality and Diversity / Cohesion and Integration

5.2.1 There are a number of issues in relation to equality and diversity and, particularly, cohesion and integration that are being picked up as part of the city-wide Welfare Reform Strategy.

5.3 Council policies and City Priorities

5.3.1 A number of policy change recommendations are being considered by the Council's Executive Board due to the introduction

5.4 Resources and value for money

5.4.1 Additional staffing resources will be required both pre-introduction of Welfare Reform and as the changes are introduced to work with those tenants who are affected by the changes. Some provision has been made within HRA budget provision to mitigate the impact of the changes particularly in so far as debt provision is concerned.

5.5 Legal Implications, Access to Information and Call In

5.5.1 There are no legal implications, access to information or call in implications in so far as this Report is concerned.

5.6 Risk Management

5.6.1 The introduction of Welfare Reform is a major risk and is logged on the Council's corporate Risk Register.

6 Conclusions

6.1 The introduction of Welfare Reform will have major implications for tenants living in the AVHL area. Work is well underway to inform those affected of the changes and to develop personal strategies with them to minimise where possible the financial impact of those changes.

7 Recommendations

7.1 The Area Committee is asked to note work done to date by ALMOs and the Council to prepare for the introduction of Welfare Reform changes.

8 Background documents¹

8.1 There are no associated documents with this report.

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.

Ward Name	Number Of Claims Affected By Ward			Annual Decrease In Housing Benefit By Ward			
	Under-occupancy: ALMOs	Under-occupancy: Hsg Assoc	Council Tax Support	Under-occupancy: ALMOs	Under-occupancy: Hsg Assoc	Council Tax Support	Total Benefit Loss
Adel and Wharfedale	38	2	356	£ 26,333.81	£ 1,610.92	£ 48,138.23	£ 76,082.95
Alwoodley	140	40	674	£ 75,513.41	£ 33,194.41	£ 93,182.43	£ 201,890.25
Ardsley and Robin Hood	67	21	511	£ 40,308.36	£ 13,322.37	£ 68,393.90	£ 122,024.63
Armley	397	100	2030	£ 210,792.80	£ 82,457.81	£ 258,491.33	£ 551,741.94
Beeston and Holbeck	297	31	1729	£ 159,029.69	£ 21,525.80	£ 223,290.37	£ 403,845.85
Bramley and Stanningley	341	15	1325	£ 204,453.93	£ 10,917.76	£ 170,454.90	£ 385,826.59
Burmantofts and Richmond Hill	646	141	2761	£ 341,550.13	£ 106,575.92	£ 346,989.95	£ 795,116.01
Calverley and Farsley	63	6	445	£ 38,932.92	£ 6,049.15	£ 62,237.58	£ 107,219.64
Chapel Allerton	358	176	1642	£ 216,858.80	£ 136,752.40	£ 212,123.30	£ 565,734.51
City and Hunslet	215	129	2035	£ 127,574.57	£ 97,408.41	£ 259,764.17	£ 484,747.15
Cross Gates and Whinmoor	152	22	839	£ 94,779.02	£ 15,806.74	£ 109,091.50	£ 219,677.26
Farnley and Wortley	306	7	1174	£ 173,390.30	£ 5,683.00	£ 150,278.26	£ 329,351.55
Garforth and Swillington	68	3	319	£ 40,105.80	£ 1,679.28	£ 43,708.92	£ 85,494.00
Gipton and Harehills	383	158	2853	£ 224,905.51	£ 114,937.22	£ 361,187.21	£ 701,029.94
Guiseley and Rawdon	53	4	329	£ 31,864.41	£ 2,477.38	£ 43,972.82	£ 78,314.61
Harewood	25		165	£ 17,018.68		£ 26,686.18	£ 43,704.85
Headingley	20	31	443	£ 12,898.15	£ 22,823.20	£ 50,067.99	£ 85,789.33
Horsforth	105	6	360	£ 60,243.68	£ 4,162.92	£ 50,508.24	£ 114,914.84
Hyde Park and Woodhouse	316	180	1605	£ 169,677.55	£ 146,985.94	£ 201,009.59	£ 517,673.08
Killingbeck and Seacroft	632	78	1848	£ 382,430.01	£ 54,397.96	£ 235,569.24	£ 672,397.20
Kippax and Methley	100	9	477	£ 66,430.36	£ 5,567.31	£ 65,207.31	£ 137,204.98
Kirkstall	364	27	1225	£ 215,846.92	£ 19,338.69	£ 154,303.67	£ 389,489.27
Middleton Park	496	116	1906	£ 292,334.22	£ 82,314.19	£ 244,906.13	£ 619,554.54
Moortown	53	83	571	£ 30,432.23	£ 71,330.94	£ 78,210.87	£ 179,974.04
Morley North	75	4	545	£ 41,717.31	£ 2,977.68	£ 71,132.84	£ 115,827.83

Morley South	134	4	744	£ 71,319.01	£ 2,614.61	£ 96,891.97	£ 170,825.60
Otley and Yeadon	80	23	535	£ 48,262.62	£ 16,323.94	£ 72,526.71	£ 137,113.28
Pudsey	139	22	694	£ 82,106.35	£ 18,459.76	£ 93,669.81	£ 194,235.91
Rothwell	157	31	528	£ 95,572.34	£ 22,885.81	£ 69,612.21	£ 188,070.36
Roundhay	66	37	611	£ 35,927.66	£ 29,123.24	£ 86,338.75	£ 151,389.65
Temple Newsam	261	47	921	£ 160,570.16	£ 35,072.99	£ 119,062.50	£ 314,705.64
Weetwood	146	17	691	£ 79,676.82	£ 11,826.51	£ 91,074.83	£ 182,578.15
Wetherby	55	7	233	£ 33,893.20	£ 4,311.58	£ 32,794.59	£ 70,999.37
Grand Total	6748	1577	33124	£ 3,902,750.73	£ 1,200,915.83	£ 4,290,878.27	£9,394,544.82

Appendix 2 - **Welfare Reform Strategy Board - 16th January 2013**
Social Sector Size Criteria - Update on Contacts/Visits Undertake to Date

	ENEHL	%	WNWHL	%	AVHL	%	BITMO	%	CITY	%
Original Number of tenants Affected	2775		2503		1665		238		7181	
Completed Visits	2333	84%			889	43%	163	68.5%		
Tenants no longer Affected per LBS list 26/10/12	477	17%	433	17%	350	21%	47	20%	1307	
Number already visited from LBS list of 26/10/12	267		121		141		11		540	
Revised Total	2298		2070		1315		191		5874	
Completed Visits / Contacts	2107	91.7%	1648	77%	995	76%	152	79.6%	5060	86%
No response to contacts	191	8.3%	20	1.2%	320	24%	13	6.8%	544	9%
Family Size Dispute	197	9.3%	216	13%	78	8%	30	19.7%	521	10%
Property Size Dispute	106	5%	47	3%	60	6%	15	9.9%	228	5%
Transfer Requested * see below	351	16.8%	307	19%	183	20%	41	27%	882	17%
Cover Shortfall from Income / Benefits	1480	70.2%	386	23%	33	3%	121	79.6%	2020	40%
Seek Employment	648	30.8%	505	30%	88	9%	32	21.1%	1273	25%
Plan to move to other tenure	13	0.6%	167	10%	33	3%	3	2%	216	4%
Seek Lodger	73	3.5%	65	4%	39	4%	9	5.9%	186	4%
Foster Carers	12	0.6%	20	1.2%	28	3%	2	1.3%	62	1%
In adapted Properties	73	3.5%	133	8%	95	10%	26	17.1%	327	6%
Access to Children or Applying	94	4.5%	29	19%	35	3%	3	2%	161	3%
Tenants considered High Risk	995	47.2%	112	7%	250	25%	NA		1357	27%
* Bedroom Requirements of those requesting a transfer										
1 Bedroom	196	56%	205	67%	122	66%	18	43.9%	541	
2 Bedrooms	119	34%	88	29%	57	30%	17	41.46%	281	
3 Bedrooms	30	9%	13	4%	4	2%	4	12.5%	51	
4 Bedrooms	6	1%	1	0.3%	0	0%	2	9.8%	9	
5 Bedrooms	0		0	0	0	0%	0	0		

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

Appendix 3 - SCRUTINY BOARD (RESOURCES AND COUNCIL SERVICES)

WELFARE BENEFIT CHANGES – MANAGING THE IMPLICATIONS OF ‘UNDER OCCUPANCY’ AND COUNCIL TAX CHANGES IN COUNCIL OR HOUSING ASSOCIATION PROPERTIES

TERMS OF REFERENCE

1.0 Introduction

1.1 From April 2013 the amount of Housing Benefit paid to working age tenants in Council or RSL properties will be reduced where they have more bedrooms than the family needs. Also Council Tax Benefit is abolished from April 2013 to be replaced by local schemes of Council Tax Support. On 12th December 2013 Executive Board approved for submission to Full Council a scheme which means that working age recipients face a reduction of 19%

2.0 Scope of the inquiry

2.1 The purpose of this review is to consider the likely effects of these benefit changes on *those people deemed to be living in property with more bedrooms than they need* and to make an assessment of and, where appropriate, make recommendations on the following areas:

- How the Council responds to those tenants who fall into financial arrears due to the changes
- The consequences of the Council’s approach to the management of financial arrears on other Council policies, for example the Lettings policy and tenant strategy
- The consequences of the Council’s approach to the management of financial arrears on the potential rise in homelessness and the reduction in accommodation available for the most vulnerable
- The consequences of the Council’s approach to the management of financial arrears on the finances of the Council and major precepting authorities and the implications for the Housing Revenue Account
- local measures to deal with the potential consequences of the reforms, such as the encouragement of sound financial management through information, advice and education

3.0 Comments of the relevant Director and Executive Member

3.1 In line with Scrutiny Board Procedure Rule 12.1 where a Scrutiny Board undertakes an Inquiry the Scrutiny Board shall consult with any relevant Director and Executive Member on the terms of reference. (to be done)

4.0 Timetable for the inquiry

4.1 The Inquiry will take place over a number of sessions and will be conducted by a working group.

4.2 The length of the Inquiry is subject to change. It is anticipated that a final report will be produced January 2013.

5.0 Submission of evidence

5.1 Session one – December 2012

- To understand the size of the cohort within scope of the inquiry
- To understand the financial challenges faced by those in 'under occupancy.' and any predictions/projections on the likely consequences of the reforms
- To understand the discretionary powers available to the Council to assist tenants.
- To understand any statutory constraints
- To understand current recovery procedures/policy

5.2 Session two – January 2013

- To look at best practice in other Core Cities
- To consider policy options
- To consider local measures to deal with the potential consequences of the reforms, such as the encouragement of sound financial management through information, advice and education

5.3 Session three – Full Board 21st January 2013

- To consider the draft recommendations arising from the review and to agree the Board's final report.

6.0 Witnesses

6.1 The following witnesses have been identified as possible contributors to the Inquiry: **(order to be determined)**

Cllr B Atha – Executive lead
Steve Carey – Chief Benefits and Revenues officer
Jill Wildman – Director of Housing, East NE Homes
Paul Broughton – Chief Customer Access Officer

Officers who are involved in recovery
Liz Cook – Housing Services
Dave Levitt – Recovery Manager, Revenues and Benefits
RSL rep
Rep of a tenants group?
CAB rep?

Mike Woods – Principal Finance Manager, Financial Development

7.0 Equality and Diversity / Cohesion and Integration

- 7.1 The Equality Improvement Priorities 2011 to 2015 have been developed to ensure our legal duties are met under the Equality Act 2010. The priorities will help the council to achieve its ambition to be the best City in the UK and ensure that as a city work takes place to reduce disadvantage, discrimination and inequalities of opportunity.
- 7.2 Equality and diversity will be a consideration throughout the Scrutiny Inquiry and due regard will be given to equality through the use of evidence, written and verbal, outcomes from consultation and engagement activities.
- 7.3 The Scrutiny Board may engage and involve interested groups and individuals (both internal and external to the council) to inform recommendations.
- 7.4 Where an impact has been identified this will be reflected in the final inquiry report, post inquiry. Where a Scrutiny Board recommendation is agreed the individual, organisation or group responsible for implementation or delivery should give due regard to equality and diversity, conducting impact assessments where it is deemed appropriate.

8.0 Post inquiry report monitoring arrangements

- 8.1 Following the completion of the Scrutiny inquiry and the publication of the final inquiry report and recommendations, the implementation of the agreed recommendations will be monitored.
- 8.2 The final inquiry report will include information on the detailed arrangements for how the implementation of recommendations will be monitored.

9.0 Measures of success

- 9.1 It is important to consider how the Scrutiny Board will deem if their inquiry has been successful in making a difference to local people. Some measures of success may be obvious at the initial stages of an inquiry and can be included in these terms of reference. Other measures of success may become apparent as the inquiry progresses and discussions take place.

Appendix 4 – Issues and activities arising from ALMOs

1. The implementation of SSSC will present the Council with a number of complex and interlinked issues to resolve. Where possible we have to prevent financial hardship affecting tenants whilst maximising rental income so as not to have an adverse impact on the Housing Revenue Account Business Plan. Moving households to minimise financial hardship will increase void turn-over costs and not necessarily make best use of stock with such high demand for housing. A number of actions and issues have been highlighted that need to be considered and the Council asked to take decisions on prior to the introduction of the changes:-
 - Consider the re-designation of certain properties across the city i.e. 2 bedroom multi-storey flats, 4 and 5 bedroom houses;
 - Consider a review of Local Lettings Policies and the policy on re-housing children at height;
 - Consider a reduction in the percentage of Date of Registration Quota properties to allow more properties to be let to customers in housing need;
 - Consider awarding priority to affected tenants (those in receipt of Discretionary Housing Payment and subject to the released properties being re-lettable at full occupancy). Other options include mutual exchange;
 - Consider allowing affected tenants who move to private rented sector to retain their priority after they move;
 - Develop guidelines setting out when it will be appropriate for ALMOs to take possession action in relation to rent arrears arising from SSSC;
 - Review of Lettings Policy bedroom requirements in relation to Under-occupation;
 - Consider whether to award higher priority to those tenants overcrowded living in smaller properties that could be let to under-occupying Council and Housing Association tenants;
 - Consider a 'ring fence' approach for a proportion of smaller properties to be advertised to give preference to tenants affected by SSSC;
 - Consider changes to the rent payment frequency and required method in advance of Universal Credit.

Alongside the issues highlighted above the Lettings Policy review has commenced and a number of these issues highlighted will link into the future Lettings Policy and procedures. There is work in progress cross ALMO / BITMO / Housing Partnerships – other sections within LCC to consider each of the issues outlined in order that the necessary preparations can be made.

2. Within AVHL and other ALMOs/BITMO the following work is also being undertaken for on-going support for our customers that will be affected by SSSC:-
 - We hit our target to complete an initial visit and attempt to make contact with tenants affected by SSSC by the end of November to discuss the options available, undertake income and expenditure assessments to see if tenants are able to afford to pay the increased charge and give advice on rehousing options should tenants wish to move to smaller accommodation;
 - From the end of November we have been making follow up visits to those tenants who did not respond to our initial attempt to contact them (no access cases);

- We have started to work through the latest revised list of tenants who have been identified as being affected by SSSC due to a change in their circumstances or because they are new Housing Benefit claimants;
- We are providing more intensive support and advice to tenants who have told us that they don't want to move from their current home but who tell us they will not have the available income to pay the increased rent. This includes:-
 - ensuring tenants are claiming all eligible benefits ,
 - budgeting advice and setting up payment by Direct Debit;
 - debt advice and referral to specialist debt support agencies;
 - referrals to Leeds City Credit Union to refinance high interest loans or set up bill payment accounts;
 - assistance and advice with establishing bank accounts and direct debits for those who don't currently have bank accounts;
 - identifying tenants eligible for Discretionary Housing Payments and assisting in completing application forms;
 - Outlining financial Implications for tenants considering taking in lodgers or boarders;
 - Further advice on moving home options;
 - Tenants identified with vulnerabilities and support needs will be referred for specialist support through Independent Living Teams.
- Tenants who have told us they wish to move are being contacted to ensure they fully understand the Choice Based Letting system and any Letting Policy issues that may affect them. This will ensure they are bidding most effectively to maximise their chances of being offered an alternative smaller property. Mutual Exchanges will be encouraged and we will look to actively link tenants together to facilitate exchanges. We are also planning local Mutual Exchange Swop Shop events to bring interested tenants together to help identify other tenants they may consider swapping with. Information on how to access Housing Association properties is also being provided.
- Further general advice and information will be provided via newsletter articles and targeted letters running up to April 2013.
- We are working with other partners and voluntary groups to ensure they are fully prepared for direct approaches made to their organisations.

Leeds City Council's Telephone Contact Centre and One Stop Centre staff will continue to be briefed and trained to ensure they are providing appropriate advice and can refer tenants to ALMOs for assistance.