

# Report to Housing Scrutiny Panel

**Date of meeting: 17<sup>th</sup> June 2013**

**Portfolio: Housing – Cllr D. Stallan**

**Subject: Welfare Reform Mitigation Action Plan  
Quarterly Progress Report**

**Officer contact for further information: Alan Hall –  
Director of Housing (01992 564004)**

**Committee Secretary: Mark Jenkins (01992 56 4607)**



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## Recommendations:

**That the latest Quarterly Progress Report on the Welfare Reform Mitigation Action Plan, as at 1<sup>st</sup> June 2013 (attached as an Appendix) be considered and that any comments on progress be provided to the Housing Portfolio Holder and Director of Housing.**

## Background

1. In view of the significant effect that the Government's welfare reforms will have on the Council and residents, a Welfare Reform Mitigation Project Team was formed in September 2012, chaired by the Director of Housing and comprising officers from across the Housing Directorate and the Benefits Division, to consider and implement ways that the effects of the welfare reforms could be minimised – or at least reduced.
2. The Project Team formulated a Welfare Reform Mitigation Action Plan, which was adopted by the Cabinet in October 2012. The Action Plan identifies around 60 separate actions, with lead officers and target dates provided for each action, under the following 7 themes and associated key objectives:

Theme	Key Objective
Strategic	To ensure that a strategic and corporate approach is taken to mitigate the effects of welfare reform, including good data management
Information to Residents and Advice Agencies	To ensure that residents are provided with accurate, useful and timely information, advice and support on the welfare reforms; how they may be personally affected; and action they can take to mitigate the effects
Reducing Under-occupation	To minimise the under-occupation of Council properties by working-age Council tenants in receipt of housing benefit, and to endeavour to assist under-occupying Council tenants to move to smaller accommodation if they wish
Reshaping Service Delivery	To change services, or introduce new services, to assist the Council and residents to mitigate the effects of the welfare reforms
Minimising Homelessness	To minimise the numbers of households who become homeless as a result of the welfare reforms and to assist such households to minimise the resultant effects

Council's Financial Management	To identify and minimise the financial cost and effects of the welfare reforms on the Council as an organisation, and to ensure that appropriate budget provision for the additional costs are made within the HRA Financial Plan
Staff Training and Communication	To ensure that all relevant staff are aware of the welfare reforms, the effects on residents, the Council's response to the reforms and ways that residents can mitigate the effects on themselves

3. In addition to progress with the Action Plan being monitored at officer level by the Project Team, the Cabinet also asked the Housing Scrutiny Panel to monitor progress with the delivery of the Action Plan at its quarterly meetings, which it has done since January 2013.

### Progress to date

4. The third Quarterly Progress Report, as at 1<sup>st</sup> June 2013, is attached as an Appendix. As can be seen, good progress continues to be made to date in delivering the 59 actions of the Action Plan.

5. The key points to note within the latest Progress Report on the current position, compared with the position reported to the Scrutiny Panel at its last meeting, are as follows:

- The latest information from the DWP & Benefits Division (April 2013) is that **the number of households in the District who will be affected by the Benefits Cap has increased by 11**, from 78 to 88 households, with the number of Council tenants increased to 16.
- **These Council tenants will lose an average of £52.18 per week** (compared to the average of £48.58 per week), with 2 Council tenants losing all their Housing Benefit.
- There were originally around 390 under-occupying Council tenants identified as being affected by the "bedroom tax". By 31<sup>st</sup> May 2013, **the number affected by the "bedroom tax" had reduced by around 10%** to 347 tenants.
- As at 1<sup>st</sup> April 2013, **all Council tenants who were willing to be visited by their Housing Management Officer to discuss the implications of the "bedroom tax" on them, and ways of mitigating the effects, had been visited**. A total of 217 visits were undertaken, representing around (56%) of those originally identified.
- **Of those visited** to discuss the implications of the "bedroom tax":
  - (a) 23% of tenants had expressed an interest in downsizing
  - (b) Around half wanting to downsize are seeking 1 bed accommodation, with the remainder seeking 2 bed accommodation.
  - (c) No tenants had expressed an interest in taking in a lodger.
- Between 1<sup>st</sup> January 2013 and 31<sup>st</sup> May 2013, **14 Council tenants affected by the "bedroom tax" have been known to downsize to smaller Council accommodation**, either through transfers or mutual exchanges.
- **In the first two months of the "bedroom tax" coming into operation** (1st April 2013 - 31st May 2013), of the 347 tenants affected throughout the period:

- (a) 53 tenants (15%) who now have to contribute towards their rent (due to under-occupying their Council property) did not pay any rent;
  - (b) 122 tenants (35%) who now have to contribute towards their rent (due to under-occupying their Council property) paid the full amounts required;
  - (c) The total amount of rent arrears that accrued during this 2-month period from tenants who now have to contribute towards their rent (due to their under-occupation) was £6,175. The existing level of rent arrears for these cases at 1<sup>st</sup> April 2013 was £39,400, which increased to £45,575 by 31<sup>st</sup> May 2013.
  - (d) The total amount of rent due from all these tenants affected during this 2-month period was around £93,000, plus the existing rent arrears of around £39,000 – totalling around £132,000.
  - (e) Of this £132,000, only around £70,000 was paid - representing a rent collection rate of just 53% (compared to the Council's overall rent collection rate for all properties in 2012/13 of 97.16% - some 44% lower).
- Following detailed consideration and recommendations by the Housing Scrutiny Panel, and a subsequent consultation exercise, **the Cabinet adopted a new Housing Allocations Scheme on 15 April 2013**, effective from 1<sup>st</sup> September 2013, which includes the following provisions to help mitigate the effects of the welfare reforms:
    - (a) A change to the size of Council properties offered to housing applicants, in order to meet the Local Housing Allowance requirements;
    - (b) A provision that no penalties will be applied for downsizing tenants who refuse an offer of accommodation for which they have expressed an interest;
    - (c) A reduction in the age limit for bungalows, from 60 to 50 years of age for those downsizing;
    - (d) Under-occupying tenants being kept in the highest priority band; and
    - (e) A provision that homeless families with less than 3 years residence in the District should be placed in suitable private rented accommodation if possible.
  - The **budget for providing tenants with financial incentives to downsize to smaller accommodation has been doubled** for 2013/14, from £22,000 p/a to £44,000 p/a. Officers will shortly be recommending to the Housing Portfolio Holder that the incentive scheme be extended to EFDC tenants who downsize through a mutual exchange.
  - The **Epping Forest Re-use Project has been launched**, which has leased a warehouse at Bowers Hill, Epping. The Scheme provides used furniture to those in need, with reduced prices for those in receipt of benefits. The first quarterly payments of both the General Fund and HRA grants (£20,000 and £10,000 in total respectively) have been made.
  - The **CAB's two new temporary Debt Advisor posts have now been filled** and are operational from the three CAB Offices and the Limes Centre, Chigwell - funded by a grant of £67,900 from the Council. The CAB has been asked to keep detailed records of the number of residents assisted.
  - **An appointment has been made to the additional post of Homelessness Prevention Officer**, following the Cabinet's decision to use part of the CLG's funding for homelessness prevention to create the additional post. The new post-holder is due

to start on 6<sup>th</sup> June 2013.

- **The Finance and Technology Portfolio Holder has agreed the Council's new Discretionary Housing (DHP) Policy**, which includes the use of DHPs for rental loans etc. Since April 2013, 47 applications for DHP's have been considered, of which 26 applications have been accepted and 21 have been refused. The cost of the accepted claims to date amounts to £20,600 per annum, representing 10% of the Council's DHP allocation of £206,000.
- The Council's Management Board has identified that **the effects of the welfare reforms on the Council and the community represent one of the Council's 8 most significant risks.**

6. The table below gives a summary of the overall progress to date with the delivery of the Mitigation Action Plan, compared with the position reported to the Housing Scrutiny Panel at its last meeting in March 2013. As can be seen, a further 12 tasks have been achieved since the last report, with nearly two thirds of all the tasks having now either been achieved or nearly achieved, with most of the remaining third of all tasks either not yet being required or no longer required at all:

<b>Summary of Progress</b>				
<b>Progress</b>	<b>Current Position</b>		<b>Position reported to Housing Scrutiny Panel – March 2013</b>	
	<b>No.</b>	<b>%</b>	<b>No.</b>	<b>%</b>
Achieved	36	61 %	24	41 %
Almost Achieved	1	2 %	4	7 %
Good progress made	2	3 %	12	20 %
Limited progress made	1	2 %	1	2 %
Actions not yet required	13	22 %	13	22 %
Actions no longer required	6	10 %	5	8 %
<b>Totals</b>	<b>59</b>		<b>59</b>	

7. It should be noted that many of the remaining actions will not now be able to be undertaken for some time, since they relate to the introduction of direct payments, which has now been deferred by the Government until at least March 2014, and even then only for limited new claimants for the new Universal Credit. There are also reports that their introduction may be delayed for even longer.

8. To date, the Welfare Reform Mitigation Project Team has been meeting monthly. However, due to the hiatus referred to above, the Project Team will now be meeting quarterly.

9. The Housing Scrutiny Panel is invited to consider the Quarterly Progress Report and provide any comments on progress to the Housing Portfolio Holder and Director of Housing.