

# BRIEFING

	<b>TO:</b>	Improving Places Select Commission
	<b>DATE:</b>	14 July 2020
	<b>LEAD OFFICER:</b>	Sue Shelley Business Development Manager Tel: 07989 985831
	<b>TITLE:</b>	Housing Revenue Account – Rents and Service Charges – Response to the pandemic and future provision

## 1. Background

- 1.1** The Housing Income Service Transformation Programme was initiated and completed in 2018. This report outlines the success of the new service model, the response to the pandemic and the development of future provision.
- 1.2** The Transformation Programme was designed to reflect current thinking in the field and built upon a set of principles encompassing contemporary operational practices, placing the customer at the heart of the service delivery model, despite the service having the ability to deliver life changing sanctions.
- 1.3** The outcome of the Transformation Programme was to create a Housing Income Recovery Service, restructured and very specifically focussed on maximising housing income in all its forms, with a joining up of responsibility for the collection of both current and former tenants rent arrears. In addition, a new and better equipped Financial Inclusion and Tenancy Support Service was created. This part of the service develops and delivers practical interventions and projects to enable tenants to get the maximum benefit from their income. In 2019 the Advocacy and Appeals Team became part of the Financial Inclusion Service. The Advocacy and Appeals Team deliver specialist benefit advice to people living with cancer and debt advice. The appeals part of the service supports people with appeals on Employment Support Allowance (ESA). In 2018/19 the team carried out 614 telephone and 224 face to face appointments from 885 new referrals. Where necessary the team will refer to other partner organisations including Macmillan Information Service, IAPTs (counselling) Macmillan advocacy, DWP visiting team, RMBC single point of access, advocacy & appeals, housing dept, benefit visiting team and Macmillan National Helpline teams. The Appeals part of the service has a strong performance record. In January 14 appeals were supported and succeeded, In February 17 of which 15 were successful and in March 12 of which 10 had a successful outcome.
- 1.4** The figures for the number of appeals dealt with does not give the full story of the impact on individuals. One case recently dealt with by the team took ten months to resolve with the DWP only re-examining their decision when the case went to tribunal. At this point the DWP changed their decision, reinstated his ESA and paid the individual concerned £7,772 the full weekly allowance that he had been without for the previous ten months. Mr W had been without income during the ten months which had put him in hardship but it had also worsened his mental health condition due to the stress and anxiety he had

	<p>suffered. Receiving this decision alleviated this and enabled him to focus on his mental health therapy rather than worrying about the opening times of his local food bank.</p>
1.5	<p>The Advocacy and Appeals Team have only been part of the Housing Income Service less than a year but a review of advice services has been started through the Advice Services Partnership to make sure that tenants and residents are getting the best service from available resources and advice services across Rotherham are not unnecessarily duplicating some offers and leaving potential gaps in service that could be met by working in a different way.</p>
1.6	<p>The success of the transformation of the Housing Income Service can be seen through performance data. Although we are still waiting for the official year-end data to be received via Housemark, RMBC attend and take part in the Northern Benchmarking group (which include organisations such as Sheffield CC, Hull CC, Wakefield, St Leger Homes, Nottingham) and are RMBC currently out performing all others on rent collection. At the end of the 2019/20 financial year rent collection was the highest for over a decade.</p>
1.7	<p>The service manages 23,000 accounts (20,500 properties and 2,500 garages), the homes of over 20,000 tenants. On behalf of these tenants in 2019/20 the service achieved:</p> <ul style="list-style-type: none"> <li>• Submission of 4100+ UC claims.</li> <li>• Collection of £900,000 arrears achieving a reduction in the financial year 2019/20 (circa £3.9m – just under £3.0m)</li> <li>• Evictions reduced by 32% between 18/19 and 19/20</li> <li>• A Rent Collection rate of 100.75% - rent due was £83,475,254.55 – rent collected totalled £84,102,936.59.</li> <li>• Bad debts provision – decrease from £894,266 in 2018/19 to £792,284 in 2019/20</li> </ul>
1.8	<p>Performance has also been measured in relation to the response to the pandemic.</p> <ul style="list-style-type: none"> <li>• An initial spike in weekly case load to circa 2,600 cases per weekly, which has now gradually reduced and stabilised at 1,600 per week</li> <li>• Number of calls made has increased significantly. April 4837 calls, May 5056 (with 1080 tenancy support related), June up to and including w/c 22/06/2020 5620 (1379 tenancy support related)</li> <li>• An increase of 945 in Universal Credit (UC) claims from 3187 in Feb 2020 to 4132 in May 2020</li> <li>• An increase of 155 in Alternate Payment Arrangement (APA's) from 967 in Feb 2020 to 1122 in May 2020</li> </ul>
1.9	<p>The expectation would be that arrears would increase now but there has been a £5.17 decrease on average in the balance of those on UC (from £381.17 in Feb 2020 to £376 in May 2020). This is a testament to the work done by the team to explain to tenants how UC works and the support given to tenants with budgeting. In addition, in response to the pandemic the Advocacy and Appeals Team have supported 304 (up to May 24th) cases from the Community Hub.</p>
1.10	<p>The performance of the service has been recognised through awards and requests from others in the sector to share good practice. In February 2020 the Financial Inclusion Team were presented with the award for Promoting Financial Inclusion and a cheque for £1,000 to be donated to a non-profit organisation or charity of their choice. The team decided to donate this to the Mayor's Charity. As part of sharing good practice Nick Beasley recently contributed to a webinar '<b>Universal Credit: Managing the Surge in</b></p>

	<p><b>'Yorkshire'.</b> Leicester CC, Bristol CC and Sandwell have all been in contact to learn from Rotherham's journey to outstanding performance.</p>												
<b>2. Key Issues</b>													
2.1	The period of the pandemic and initial recovery has shown that the service is not only high performing but also able to flex to meet the needs of its customers with staff maintaining high levels of performance from home while supporting their families and in some cases home schooling alongside meeting work commitments.												
2.2	In the period before lockdown the Housing Income Team along with other parts of the Housing Service tested their ability to work from home including access to systems. Since the start of lockdown staff have continued to work from home to deliver the service to tenants across Rotherham. In preparation for the predicted pandemic evictions were suspended. Work for some parts of the service, including evictions, were later stopped by government mandate, for example, court work and pre-tenancy assistants could no longer process lettings. These staff were quickly trained on the housing management system and debt recovery to free up income officers so they could deal with the increased number of calls and claims for UC. Staff responded and flexed to meet customer need and continue to do so.												
2.3	The service has risen to the challenge of the pandemic and performance has remained strong. This has been achieved by working with and advising tenants on benefits and the promotion of a rent first culture.												
<b><u>Housemark 2020-21 Rent Service Performance Indicators</u></b>													
	<table border="1"> <thead> <tr> <th>Indicator Description</th><th>Month</th><th>APR</th><th>MAY</th></tr> </thead> <tbody> <tr> <td>Rent Collected as a Percentage of Rent Due (Excl Arrears Brought Forward)</td><td>Outturn</td><td>100.71%</td><td>100.44%</td></tr> <tr> <td></td><td>Target</td><td>99.05%</td><td>98.75%</td></tr> </tbody> </table>	Indicator Description	Month	APR	MAY	Rent Collected as a Percentage of Rent Due (Excl Arrears Brought Forward)	Outturn	100.71%	100.44%		Target	99.05%	98.75%
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2.4	The positive outcomes being achieved for tenants can be illustrated by feedback from both staff and tenants even before the pandemic response. In the Spring 2020 edition of Home Matters Tenancy Support Officer, Sheridan Hampton explained what she did in her role. The approach staff in Housing Income take is summed up by Sheridan's comment "I love my job because every day is different. I especially love it when tenants realise how their own positive actions can get them out of debt and stop putting themselves at risk of eviction."												
2.5	Practical support and advice have been developed and sent to all tenants through a leaflet developed in response to the pandemic (Appendix 1). This leaflet 'How to Stretch Your Money Further' gives tenants a range of advice on possible benefits and contact details for other lines of support as well as the teams contact details for any further advice or information.												
2.6	Support for tenants in the current situation is more important than ever and the service is looking at how existing good practice can be built upon to reach more tenants and residents in the borough. The Employment Solutions Team within Financial Inclusion has already proved to be successful in helping tenants into employment in the first year of operation. In the first year of the Employment Solutions post there were a total of 351 referrals. Of these referrals 35 were from the Homelessness service. From these referrals 49 customers secured employment and 1 an apprenticeship. Working in partnership with the DWP and training providers 53 customers were able to access free												

	training with 30 of these customers obtaining free laptops to complete a computer course. The Employment Solutions Officer has worked with the Income Collection Team supporting 67 tenants with rent arrears helping to prevent evictions and sustain tenancies.
2.7	The Housing Income Service has now been offered the opportunity to build upon this successful model with ESF funding. The ESF Pathways to Progression project will build upon the existing work, while the additional capacity created through these roles will ensure the project can be delivered without taking away from the service already being delivered to tenants. This project will work with tenants and residents either to help them find work directly supporting with CV's or interview preparation or by helping them access training to move them closer to the world of work.
2.8	The service is also working to introduce a new software package to manage calls to customers. Voicescape is able to check if phone numbers are current and make the initial outbound call which is then picked up by an officer. Once this is operational officer time will be saved on transactions giving more time to support more vulnerable tenants.
2.9	All of this means we continue to have a healthy HRA business plan, which allows the service to deliver the Housing priorities; delivering tenant focussed services and building new homes. At this point it is important to be cautious about the future as the impact of the end of furlough is not yet known. This may increase the amount of bad debt but the impact on rent collection could be offset by UC and other benefits.

### 3. Key Actions and Timelines

3.1	As part of the planning in the run up to the national lockdown Housing Income had prepared by making sure that staff could work from home and access systems as required. The decision was taken to stop evictions before this was confirmed by the government as part of the work to make sure everyone in Rotherham would have a roof over their head in a national emergency.
3.2	On March 18 <sup>th</sup> Cabinet confirmed that the essential services that Housing must continue to deliver included, the administering of Housing Rent Direct Debits and Tenancy Support to Tenants through Financial Inclusion.
3.3	The decision to stop all evictions was taken by government at the start of the lockdown to the end of June. This has now been further extended to August 23 <sup>rd</sup> , 2020.
3.4	Staff working on court proceedings and pre-tenancy support for lettings could no longer do their work so they were quickly trained on the housing management system and debt recovery to free up income officers so they could deal with the increased number of calls and claims for UC.
3.5	The Macmillan work was reduced as a consequence of the lockdown and the team started to pick up requests for support from tenants and residents coming through the Community Hub.
3.6	Calls from tenants showed a real need for advice on where to access help and managers and staff worked to create the 'How to Stretch Your Money Further' leaflet which was sent out to all tenants with rent statements in May 2020.

**3.7** Following on from the initial emergency response work was then undertaken to develop a programme to deliver the ESF Pathways to Progression project based on the successful Employment Solutions model. This work was accelerated partly in response to the number of people at risk of losing their jobs. Work is now underway to recruit to this project so delivery can start in September.

**3.8** Staff have continued to share best practice during the pandemic, for example, the development of the webinar '**Universal Credit: Managing the Surge in Yorkshire**'.

**3.9** Work has started on the HRA Business Plan. This will set out the rents and service charges for 2020/21 and be presented to Cabinet on December 21<sup>st</sup>. The timeline for production of the reports is below. It will be vital that income collection is maintained during this period of economic uncertainty to ensure the vital services to Council tenants continue to be provided and the housing growth programme is maintained.

<b>HRA Business Plan Report</b>	<b>SMT</b>	<b>DLT</b>	<b>SLT</b>	<b>Cabinet</b>
Meeting date	28 October	10 November	17 November	21 December

#### **4. Recommendations**

**4.1** The Improving Places Select Commission is asked to note the contents of this report.