

**REPORT FOR: Tenants', Leaseholders' and Residents' Consultative Forum**

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Date of Meeting: 31<sup>st</sup> January 2013

Subject: **Resident Services Manager's Update Report on the Pilot Citizens Advice Bureau Home Visits Project**

Responsible Officer: Lynne Pennington  
Divisional Director of Housing

Exempt: No

Enclosures: Appendix 1 – data analysis spreadsheet

**Section 1 – Summary**

This report provides an update to the Tenants', Leaseholders' and Residents' Consultative Forum on a pilot project being undertaken by Harrow Citizens Advice Bureau on behalf of Resident Services to visit tenants and leaseholders to establish their awareness of the implications of the forthcoming welfare reform changes and establish what sort of support and guidance they would like to be made available as a result.

**RECOMMENDATIONS:**

That the Forum be invited to make comments and note the report.

## **Section 2 – Report**

### **2. Introduction**

**2.1** The pilot was proposed to enable us to set a baseline so we can estimate the work and resources needed as we identify, and prepare for the likely impact of welfare reform Council Tenants and Leaseholders, and the corresponding impact on income collection rates to the HRA. Resident Services commissioned Harrow CAB to undertake this pilot work between August 2012 and January 2013. The work was to be carried out by home visits to council tenants and leaseholders to both help them prepare for the introduction of Universal Credit, and provide the Council with the information they need to target additional resources and plan further work to mitigate the impact of Universal Credit on income collection levels.

### **3. Background**

**3.1** Whilst we know that the ending of direct payments of Housing Benefit for tenants rent will have a big impact on our rent collection levels, the exact timing of the full impact remains unclear. It seems likely (although not yet confirmed) that full transition to Universal Credit will be delayed in London until the end of the project. We also believe (although again to be confirmed) that moving house will not trigger a move to Universal Credit ahead of migration. This means that there are not likely to be many moves across to Universal Credit, ahead of the full transition. It is only likely to be those tenants that make a first time claim or have a change in circumstances significant enough to affect benefit entitlement that will move to Universal Credit early.

**3.2** If, as we believe at present, full migration will not take place in London until 2016 the impact in Harrow and corresponding reduction in collection levels could be delayed. This is good news and allows us time to fully consider how to direct the additional resources allowed for in the Resident Services “Getting Closer to the Customer” plans to mitigate the impact of the change.

**3.3** However, the down side of this is that there are a number of relevant things we don’t know about those tenants most likely to be affected, because if they have been on direct payments for a long time, their rent has been paid and we will not have had cause to discuss their personal and financial circumstances with them. The slower than anticipated start to migration means we will have very little factual information about these tenants’ circumstances to work on when we prepare to mitigate the impact of Universal Credit on the HRA.

**3.4** To help us properly plan for migration we need to know more about these tenants, for example:

- Do they have access to transactional bank accounts? If not how can we support them to open them?
- What incentives would encourage them to pay by direct debit?

- What other payment methods may be attractive?
- Would they benefit from training in budget management?
- Do they currently have any money worries, debts etc we could help them with?
- Would they prefer direct payment to continue if they meet the criteria? (Criteria still to be established)

**3.5** For leaseholders we also have very little idea of how the welfare changes might affect them, and what percentage may find it difficult to meet their annual service charge bills. In addition we are also aware that many leaseholders will be facing major works bills in the near future, some of which will be substantial.

**3.6** We would therefore also like to explore these issues with leaseholders to help us determine how to direct resources in the future and explore what other payment options, money advice etc they might like to see developed. The proposal is to visit a number of leaseholders who are in debt to us, but also a random selection of other leaseholders to establish a baseline on their personal and financial circumstances.

**3.7** Housing staff worked with the CAB to produce an agreed questionnaire to be asked of all people visited. Answers to these questions for approx 10% of tenants and leaseholders will form the baseline we need to enable us to develop a detailed action plan to mitigate the effects of Welfare Reform.

## **4. Process**

**4.1** Resident Services supplied the CAB with the contact details for up to 600 households (estimated 500 tenants and 100 leaseholders) to be visited, by appointment, at home. These contacts were drawn from the following groups:

- a) Those who will not be affected by the benefit cap
- b) A selection of leaseholders with historic debts
- c) A selection of leaseholders likely to face major works bills within the next 2 years
- d) Tenants who are known to have been on full housing benefit, with their rent paid directly to the Council for more than a year
- e) The difference to be made up from a random selection of tenants and leaseholders

**4.2** Part way into the project Resident Services were able to identify 346 households who were potentially likely to be affected by the implementation of the bedroom tax and subsequent reduction in housing benefit. This list was also provided to the CAB and has formed the priority for them to target over the last few weeks.

### **4.3** The purpose of the visits were to;

- 1) explain the forthcoming benefit changes as a result of welfare reform in so far as they are currently known, and determine how many people were aware of the changes to come
- 2) check whether the tenant or leaseholder is currently receiving the maximum benefits and assist them to apply for any they are missing out on.
- 3) identify whether the tenant or leaseholder has a transactional bank account and if they have, or would apply for one, what incentive would encourage them to sign up to Direct Debit
- 4) explore whether new payment mechanisms should be explored to help them manage their budgets- i.e. mobile phone app etc.
- 5) explore whether they would appreciate some budgeting advice, and if so in what format (i.e. written, training sessions, 121's etc)
- 6) check whether the tenant or leaseholder has any other problems and to assist them to resolve these either through casework (e.g. money advice) or through referral where more appropriate (e.g. Relate for relationship difficulties, solicitor for child custody disputes). This will include advice for leaseholders who may be facing substantial bills for major works.

## **5. Method**

**5.1** Harrow CAB employed two full time equivalent advisers to carry out the home visits from 1<sup>st</sup> August 2012 to 31<sup>st</sup> January 2013. Contact is made with households and an appointment made for an adviser to visit and complete a questionnaire. Where visits are not the preferred option it is possible for the responses to be made over the telephone.

## **6. Review**

**6.1** Monthly meetings have taken place between CAB and Housing to review progress of the project and findings to date. The meetings also consider making any changes felt appropriate by either side, and/or because of additional information that comes to light about benefit changes.

**6.2** CAB has subsequently been asked to profile responses in terms of those likely to be impacted by the changes on a low to high level scale.

**6.3** Any difficulties or delays encountered are also discussed at this meeting, as is the possibility of extending and/or expanding the project based on the information coming forward.

## **7. Outcomes**

**7.1** CAB provide a monthly report on the outcomes from the visits. This report includes the following information:

- Average expenditure on non housing costs for different sized households
- Number of visits undertaken
- Numbers with access to transactional bank accounts

- Numbers interested in paying by direct debit
- Any other payment methods households interested in
- Numbers interested in budget management training/support
- Numbers of households visited where further work by CAB was required (i.e. debt advice etc)

**7.2** A copy of the latest report for the period ending December 2012 can be found in **Appendix 1** of this report.

**7.3** This latest report is based upon interviews having been completed and data entered relating to **285** tenants. The first leaseholders were contacted during December for appointments in the New Year. To date no responses have been received or contacts achieved for leaseholders.

**7.4** The key highlights from the reports received so far are as follows:

- 2/3<sup>rd</sup>s of those visited claimed to be aware of the pending changes
- 2/3<sup>rd</sup>s of those visited were concerned about how it would affect them
- 90% of those visited have a bank account
- Nearly 50% of those visited would like discount incentives to pay by direct debit
- 97% of those visited would like direct payment of rent to continue

However:

- 81% advised that they would not like to receive help with budgeting and 79% said that they didn't have any money issues that they would like the CAB to help them with

**7.5** Initially the highest number of respondents came from the older age brackets, primarily, because they were more likely to be contactable in the day. The CAB has now started targeting younger age groups and this is now being reflected in the feedback statistics.

**7.6** CAB can also supply raw data on household expenditure to Resident Services on request, although this may be anonymised.

## **8. Next steps**

**8.1** A request was made by the Climate Change team for the CAB to prioritise their work on the relieving fuel poverty project, during the coldest months. It has, therefore, been agreed that the Resident Services pilot will be extended for a further month, until the end of February 2013.

**8.2** A summary report from the entire project will be submitted to the Housing Service at the end of March 2013.

**8.3** The Housing Service has approved an allocation of funding to support the implementation of recommendations from the pilot in the forthcoming financial year.

## Section 9 - Financial Implications

Any financial issues are contained within the body of the report and any service improvement issues that arise as a result of residents' ideas and suggestions will be considered within the relevant service area budget.

## Section 10 - Equalities Implications

There are no equalities implications associated with this report.  
No Equality Impact Assessments have been carried out.  
A summary of equalities feedback from visits completed can be found in Appendix 1.

## Section 11– Corporate Priorities

All of the above contribute to the corporate priorities, in particular:

- United and involved communities: A Council that listens and leads.
- Supporting and protecting people who are most in need.

Name: Donna Edwards	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 23 January 2013		

## Section 12 - Contact Details and Background Papers

### Contact:

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**Background Papers:** None