

Agenda item: 4

**Decision maker:** Cabinet

Subject: Housing & Social Care Scrutiny Panel - 'The Impact on the Rented

Housing Market of Welfare Reform Proposals' - Progress Report

**Date of decision:** Monday 4<sup>th</sup> February 2013

**Report by:** PCC Tackling Poverty Co-ordinator

Wards affected: All

Key decision (over £250k): Yes n/a

#### 1. Purpose of report

1.1 The purpose of this report is to provide a progress report against the above review and its recommendations, which was conducted between October 2011 and May 2012.

#### 2. Recommendations

2.1 That the Cabinet notes the progress made against the Scrutiny Panel report and recommendations (see background documents on page 7).

## 3. Background

- 3.1 The Housing and Social Care Scrutiny Panel undertook a review 'to consider the impact on the rented housing market of welfare reform proposals' from October 2011 to May 2012. The Panel was chaired by Councillor Michael Andrewes and met formally on several occasions. The Panel received evidence from a number of Council officers, and external independent/voluntary sector contributors. They also visited a key homelessness service in the city.
- 3.2 The scope for the review was agreed as follows:
  - 3.2.1 To understand the timetable for reforms, including consultation processes and how the changes are being communicated to residents.
  - 3.2.2 To understand the impact of the reforms in the private sector, in particular the shared accommodation rate for those aged 25-35 coming into effect from January 2012, and the impact for families in 5 bedroom accommodation with the removal of the Local Housing Allowance.
  - 3.2.3 To understand the impact of the reforms for the Local Authority Housing Service and tenants, in particular under-occupation policy and single room rates, and treatment of non-dependents
  - 3.2.4 To understand the joint effects for private landlords, Registered Social Landlords and the Local Authority of how the move to



- Universal Credit paid direct to tenants will affect them and their investment opportunities.
- 3.2.5 To understand the wider implications of the reforms on employment opportunities, the potential rise in homelessness and the reduction in accommodation available for the most vulnerable.
- 3.2.6 To understand local measures to deal with the potential consequences of the reforms, such as the encouragement of sound financial management through information, advice and education.
- 3.3 A report was subsequently published on the 18<sup>th</sup> June 2012, setting out the key findings of the review and a series of recommendations. The Strategic Director for Adult Services then provided a formal response to these recommendations in her report to Cabinet dated 02 July 2012 (see background documents on page 7). This stated that the majority of recommendations were accepted but it acknowledged that the remit had been a difficult one as, for some aspects of the reforms, more detailed guidance was still being awaited; and others had already been implemented and work was complete. One of the difficulties therefore of the review was that, even as the review was occurring, new announcements were being made in relation to the reforms and it was very much a 'moving sands' situation; and some of the recommendations were out of date by the time the report was published.
- 3.4 Since the review, a comprehensive city-wide welfare reforms risk assessment has been completed, which picks up on most of these actions and goes further than the recommendations in the report, in light of learning and good communication across a range of services around key risks and mitigating actions. This work is co-ordinated by the Tackling Poverty Co-ordinator and is reported in to the Public Services Board on a regular basis.
- 3.5 In this context, progress against the recommendations is as follows:

## 4. What progress has been made?

- 4.1 Recommendations 1a,b and c: these related to lobbying through the Chair of the Panel, in relation to concerns about the implementation of Universal Credit, particularly around the loss of direct payments to landlords under Universal Credit. However this was one of the recommendations which was out-of-date before the end of the review and was no longer therefore applicable. (Wider work is being conducted around Universal Credit and the loss of direct payments of rent to landlords, as evidenced later in this report).
- 4.2 <u>Recommendation 2:</u> representation was made by Councillor Andrewes to Lord Freud in relation to the loss of access to justice through legal aid, which affects advice and legal representation on law relating to areas such as benefits, community care and employment. Unfortunately these changes will still be implemented, although they were delayed until April 2013. Some provision however will be available in the city, for example through the PCC-funded service Advice Portsmouth.
- 4.3 <u>Recommendation 3:</u> this related to potential lobbying in relation to concerns about the changes to the shared room rates and how this could bring about unsuitable accommodation for parents having contact with their children. This recommendation



was out of date by the time the recommendations were published as the changes had already been implemented. Feedback from Children's Services on this recommendation suggests that unsuitable accommodation caused by the change in shared room rates for 25-35 year olds would certainly pose difficulties in terms of children having space to play in child contact situations, although parents would need to supervise their children adequately within shared accommodation as they would in any other situations. The Head of Children's Services is not aware of any specific feedback to date on this issue but will share any issues as part of the wider welfare reforms work, so that mitigating actions can be considered.

- 4.4 Recommendation 4: this related to Council frontline staff receiving training to give basic advice and signposting, with updated information for tenants and more accessible PCC website information. Much work has now been completed in this area. 'Supporting People in Financial Hardship' sessions have been delivered to frontline staff by the Tackling Poverty Co-ordinator throughout the year, and Welfare Reforms Briefing Sessions are being held once a month from January - March 2013 (with more to be booked if required), and are being accessed by a range of staff from different services across the Council. Services such as Revenues and Benefits have signposting in place, in addition to staff's knowledge and experience of welfare benefits. Training is due to be delivered to key Priority B Troubled Families and Families with Complex Problems services in March 2013. In addition the PCC website has been updated with all of the city's key money advices services in one 'Money Advice' section; along with a welfare reforms timetable and general information about the welfare reforms all in one place for both residents and frontline staff. The website information is being updated on a regular basis and can currently be found at: http://www.portsmouth.gov.uk/living/27879.html
- 4.5 <u>Recommendation 5:</u> this related to the Council promoting the (limited) availability of discretionary housing payments (DHP), and keeping the policy under review to ensure sufficient provision. A DHP briefing was provided to all Councillors in May 2012. Extra funding was provided by central Government for 2012/13 and it appears that this funding is sufficient. Revenues and Benefits are currently working on the requirements for DHP in 2013/14.
- 4.6 **Recommendation 6:** this related to the Council highlighting the help available for older persons e.g. Pension Credit, which is under-claimed, and winter warmth initiatives to help address fuel poverty. Much work has been completed by the Fuel Poverty and Affordable Energy Group and key Advice Services in the city (facilitated by PCC), examples of which include a benefits take up campaign in Flagship in October 2012, benefits and money advice clinics (Buckland Community Centre, the Over 60's Festival), and training to frontline staff as detailed in Recommendation 4. A Winter Warmth Conference was held for Council and VCS frontline staff in October 2012 to prepare for the winter and to ensure that staff were upskilled with the right information and tools. PCC has secured DoH 'Warm Homes' funding for extra 'Keep Warm' resources and grants locally for the winter. Another funding bid has recently been successful for the upgrading of boilers within PCC tenancies, but with a home check that addresses the wider problems associated with fuel poverty. The Fuel Poverty and Affordable Energy Group has also developed literature for frontline staff with details of key messages and resources that frontline staff can use to access support for residents around fuel poverty.
- 4.7 <u>Recommendation 7:</u> this related to the Council continuing to promote the take up of benefits and the use of outreach work to get to harder to reach groups actions for this are covered under Recommendation 6. It should also be noted that Revenues



and Benefits continue to fund a post at the Robert's Centre to provide tenancy support in an effort to avoid evictions and also to maximise income for residents.

- 4.8 <u>Recommendation 8:</u> this related to the Council giving consideration to setting up its own rent deposit scheme and the promotion of local schemes. Information from Housing Options suggests that this could be established, but that it would need substantial funding, which hasn't been identified at present. There are a range of local schemes that provide rent deposits which are promoted accordingly (although they do not meet the full demand).
- 4.9 <u>Recommendation 9:</u> this related to the Council exploring the encouragement of supported lodging schemes to provide additional housing places. Housing Options have indicated that work within the service has had to focus on key changes such as under-occupancy and so this hasn't been pursued as of yet. However the under-occupancy work will provide opportunities to explore the need for accommodation and this will therefore be reviewed accordingly.
- 4.10 **Recommendation 10:** this related to a review of the Housing Allocation Policy in order to be able to respond to some of the changes - for example addressing under occupation through the transfers list, and also work with tenants around under occupancy to look at their options. As a result of this recommendation and other changes, the Housing Allocation Policy is in draft format and will go out for formal consultation this week. It tries to account wherever possible for the welfare reforms; for example, under-occupancy will be given high priority within the new allocations scheme. In relation to work around under-occupancy, PCC has contacted all affected PCC households (approximately 1600) and has been in direct contact with approximately 1,100, helping residents to look at their options (which may for example involve staying where they are if they can afford to; or downsizing if they can't). The work has highlighted that a significant number of residents are felt to be 'burying their heads in the sand' as to how they are going to manage when their housing benefit is reduced in April 2013. Some residents are however looking at moving to a more affordable property and Housing Options is working closely with Housing Officers to match accommodation to need.
- 4.11 Recommendation 11: this related to keeping 'tackling poverty' on the agenda at PCC with promotion through the media, the PCC website, Flagship etc, ensuring that Councillors and others know where to refer people to for specialist advice. See Recommendations 4, 6 and 7 for work in this area. In addition the Tackling Poverty Co-ordinator has been undertaking the wider co-ordination of the Council's response to the welfare reforms, having undertaken a city-wide welfare reforms risk assessment and is reporting this work in to the Public Services Board.
- 4.12 Recommendation 12: this related to the Tackling Poverty Co-ordinator analysing the range of advice services on offer, looking at any gaps/duplications and looking at how provision is promoted to the public. Considerable work has been done on this, culminating in the 'Money Advice' pages going live on the PCC website in December, providing an up-to-date directory of key advice services in the city, which can be accessed by residents and frontline staff.
- 4.13 Recommendation 13: this involved the possibility of matched funding/in kind funding from PCC (e.g. through premises) to the Fresh Start furniture and training project. This is still being explored an interim solution has been provided by PCC



for the storage of furniture. PCC will continue to explore suitable premises that meet the requirements of the project.

- 4.14 <u>Recommendation 14:</u> this involved lobbying the government to require Personal, Social, Health and Economic Education (PSHE) lessons to include financial management as this was not currently a statutory requirement. Unfortunately the Government's PSHE review had just closed when this recommendation was made. The Tackling Poverty Co-ordinator did however submit an Officer's response highlighting the need for this. Local work on this is addressed in Recommendation 15
- 4.15 <u>Recommendation 15:</u> this was a recommendation that schools locally were encouraged to include financial management within PSHE lessons. In fact much work has been done on this with PCC establishing a PSHE Network with representation from PSHE Leads across a range of schools. After relevant consultation a PSHE Plan has now been developed and is being presented to Head Teachers over the next month.
- 4.16 <u>Recommendation 16:</u> this recommended that PCC Housing and RSLs pursue joined up working on providing financial advice/education, looking at areas such as publicity materials, advice, articles etc. Some work has been done on this in relation to the PCC money advice website pages, which any residents can access PCC or non PCC. The challenge with producing paper materials (brochures etc) is that information about the welfare reforms changes constantly. For example, the Benefits Cap was due to be implemented in all areas in 2013. This will now just be in 4 pilot areas the rest of the country will be rolled out sometime between May and September. Online advice and materials are therefore easier to amend in light of any changes or updates. The Housing Partnership brings together both PCC, RSLs and private landlords in the city and work has begun in this group to explore more areas for joined up work.
- 4.17 Recommendation 17: this related to the Council's promotion of the Credit Union. This is being done in a number of ways; for example, the Council is actively working with the Credit Union on establishing funding opportunities within private sector housing. The Credit Union is always cited by the Council in money advice articles in publications such as Flagship. They are named as a key resource on the money advice pages on the PCC website. Other areas of work with the Credit Union are also being considered, for example possible promotion of the Credit Union's 'jam jar' accounts to help residents manage paying their rent when they lose the right have their housing benefit paid direct to their landlord. However the government is currently looking at the possibility of national financial products and assistance in this arena, and so this will not be progressed until the outcome of the national work is known/considered.
- 4.18 <u>Recommendation 18:</u> this related to the Council exploring bank accounts and other financial products on offer to manage benefits and rent, in order to ensure that vital housing costs are paid first. See Recommendation 17 for exploration of 'jam jar' accounts. A working group has been meeting to look at products in more detail that could be promoted to residents in the run up to implementation of Universal Credit.
- 4.19 <u>Recommendation 19:</u> this recommendation centred around the need to get more people online, particularly given that Universal Credit will in most cases be claimed online. A multi-agency workgroup was established in 2012, as part of the learning from the city-wide welfare reforms risk assessment and subsequent action plan,



specifically relating to IT Access and Support in the lead up to the implementation of Universal Credit. An audit has been completed of IT that is available to residents in the city, and an audit is now being carried out around the IT skills support required. This will enable some analysis around where the demand is, and what accessibility issues need to be considered. As part of the group's workplan, resources in the city will be promoted heavily as part of the government campaign 'Race on Line' for 2013, to coincide with introduction of Universal Credit. IT courses at the Learning Place are also to incorporate making online claims as part of IT and employment courses.

- 4.20 Recommendation 20: this recommended that Council officers give consideration to the help and support that can be given at Central Point and other organisations in the city to promote their good work for the homeless (such as signing up to the 'No Second Night Out' initiative). Due to competing priorities this has not been physically signed as of yet; however Portsmouth is already recognised as operating under its terms, and is cited as good practice in this area.
- 4.21 **Recommendation 21:** this stated that a progress report be made against these recommendations in six months' time as fulfilled by this report.
- 5. Reasons for recommendations

Not applicable - progress report only.

6. Equality impact assessment (EIA)

Not applicable - progress report only.

7. Head of legal, licensing & registrars' comments

Not applicable - progress report only.

8. Head of Financial Services and Section 151 Officer's comments

Not applicable - progress report only.

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| Signed by: |      |  |



| Appendices | : |  |
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None

# Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

| Title of document                       | Location  |
|---|---|
| Housing & Social Care                   |   |
| Scrutiny Panel - 'Review to             | http://www.portsmouth.gov.uk/media/cab20120702r6app.pdf |
| Consider the Impact on the              |   |
| Rented Housing Market of                |   |
| Welfare Reform Proposals' -             |   |
| Report dated 18 <sup>th</sup> June 2012 |   |
|   |   |
| Response to Housing and                 | http://www.portsmouth.gov.uk/media/cab20120702r6.pdf    |
| Social Care Scrutiny Panel by           |   |
| the Strategic Director - Adult          |   |
| Services                                |   |

| The recommendation(s) se | et out above were appr | oved/ approved as ar | nended/ deferred/ rejected |
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