

Report of Chief Officer Statutory Housing and Chief Officer Welfare and Benefits

Report to Scrutiny Board (Resources and Council Services)

Date: 29th July 2013

Subject: Recommendation Tracking – Scrutiny Inquiry on Welfare Reform

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 checked="" type="checkbox"/> Yes	<input 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 sets out the progress made in relation to the recommendations arising from the Scrutiny Board Inquiry on Welfare Reform Benefit Changes.
2. This follows the report of the Chief Officer Statutory Housing and the Chief Officer Welfare and Benefits to the Scrutiny Board in May 2013 outlining Environment and Housing and Resources responses to the recommendations.
3. This report will enable Scrutiny Board to monitor progress and identify completed recommendations.

Recommendations

1. Members are asked to:
 - Agree those recommendations which no longer require monitoring; and
 - Comment on the progress of all other recommendations.

1 Purpose of this report

- 1.1 This report sets out progress made in relation to the recommendations arising from the Scrutiny Board Inquiry on Welfare Reform Benefit Changes.

2 Background information

2.1 Following its review of the Welfare Reform Benefit Changes, the Resources and Council Services Scrutiny Board published its final report and recommendations on 18 February 2013.

2.2 In their report of 10 May 2013, the Chief Officer Statutory Housing and the Chief Officer Welfare and Benefits responded to the recommendations.

3 Main issues

3.1 In its final report dated 18 February 2013, Scrutiny Board set out fourteen recommendations following its review of the Welfare Reform Benefit Changes.

3.2 Environment and Housing and Resources responded to the recommendations in their report of 10 May 2013.

3.3 This report outlines the progress made in respect of each recommendation. The updates provided at Appendix 1 will enable Scrutiny Board to monitor progress and identify completed recommendations.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Where consultation processes have been undertaken, details are referenced against the relevant recommendation within the table at Appendix 1.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 Where consideration has been given to the impact on Equality, Diversity, Cohesion and Integration, this will be referenced against the relevant recommendation within the table at Appendix 1.

4.3 Council policies and City Priorities

4.3.1 There are no implications within this report for existing Council policies or City Priorities.

4.4 Resources and value for money

4.4.1 Details of any significant resource and financial implications linked to the Scrutiny Board Inquiry recommendations will be referenced against the relevant recommendation within the table at Appendix 1.

4.5 Legal Implications, Access to Information and Call In

4.5.1 This report does not contain any exempt or confidential information.

4.6 Risk Management

4.6.1 There are no implications within this report for risk management.

5 Conclusions

- 5.1 Appendix 1 sets out progress made in responding to the recommendations arising from the Scrutiny Board Inquiry on Welfare Reform Benefit Changes.

6 Recommendations

- 6.1 Members are asked to:

- Agree those recommendations which no longer require monitoring; and
- Comment on the progress of all other recommendations.

7 Background documents¹

- 7.1 Scrutiny Inquiry Final Report – Welfare Reform. 18 February 2013.

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.

Appendix 1 – Environment and Housing and Resources responses to the recommendations arising from the Scrutiny Board Enquiry on Welfare Reform Benefit Changes.

No	Recommendation of Scrutiny Board	Update from Environment and Housing and Resources	
1	ALMOs/BITMO to ensure that the current debt of customers is at the lowest possible position as from April 2013	<p>The citywide target for rent collection for the financial year 2012-2013 was 97.88%. The ALMOs/BITMO have exceeded this target and achieved a rent collection rate of 98.06%. During quarter 4 of 2012-13, the ALMOs/BITMO had a high profile year end campaign to maximise rent collection to ensure the debt for rent arrears was at its lowest possible position.</p> <p><u>Current position:</u> This recommendation is complete – the ALMOs/BITMO exceeded their target of 97.88% rent collection by achieving a rent collection rate of 98.06% for the financial year 2012-13.</p>	
2	That Revenues and Benefits and Environment and Neighbourhoods (Environment and Housing) review the impact of the current policy on recovering HB overpayments by deductions from ongoing Housing Benefit and make further recommendations	<p>Under the existing arrangements, Environment + Neighbourhoods (E+N) recover housing benefit overpayments on behalf of Leeds Revenues and Benefits (LRB) via on-going recovery (OGR) on the rent account. Officers in LRB and E+N are currently analysing the impact of this and will report on progress/make further recommendations.</p> <p><u>Current position:</u> Officers in LRB and E+H/ALMOs have met to analyse the data and will agree options for further discussion and agreement. Further update will be provided at the Central and Resources Scrutiny Board meeting.</p>	
3	That the council completes the review of the arrears process to ensure customers are offered support when needed but will allow decisive swift action to be taken where customers who won't pay their rent.	<p>Environment and Neighbourhoods have recently reviewed the rent arrears recovery procedures. A report is due to be presented to the Executive Board on 24 April 2013 outlining the measures developed to ensure that tenants affected by the welfare changes are appropriately informed of how the changes will affect them</p>	

and are made aware of the options open to them. The changes do not impede the Council's ability to take decisive recovery action where tenants will not engage and fail to make any payments towards the arrears. The report seeks to strike an appropriate balance between helping people who are struggling to pay additional sums of money to the Council from a very low income and ensuring that rent is recovered to be used for the benefit of all tenants.

Current position:

In April 2013, the Executive Board approved changes to the rent arrears recovery procedures for tenants affected by under-occupation. The changes are summarised below:

- Debt Information Pack - this will include additional information including copies of the Council's 'Welfare Reform Under Occupation FAQs' and 'Overcoming financial difficulty' booklet. It will also include an information leaflet on mutual exchange and alternatives to loan sharks.
- Referral to Specialist Welfare Reform Officer – If, at the outset of any arrears recovery action a tenant is identified as being affected by under-occupation, a referral will be made to the specialist welfare reform officers within the ALMOs. Recovery action will be suspended to allow officers to provide the tenant with advice and support based on their individual circumstances. This will include:
 - Ensuring all eligible benefits are being claimed;
 - Ascertaining income details and prioritising expenditure;
 - Identifying eligibility for DHP and supporting referral;
 - Supporting tenants to register a housing application;
 - Promoting mutual exchange;
 - Supporting tenants to set up a bank account or direct debit;
 - Budgeting and debt advice; and

		<ul style="list-style-type: none"> ◦ Referring vulnerable tenants for specialist support through the Independent Living Teams, Adult Social Care or Children’s Services. • <u>Guidance on serving Notice of Intent to Seek Possession (NISP)</u>: - Officers have developed guidance on when it would not be appropriate to serve a NISP. 	
4	That the Council promotes and facilitates Mutual Exchanges for tenants including those with arrears if this is the most suitable outcome.	<p>The Council will seek to maximise moves through the mutual exchange process whereby properties are swapped by a tenant who is overcrowded and another who is under-occupying. Mutual exchanges offer a quick and simple way to resolve overcrowding and under-occupation and allow for moves to take place between Council and housing association tenants. The ALMOs and BITMO are currently promoting mutual exchange with all tenants affected by under-occupation as well as households known to be overcrowded. Swap shop events are planned for spring 2013 to provide a forum for tenants to meet up and find accommodation that meets their needs.</p> <p>Current position: The ALMOs and BITMO are promoting mutual exchange and swap shop events are underway and planned throughout the year. There have been successes across all organisations. In AVH there have been two three way mutual exchanges – this involved 6 households moving. These were a mixture of under-occupied and over-crowded families. ENE has held two swap shop events – one in Seacroft and the other in Gipton; 80 tenants in total attended these events. ALMOs and BITMO are working together to arrange a citywide event to facilitate moves between organisations.</p>	
5	That the council completes the review of the arrears process including enforcement action and evictions and considers whether additional measures/safeguards are warranted prior to	<p>See comments under recommendation 3 for details of the review of the rent arrears recovery procedures.</p> <p>Prior to applying for a warrant, a senior officer within E+H reviews the case and carries out a risk assessment. This review could</p>	

	<p>executing a warrant.</p>	<p>result in an intervention from Leeds Housing Options prior to processing the warrant. Officers in E+N, the ALMOs and BITMO have been developing important links and relationships with colleagues in Adult Social Care and Children's Services - if other directorates or agencies are involved with the household, the review might include a case conference with all relevant parties to discuss the way forward. This approach might result in signposting for additional support or a planned move to alternative accommodation.</p> <p>Current position: As outlined under recommendation 3, court action is a last resort where tenants will not engage and fail to make any payments towards the arrears. In addition to the above, the Paralegal Team has developed a checklist to be completed by the ALMO/BITMO for all possession cases and warrants where the household is affected by under-occupation. This outlines when the household was first contacted, what options they were considering at the initial visits and what additional support and advice they have been given. This has been designed to ensure officers can give as much information as possible to the court to illustrate the level of advice and support given to families before pursuing possession proceedings.</p>	
6	<p>That an additional non-statutory reminder is added to the recovery process to allow customers a further opportunity to make contact to make a payment arrangement and avoid the need for court action and the additional costs that go with this.</p>	<p>Revenues have identified those chargepayers who would previously have received 100% benefit but have now received council tax demands to pay 19%. The recovery timetable and process is currently being amended to arrange for a further reminder to be issued to these cases, which will be in addition to the statutory requirements, and will encourage the chargepayer to contact to make an arrangement and avoid the issue of a summons and further costs being incurred.</p> <p>Current position: As at 4th July LRB have issued an additional reminder in 8,914 cases. These reminders have generated arrangements in 1,475 cases, and some payment in 107 cases.</p>	

7	Additional flexibility to be given to frontline staff at Westgate and One Stop Centres to allow payment arrangements to be spread over a 12 month period irrespective of when the individual contacts.	<p>Revenues have agreed additional guidelines to Westgate and One Stop Centres when making payment arrangements. The added flexibility will allow payment arrangements to be made beyond the end of the financial year and potentially to cover a 12 month period from the date the arrangement is made.</p> <p>Current position: As at 4th July figures indicate that from the original 26,000 cases at the start of the year there are approximately 6,000 who will now receive a summons due to failure to pay anything or make any arrangement. This indicates that initially either arrangements have been made or at least some payment has been made by the vast majority and that the increased flexibility given to frontline staff has assisted with this.</p>	
8	That Officers exercise discretion when considering pursuing recovery of costs from customers affected by the Council Tax Support changes and that it is accepted that collection rates for costs will reduce as a result.	<p>Currently officers already exercise discretion with regard to the collection of costs and it is expected this discretion will be applied more frequently regarding collection of these additional accounts</p> <p>Current position: No change from the above response.</p>	
	That EDRA's are normally used instead of bailiffs where there are no other realistic recovery options for people reliant on Council Tax Support	<p>Revenues are currently reviewing the recovery process for collection of these debts post liability order. Part of this review will ensure that the default option where it is not possible to agree a payment arrangement or set up a deduction from DWP benefit will be a referral to an EDRA rather than involvement of bailiffs.</p> <p>Current position: Arrangements are being finalised between revenues and EDRA's for any cases post liability order where it is not possible to secure an arrangement or deduction from DWP benefit.</p>	
10	That sufficient resource is provided to ensure the adequate training of those staff likely to be providing welfare advice in order for consistent and correct information to be given.	In recognition of the significant impact of the welfare benefit changes, the ALMOs and BITMO have been granted additional resources for the financial year 2013-14. An additional 19 posts have been funded across the four organisations to provide	

		<p>targeted support for customers affected by the changes. The main purpose of these additional posts is to ensure tenants have access to information, understand how the changes will affect them and receive sound advice and on-going support to make decisions about their future.</p> <p>On-going training and regular staff briefings are planned to make sure frontline staff are providing consistent, correct and up to date information.</p> <p>A Welfare Reform advice guide has recently been developed and distributed to staff and politicians providing essential information on the full range of welfare changes. It also includes information on local organisations to help with signposting customers.</p> <p>Briefings planned throughout the year to ensure staff are up to date.</p> <p>Current position:</p> <p>In preparation for the changes coming into force in April 2013, contact centre staff representing Council Tax, Benefits and ALMOs (some 110 FTE) were trained in the changes. An additional 16 staff were made available to ensure adequate resources were in place.</p> <p>On-going training and briefing sessions are scheduled to ensure frontline staff have the requisite knowledge to provide accurate and current advice and guidance to customers affected by the welfare changes.</p> <p>Since the last report in May, ALMO and BITMO staff have been briefed and provided with guidance notes on the new rent arrears recovery procedures and lettings policy. In the coming weeks, all relevant staff will be briefed on the housing benefit cap which will go live in Leeds in August.</p>	
11	That a contingency budget is provided to respond to any 'spike' of activity at the Contact Centre.	<p>The Customer Access and Performance Directorate has developed an action plan for the Contact and One Stop Centres to ensure there is sufficient staff resource at peak periods. It has been agreed that calls from LCC tenants relating to under-occupation will be transferred through to the ALMO/BITMO to</p>	

deal with. This will allow the ALMOs/BITMO to ensure that tenants affected by under-occupation have all the information they need about how the changes affect them and what their options are. This will include:

- Ensuring all eligible benefits are being claimed;
- Ascertaining income details and prioritising expenditure;
- Identifying eligibility for DHP and supporting referral;
- Supporting tenants to register a housing application;
- Promoting mutual exchange;
- Supporting tenants to set up a bank account or direct debit;
- Budgeting and debt advice; and
- Referring vulnerable tenants for specialist support through the Independent Living Teams, Adult Social Care or Children's Services

In addition to this, ALMO housing officers provided additional resources at One Stop Centres during peak periods during April and May 2013 to deal with enquiries.

Current position:

The additional staff in the ALMOs/BITMO are working with affected tenants to maximise support to those impacted by the changes.

In the One Stop Centres, some part time staff arranged to work full time, opening hours were extended including Saturday opening and managers undertook floor walking to provide additional resources and the amount of annual leave that could be taken was restricted.

The contact centre anticipated and prepared for peak periods during April and May. Call volumes were increased compared to the same period last year but staff were well prepared and coped with call volumes. Whilst footfall reduced in May, frontline staff have reported increased levels of tension from customers who are in debt. The number of contacts are reducing but continue to be higher than the same period last year. Furthermore, enquiries are often complex and therefore take longer to deal with.

		<p>It is expected that the additional staff in the contact centre will be retained until the end of July but this is being reviewed on a regular basis.</p>	
12	<p>That the Council further investigates the possibility of reclassifying properties where appropriate</p>	<p>The Council is currently investigating the possibility and financial impact of reclassifying properties. In particular, the Council is looking at properties that are most likely to be under-occupied at the point of letting or where the layout suggests reclassification would be appropriate:</p> <ul style="list-style-type: none"> • 398 three bedroom low rise flats to two bedroom; • 341 five bedroom houses with a downstairs bedroom to four bedroom houses; and • 126 two bedroom multi story flats to one bedroom where the second bedroom is accessed through the living room. <p>Before making a decision, the Council needs to fully analyse and understand the short, medium and long term financial implications of reclassifying some properties.</p> <p>Current position:</p> <p>The Council has identified 837 properties for possible re-designation in the following property types:</p> <ul style="list-style-type: none"> <input type="checkbox"/> five bedroom houses to a four bedroom house, in which a downstairs sitting room has previously been designated as a bedroom; <input type="checkbox"/> specific groups of three bedroom low rise flats to a two bedroom flat due to layout and size, which are unsuitable for larger families; and <input type="checkbox"/> specific groups of two bedroom multi storey flats to a one bedroom flat due to size and layout being unsuitable for family or shared accommodation. <p>The ALMOs/BITMO are in the process of completing sample surveys to ensure the design and layout of the properties identified is in line with Council records. Updating the IT systems</p>	

		will follow and officers are liaising so that housing benefit entitlement is backdated to 1 April 2013.	
13	That the Council and ALMOs and BITMO continue to inform and advise all tenants of the welfare reforms that might affect them in the future	<p>The ALMOs and BITMO receive regular data on the identity of tenants affected by under-occupation. They are continuing to contact all affected tenants including those that are newly affected to explain how the changes will affect them and what options are available to them. Furthermore, at tenancy sign up, all tenants are made aware of the welfare changes and how they could affect them in the future should their circumstances change.</p> <p>Current position: No change from the above response.</p>	
14	That changes in the number of tenants affected by the under-occupancy is monitored and examined to provide assurance that the approach to managing under-occupancy is working. That monitoring reports are brought back to Scrutiny on a 6 monthly basis.	<p>The Council recognises the significant impact of the welfare reform benefit changes on the tenants and residents of Leeds. Over the past year, officers from E+N and the ALMOs/BITMO have actively participated in a number of groups set up to respond to welfare reform benefit changes, to ensure that those affected are aware of the changes and that the most vulnerable customers are supported.</p> <p>The ALMOs/BITMO are continuing to contact and visit all tenants affected by under-occupation and monitor the impact. Through the existing Performance and Assurance Framework between E+N and the ALMOs/BITMO, the effects of the changes will be regularly monitored and reported through a suite of Key Performance Indicators (KPIs). Existing KPIs cover rent collection, arrears levels and number of evictions. Officers have introduced a number of new KPIs for 2013-14 to monitor the impact of under-occupation including the following:</p> <ul style="list-style-type: none"> • Number of DHP applications and awards • Value of DHP awards • Number of mutual exchanges • Number of transfers through CBL • Number of referrals to Independent Living Teams • Number of households on Leeds Homes Register • Housing demand – number of bids by property 	

		<ul style="list-style-type: none">• Average time to rehouse by bedroom size• Monitor termination reason including 'can't afford' <p>These will be monitored on a regular basis (some monthly and some quarterly) to help manage and mitigate the impact on tenants and residents as well as the sustainability of the Housing Revenue Account.</p> <p>Current position: Officers are monitoring the effects of the welfare changes through various key performance indicators to ensure that any emerging risks are identified, managed and mitigated. The most recent performance information from LRB and E+H is attached.</p>	
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