

**To: Members of the Special Sub-Group**

**Councillors Hayfield, Phillips, Smith, M Stanley and Sweet**

**For the information of the other Members of the Council**

## **SPECIAL SUB-GROUP**

**15 AUGUST 2012**

The Special Sub-Group will meet in the Committee Room, The Council House, South Street, Atherstone, Warwickshire on Wednesday 15 August 2012 at 4.00pm.

### **AGENDA**

#### **PART I - PUBLIC BUSINESS**

- 1 Apologies for Absence / Members away on official Council business.**
- 2 Disclosable Pecuniary and Non-Pecuniary Interests**

2a **Impact of Welfare Benefit Reforms on Council Tenants and Income Collection**

**Summary**

This report provides the Sub-Group with information about the implications of the Government's welfare reforms for the Council's role as a landlord and the Sub-Group is invited to consider a proposal to appoint a Welfare Reform Advice Officer.

The Contact Officer for this report is Angela Coates (719369).

**PART C – EXEMPT INFORMATION  
(GOLD PAPERS)**

3 **Exclusion of the Public and Press**

**Recommendation:**

**That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of exempt information as defined by Schedule 12A to the Act.**

4 **Streetscape Division – Proposed Restructure – Report of the Assistant Director (Streetscape)**

The Contact Officer for this report is Richard Dobbs (719440)

JERRY HUTCHINSON  
Chief Executive

**For general enquiries please contact David Harris, Democratic Services Manager, on 01827 719222 or via e-mail – [davidharris@northwarks.gov.uk](mailto:davidharris@northwarks.gov.uk). For enquiries about specific reports please contact the officer named in the report.**

**Agenda Item No 2a**

**Special Sub-Group**

**15 August 2012**

**Report of the  
Assistant Director (Housing)**

**Impact of Welfare Benefit Reforms  
on Council Tenants and Income  
Collection**

**1 Summary**

- 1.1 This report provides the Sub-Group with information about the implications of the Government's welfare reforms for the Council's role as a landlord and the Sub-Group is invited to consider a proposal to appoint a Welfare Reform Advice Officer.

**Recommendation to the Sub-Group**

**That the proposal to appoint a Welfare Reform Advice Officer be approved.**

**2 Consultation**

- 2.1 The Chairman of the Housing Sub-Committee (Councillor Winter) and Shadow Spokesperson (Councillor Johnston) were sent a copy of the original report to the Housing Sub-Committee.

**3 Background**

- 3.1 The attached report was considered by the Housing Sub-Committee at its recent meeting and the following was agreed:

**Resolved:**

**That the proposal to appoint a Welfare Reform Advice Officer be approved subject to consideration by the Special Sub-Group.**

- 3.2 The Special Sub-Group is invited to consider the human resource recommendations.

**4 Report Implications**

- 4.1 These are set out in the attached report.

The Contact Officer for this report is Angela Coates (719369).

**Background Papers**

Local Government Act 1972 Section 100D, as substituted by the Local Government Act,  
2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date

## Agenda Item No 9

### Housing Sub-Committee

9 July 2012

#### Report of the Assistant Director (Housing)

#### Impact of Welfare Benefit Reforms on Council Tenants and Income Collection

### 1 Summary

- 1.1 This report provides information about the implications of the Government's welfare reforms for the Council's role as a landlord and proposes some actions which can be taken in anticipation of their implementation.

#### **Recommendation to the Sub-Committee**

- a That the implications of the Government's Welfare Reform Act for the Council's tenants and income collection be noted; and**
- b That the proposal to appoint a Welfare Reform Advice Officer be approved subject to consideration by the Special Sub Group**

### 2 Consultation

- 2.1 The Chairman of the Housing Sub-Committee (Councillor Winter) and Shadow Spokesperson (Councillor Johnston) have been consulted about this report.

### 3 Background

- 3.1 The Welfare Reform Act received Royal Assent on 8 March 2012. The Act sets out in law fundamental changes to the welfare system. This report is concerned with the implications of the reforms with regard to the Council's rent collection procedures and its tenants.
- 3.2 The reforms include the introduction of a single working-age benefit 'universal credit', a total benefits cap, and a reduced housing benefits awards for social tenants deemed under-occupying social rented sector properties and Local Housing, Housing Allowance rates to be calculated using existing awards up rated by Consumer Price Index rather than actual market rents. For pension age claims a new housing credit element within the existing pension credit will replace housing benefit for pensioners who need help with their rent.
- 3.3 A number of other measures will also affect tenants, local authorities and housing providers that are worth of note. The disability living allowance is replaced with the personal independence payment for working aged people

(16 to 64) from April 2013. The discretionary social fund is abolished. Community care grants and crisis loans are replaced with 'local welfare assistance' administered by top tier authorities. These are funded by none ring fenced grants. The national council tax benefit scheme will be abolished from April 2013 and replaced with local Council Tax rebates based on rules decided by the local authority.

## **4 Implications for Council Tenants and Rent Collection**

### **4.1 Universal Credit**

4.1.1 From October 2013 Universal Credit will provide support for those of working age both in and out of work. This means separate benefits will not exist for new claims and existing claims will be converted to the new universal credit by October 2017. There will be no separately identifiable payment made exclusively for housing costs. Payments will be made 4 weeks in arrears. The majority of claims are expected to be dealt with on line with a back up national telephone call centre for other cases. It is expected that local authorities will no longer administer support for help with housing costs although there may be a role to assist with claimants with complex needs.

4.1.2 The change is significant and we need to ensure that tenants are aware of it, the implications and what we, as their landlord, expect from them.

4.1.3 At the moment tenants can make benefit claims and get help locally. When Universal Credit is introduced this will no longer be the case. Some tenants will need assistance and, in order to ensure it is able to collect its rent, social housing landlords may need to step in to provide that help.

4.1.4 At the moment the Council collects over 60% of its rent by way of direct payments because tenants are in receipt of housing benefit. The introduction of Universal Credit means that the Council will no longer receive direct payments. All tenants will have to act to pay the Council their rent. They will have to understand that it is a priority payment and choose to pay it first above all other expenditure or debts they may have.

4.1.5 The Council's tenancy agreement states that rent is due weekly in advance. This will continue to be the case even though Universal Credit will be paid 4 weeks in arrear.

4.1.6 There will be changes to the Pension Credit system once Universal Credit is implemented to bring in the same principles. Rather than claiming housing benefit there will be a housing credit from October 2014.

### **4.2 Size Criteria/ under occupancy**

4.2.1 The size criteria is the only element of the current welfare reforms which will apply to the social rented sector alone. It will apply to new and existing working age housing benefit claimants from April 2013. Existing claimants will have their accommodation assessed on the anniversary date of when their claim was first assessed. This means that claimants will be assessed to establish the size of accommodation they reasonably need. From the

information we have available our estimate is that this change will have an impact on 150 to 200 tenants. The hardest hit will be those deemed to have a surplus of 2 bedrooms. There likely to be in the region of 60 tenants in this circumstance.

4.2.2 The Council will need to decide how to act with regard to under occupying tenants. Providing good information about the new criteria will be critical. However there may be other proactive measures which can assist too – encouraging applications on to the Council’s housing register which will give a priority for re-housing and the introduction of a support scheme to assist people to move.

#### 4.3 **Housing Benefit Cap**

4.3.1 From April 2013 a total cap will be introduced on the amount of benefits any individual or couple is entitled to. The total cap is set at £26,000 per annum per household (£500 a week) for couples and lone parents and £18,200 (around £350 a week) for single people and couples without children. Regulations are anticipated during the summer of 2012.

4.3.2 The implications of this change will differ from tenant to tenant. Information and the ability to provide advice will be critical in ensuring tenants are supported and fully understand the implications for their household. In due course this information will not be provided locally by Housing Benefit Sections for most cases.

### 5 **Action Required**

5.1 The Welfare Reforms present landlords and their tenants with significant and fundamental changes to understand and deal with. In order to protect its income and support its tenants the Council needs to be pro-active in providing information, advice and support.

5.2 An action plan has been drafted by the Housing Services Manager which sets out how we can proactively address the implications of the reforms. It covers implications for tenants and housing applicants. The Action plan is attached at Appendix A. Some of the key areas we need to tackle specifically for rent collection are:

- The implication of direct payments on tenants
- The implication of direct payments on the landlord
- Data collection and understanding tenants household and income profiles will provide a baseline for action
- Providing good and timely information to tenants
- Partnership working is critical
- Recognition that there may be broader financial inclusion issues to address. Some tenants may need help with finances to ensure they pay their rent
- BOB hubs can assist with the digital inclusion
- Stakeholder relationships need to be managed

5.3 The Council needs to act as a landlord to protect its income. The new structure for the Housing Management Section agreed by the Housing Sub Committee last year has brought a clearer focus on rent collection. However there is not sufficient capacity in the Section to proactively deal with the welfare reforms. For this reason it is recommended that the Housing Division is supported in the work it needs to do by employing an officer who will be designated to spearhead the work set out in the action plan. It would be a temporary post for 2 years. The job description is attached at Appendix B. This will allow for work to be undertaken in anticipation of the reforms and when they are implemented. Members will note from the job description that the officer will also be expected to help tenants who have complex debt issues.

...

5.4 The complexity of the reforms and the level of debt that we are already aware some tenants are facing means that the appointed officer cannot work alone. They will work foremost with the Tenancy Management Section to ensure everything is done to protect the Council's rent income. However in order to deal with more complex matters and be proactive we will work closely with the Community Services Division to ensure we address broader issues of financial inclusion and work effectively with the BOB hubs. In due course as details about the reforms become clearer and, more specifically, the role of local housing benefit services locally is clarified a strategic report will be brought to Members to set out how the two Divisions can work effectively together to ensure financial inclusion initiatives and partnerships can be co-ordinated and effectively deployed. This will build on the BOB principles.

## **6 Report Implications**

### **6.1 Finance and Value for Money Implications**

6.1.1 The Council has to collect its rent income in order to pay for the services it provides for tenants. The Housing Division has a sound track record of collecting the Council's rent income. However it is assisted by having over 60% of it rent paid directly through the current Housing Benefit system. The change to this that the new Universal Credit will bring as well as other welfare reforms pose a significant risk to social landlords' ability to collect their rent income.

6.1.2 The Council's annual rent income is expected to be £10m. The proposals set out in the action plan will assist the Housing Division to minimise the risks posed by the welfare reform agenda. However the proactive work required in anticipation of the reforms and the detailed work needed once they are implemented will require additional capacity in the Housing Management Team. For this reason it is proposed that a 2 year temporary role of Welfare Reform Advice Officer be created. If agreed the job would have to be evaluated. The Tenancy Services Officers in the section are paid at Grade 8. This role is likely to be equivalent or slightly higher.



6.1.3 The current cost of the Welfare Reform Advice Officer if appointed on the top of grade 8 would be £29,630 (salary, national insurance and superannuation) or if appointed on the top of grade 9 would be £32,800. This can be funded through the use of part of the contingency reserve held within the current business plan figures.

## **6.2 Legal and Human Rights Implications**

6.2.1 The requirement for tenants to pay their rent is set out in their tenancy agreement. It is their responsibility to pay their rent in full and on time.

## **6.3 Human Resources Implications**

6.3.1 If the proposal to appoint a Welfare Reform Advice Officer is approved the role will be subject to the job evaluation process and consideration by the Special Sub-Group.

## **6.4 Equality Implications**

6.4.1 The report is proposing an additional resource to help provide advice for tenants about the Welfare Reforms. The resource if agreed should be a positive contribution to help minimise any adverse impacts arising from the reforms experienced by tenants. Monitoring of the impacts can be carried out as the changes are implemented.

## **6.5 Environment and Sustainability**

The report sets out a number of issues that are income related. Whilst the introduction of the Welfare Reform may have a positive contribution in managing adverse impacts arising by tenants, the new changes may also impact substantially on the individuals' personal income and rising levels of debt. The new reform may impinge on local people's quality of life and a comfortable standard of living.

The Contact Officer for this report is Angela Coates (719369).

## Appendix A

## Welfare Reforms Action Plan for Housing 2012/13

No	Action	Timescale/Complete by	Lead Officer	Progress
<b>1</b>	<b>Shared Room Rate under 35's</b>	<b>January 2012</b>		
1.1	Increase in homeless applications – Extend provision for under 35's	On going	Angela Coates/Paul Roberts	
1.2	Identify suitable provision – undertake viability exercise – identify suitable provider partners	December 2012	Angela Coates/Paul Roberts	
1.3	Identify potential empty homes to bring into use for under 35's	March 2013	Paul Roberts/David Baxendale	
1.4	Engage with private Landlords – organise a meeting to focus on welfare reforms	From July 12	Helen Hughes/David Baxendale	
1.5	Develop an advice crib sheet for under 35's	From Sept 12	Helen Hughes/Sally Roberts	
1.6	Develop Home Guide website with links to homelessness strategy	From November 2012	Helen Hughes/Mandy Rashid	
<b>2</b>	<b>Size Criteria / Under Occupancy</b>	<b>April 13</b>		
2.1	Develop data we hold on under-occupiers (under working age), cross check data with benefits	From April 2012	Paul Roberts/Mike Shaw	

2.2	Review allocations policy in relation to under-occupation to ensure new tenants are not put at risk due to under occupying their home	Mar 13	Angela Coates/Helen Hughes	
2.3	Include under occupation check as part of pre-tenancy financial health check	April 12	Paul Roberts/Helen Hughes	
2.4	Visit tenants that are under occupying to identify solutions/develop a plan for action from menu of options	From October 2012	Paul Roberts/Helen Hughes	
2.5	Produce easy read advice leaflet providing practical advice for people who may be under occupying & update the lettings guide	October 2012	Paul Roberts/Helen Hughes	
<b>3</b>	<b>Universal Credit &amp; Direct Payments</b>	<b>Oct 13 (new claims &amp; 4 year phased period)</b>		
3.1	Input into Social Fund and Community Care Grant protocol and understand the impact on Council tenants	Mar 13	Mike Shaw/Helen Hughes	
3.2	Understand the impact of new council tax rebate scheme being developed and the affect on Council tenants	Ready for April 13	Angela Coates/Helen Hughes/Caroline Morris	
3.3	Understand and be aware of DWP vulnerability/safeguarding procedure for those receiving direct payments and impact on Council tenants and their rent payments	Ready for Oct 13	Angela Coates/Helen Hughes/Caroline Morris	
3.4	Ensure appropriate joint working with Revenue and Benefits Team	On going	All	
3.5	Communicate changes to tenants	Ready for Oct 13	Helen Hughes/Sally Roberts/Paul	

			Roberts	
<b>4</b>	<b>General</b>			
4.1	Review money advice services available to customers to ensure effective services are delivered	From November 2012	Angela Coates/Paul Roberts/Helen Hughes	
4.2	Develop process for undertaking financial health checks for new tenants as part of pre-sign up	April 12	Helen Hughes/Caroline Morris	
4.3	Ensure appropriate training for Tenancy Management Team via briefings, staff awareness sessions	On going	Helen Hughes/Caroline Morris/Sally Roberts	
4.4	Develop Communications Plan for tenants i.e. newsletters, leaflets, website	From September 2012	Helen Hughes/Paul Roberts/Sally Roberts	
4.5	Develop customer insight data to include financial data and whether customers have a bank account to inform our approaches to rent collection	From September 2012	Helen Hughes/Caroline Morris	

## Appendix B

### NORTH WARWICKSHIRE BOROUGH COUNCIL

#### JOB DESCRIPTION

**Directorate:** Resources    **Post Title:** Welfare Reform Advice Officer  
(2 year Temporary Contract)

**Division:** Housing    **Grade:** To be evaluated

**Section:** Housing Management    **Post No:**

**Responsible to:** Tenancy & Neighbourhood Services Manager

**Responsible for:**

#### **Overall Purpose of the Position:**

To develop, lead and co-ordinate actions required for the Council to protect its rental income in anticipation of the Government's welfare reforms and after they have been implemented. This will include being proactive in providing information, advice and support for tenants.

To provide impartial and confidential money advice to tenants of North Warwickshire Borough Council to ensure they pay their rent as a priority debt. This will include helping those struggling with debt and to assist tenants to take action to maximise income.

#### **Principal Responsibilities:**

1. To work in a pro-active manner with the Tenancy Management Team and Community Development Division to sustain and maintain tenancies. This will include ensuring tenants are prepared for welfare reforms where they are affected by them.
2. To develop an action plan to ensure the Council is proactive in providing information, support and advice for tenants with regard to the Government's welfare reforms. To deliver specific items set out in the action plan and co-ordinate others.
3. To work with the Tenancy and Neighbourhood Services Manager to develop new systems of work where necessary in order to maximise rent income.
4. To provide a lead in the Division with regard ensuring officers understand the detail of the welfare reforms, how they impact on their work with tenants and how issues can be addressed. This will include proactively forging links with the Department of Work and Pensions on both operational issues and providing support for individual tenants.
5. To undertake project work relating to welfare reforms and financial inclusion

6. To work proactively with partners to ensure there is a co-ordinated approach to financial and digital inclusion agendas in order to promote of the money / debt advice services in the Borough
7. To establish working relationships with NWBC Tenants based on trust and mutual respect
8. Where tenants are identified as having complex debt and money management issues to provide comprehensive casework and other support covering the full range of debt advice
9. To respond with empathy and have a non-judgemental approach to tenants regarding money and debt issues
10. Ensure income maximisation through the take-up of appropriate benefits or other action.
11. Assist customers with other related problems where they are an integral part of their case and refer to other advisors of specialist agencies as appropriate
12. To act for the tenant in the drafting of letters, budgets and financial statements and carrying out any calculations as appropriate and where necessary make referrals to partner agencies such as CAB; Severn Trent Water Trust; British Legion etc.
13. Maintain case records for the purpose of continuity of casework; information; retrieval; statistical monitoring and report preparation
14. Produce reports which identify progress against the agreed action plan, detailed information about how welfare reforms are having an impact on rent income and tenants ability to pay their rent as well as recommendations for action to address issues.

To undertake training as identified in partnership with the Line Manager

1. To demonstrate a commitment to Equality and Diversity
2. To keep knowledge updated to Government guidelines and practices around debt management
3. To have detailed knowledge of Welfare Reforms - specifically Universal Credit
4. To network and liaise with specialist finance and debt organisations
5. Any other duties as directed by the Assistant Director – Housing which are appropriate to and commensurate with the grade of the post

**Agreed by Postholder:** .....

**Date:** .....

**Agreed by (Assistant Director):** .....

**Date:** .....