MINUTES OF HOUSING INCOME PROTECTION TASK GROUP

24TH OCTOBER 2012

PRESENT:

Members of the Task Group:

Councillors Roodhouse (Chairman), Mrs Avis, Ms Edwards, Mrs Garcia, Mrs Kaur, Mrs New, Pacey-Day and Sandison.

Also present: Councillor Srivastava

Representatives of invited organisations:

Laurie Bird, Rugby Credit Union
David Gooding, Bedworth, Rugby and Nuneaton Citizens Advice Bureau (BRANCAB)
Nick Gower-Johnson, Troubled Families Coordinator, Warwickshire County Council
Diana Mansell, Rugby Food Bank
Mark Stanyer, Warwickshire Welfare Rights Advice Service
Denise Wilson, Bedworth, Rugby and Nuneaton Citizens Advice Bureau (BRANCAB)
Joyce Woodings, Benn Partnership Centre

Officers: Liz Dunlop (Operational Housing Manager), Debbie Dawson (Scrutiny Officer) and Claire Waleczek (Democratic and Scrutiny Services Officer (Team Leader)).

15. MINUTES

The minutes of the meeting held on 10th September 2012 were approved and signed by the Chairman.

16. DECLARATIONS OF INTEREST

Councillor Mrs New declared a general non-pecuniary interest by virtue of being an employee of Warwickshire County Council.

17. DISCUSSION OF THE IMPACT OF WELFARE REFORMS ON COUNCIL TENANTS WITH INVITED REPRESENTATIVES

The Task Group considered both written and verbal comments and evidence from invited organisations involved in the impact of the welfare reforms on tenants receiving Housing Benefit.

The Chairman wished to place on record the Task Group’s thanks to all organisations which had submitted written papers for its consideration, which would prove very useful in its evidence gathering to formulate robust recommendations arising from the scrutiny review to the Council’s Cabinet.

Mark Stanyer, Chief Executive, Warwickshire Welfare Rights Advice Service (WWRAS), gave an opening presentation to the meeting on the “true impact of welfare reform”. Mr Stanyer highlighted key points raised in his written submission, which are detailed below.
• The welfare reforms would bring about a major cultural change in the benefits system.

• There would be both short-term and long-term cumulative effects arising from the reforms.

• There was already confusion amongst clients of the WWRAS about the changes, some even being unaware of their impact.

• It was acknowledged that the Council had an obligation to protect its housing income. However, many clients affected by the welfare reform changes would turn to the Council as their first port of call.

• The ‘bedroom tax’ would see a deduction in Housing Benefit for any tenant deemed by law to be under-occupied. This would clearly have an impact on the Council’s housing stock.

• There would be a disproportionate effect on key council tenant groups, including separated parents who share childcare, foster carers (foster children were not included in any housing benefit calculation) and disabled people living in adapted/specially designed properties.

• The Discretionary Housing Payment was increasing to protect such groups in the short-term, but would not be ring-fenced. Responsibility for administering social fund elements, including crisis loan grants, was being transferred to local authorities. It was unknown how this would work as criteria had yet to be developed and agreed by Warwickshire County Council. There would be partner and community consultation on the criteria and this would provide an opportunity to highlight concerns about the impact of the welfare reforms.

• As a result of the welfare reforms, there would be an increase in rent and council tax arrears which, in many cases, would be uneconomical to recover. This would lead to a further increase in legal and court costs. There would be implications for the local economy, with tenants having reduced disposable incomes.

• There was concern that local communities could become targeted by high cost credit providers and loan sharks.

• It was essential to identify locally those affected by the welfare reforms. Myths needed to be eradicated, with clear lines of communication open to tenants. Rugby should take advantage of its good partnership working to avoid duplication by agencies and voluntary groups. Consideration needed to be given to which agencies were best placed to deliver each aspect of advice.

• Although it was acknowledged that all agencies were under severe financial pressures, serious consideration needed to be given to new funding streams to ‘invest to save’.

Following the opening presentation, each of the other organisations represented were invited to make comment, and then the meeting opened up to questions from the task group members and roundtable discussion. The following points were raised:

• The Council had identified that over 420 of its tenants would be affected by the new under-occupancy regulations. It had recruited two welfare reform housing officers who would be commencing employment with the Council on 29th October 2012. Letters would be sent to all affected tenants that week and they would receive a personal visit from the welfare reform officers.
• Further analysis was needed to identify the most vulnerable clients and to take pre-emptive action to support these individuals to manage the impact of benefits changes. Failure to do so may result in them becoming subject to sanctions, which would ultimately place greater burdens on statutory and voluntary sector agencies.

• 60 per cent of enquiries to Rugby Citizens Advice Bureau related to debt and financial problems. The loss of legal aid funding meant that services were being reduced, and there was a real threat that Rugby could lose its specialist debt counselling service at its Citizens Advice Bureau due to funding cuts. This would be a vital loss of resource and advice to local tenants.

• Credit unions were investigating the feasibility of providing ‘jam jar accounts’ for those who were not eligible to apply for a high street bank account. Most credit unions made an administration charge of £2-4 per month for each account and, in many cases, housing associations and landlords were paying this for their tenants as the accounts provided assurance that rent payments would be prioritised. Another private provider charged a management fee of £12 per month. They also offered customers cashback deals on bills at participating supermarkets.

• It was unclear at present what level of demand there would be for ‘jam jar’ accounts in Rugby, but Rugby Credit Union would be able to bring in support from larger Credit Unions in Coventry if they were unable to meet demand on their own. It was also suggested that tenants would want a choice of different providers.

• Tenants’ financial management of their household budgets was a key issue as payment of housing benefit would change from weekly and fortnightly to monthly, paid in arrears. Training and advice would need to be available to help tenants change their spending habits, and to manage the transition to the new payment arrangements.

• BRANCAB had piloted some financial capability training with Orbit tenants, highlighting ways of increasing disposable income by changing shopping habits. They had made a short film which showed how, as a result of the training, participants had made real changes in managing their income. The training was the subject of independent research by the University of Bristol, and Mr Gooding undertook to send a copy of the research report to the task group.

• BRANCAB were now looking to make further short films to promote key messages about the impact of the welfare reforms and how to access help. These would be hard hitting. It was envisaged that these films could be shown in local agencies’ reception areas. However, BRANCAB would require funding for these.

• A strategic, partnership, approach was needed with voluntary and community groups in response to the welfare reforms, to avoid duplication and make optimum use of existing resource. The use of appropriately trained volunteers in voluntary and community groups to give advice to tenants could help to secure a robust and cohesive line of communication whilst avoiding duplication by other agencies.

• There were an estimated 180 'troubled' families in Rugby, 20% of the total number for Warwickshire. Families were identified as 'troubled' using national criteria relating to crime and anti-social behaviour, education issues such as poor school attendance and behaviour, and being out of work (and in receipt of benefits). It was also possible to introduce a local criterion, which might capture those adversely affected by the welfare reforms.
• It was suggested that tenants from minority ethnic groups may require specific support and communication strategies, though this would not be the case for everyone. BRANCAB held reasonable statistics relating to the queries they received, and the ethnic backgrounds of those accessing their services in Rugby. It was also suggested that faith communities were often well-informed about the support needs of their members.

• Encouraging benefits claimants to find work was a key thrust of the welfare reforms. However, this was a complex issue and in many cases a longer-term solution. Many people required training in employability, literacy and numeracy skills, and they often found difficulties in applying for jobs online. Many opportunities for employment were with agencies, which often offered poor terms of employment and temporary contracts. This type of employment offered no security for assured tenancy agreements.

• Rugby Food Bank had given emergency food relief to 570 people during the last 6 months, 200 of which had children. Most cases were as a result of changes to benefits, delays in benefits and debt. It was envisaged that the number of cases referred to Rugby Food Bank would increase as a result of the welfare reforms. The organisation received most of its referrals from the Council. In turn, they were able to signpost people to other services in the town.

• The Council had to develop a strategy for managing any loss in income, which was inevitable as a result of the welfare changes.

• Many tenants found it difficult to engage with official agencies. A robust communication plan was required to overcome this issue, including creative ways of getting key messages out to people – for example through hairdressers and GP surgeries.

Further to the discussion, the chairman identified the following key themes emerging from the meeting:

• The impact of the welfare reforms on tenants was a serious issue and tenants needed to be informed about the changes. There would need to be a clear communication strategy, using many different lines of communication.

• ‘Invest to save’ was an important principle. As a landlord the council risked losing a considerable amount of housing income if tenants were not supported to prepare for the welfare reforms.

• There was a need for a flexible approach when dealing with the implications for tenants. By definition, the Council was not a flexible organisation and was constrained by legislation it had to comply with relating to tenancies. The voluntary and community sector could offer a more flexible response.

• A strategic group was required to produce a cohesive approach to dealing with the issue of welfare reforms. This would involve voluntary and community organisations working with the Council.

• Vulnerable groups needed to be identified locally, including minority ethnic groups, and specific support be put in place for them. Agencies needed to share and analyse current data held to help identify these groups.

• Jam jar accounts needed to be explored in further detail and resource implications for the Credit Union investigated.

The Chairman thanked all representatives for attending, and contributing to, the
meeting. Their positive contributions would help the Task Group to identify clear recommendations as part of the review. The Task Group was keen to receive any further comments from other agencies and voluntary organisations and asked representatives to cascade this information.

Copies of the minutes of the meeting would be sent to all participants. The Task Group’s draft review report, together with proposed recommendations, would also be circulated to all participants prior to submission to the Council’s Cabinet.

18. ADDITIONAL ITEM – DRAFT CABINET REPORT – INTERIM AMENDMENTS TO ALLOCATIONS POLICY

The Task Group considered an additional item concerning proposed interim amendments to the Council’s allocations policy which would be considered as part of a report to Cabinet on 19th November 2012.

The Task Group made various comments for officers to consider in the preparation of the report to Cabinet.

CHAIRMAN