

These minutes are draft subject to confirmation at the next meeting of the sub-committee

Housing Sub-Committee

28 November 2016

Present: Councillor S Cox (Chair)
Councillors A Arkle, K Bolger, L Darke, D
Drummond, N Huscroft, M Madden, P Mason,
A Newman, M Rankin and M Thirlaway

HO26/11/16 Apologies

Apologies for absence were received from Councillor John Hunter.

HO27/11/16 Substitute Members

There were no substitute members appointed.

HO28/11/16 Declarations of Interest

Cllr K Bolger declared a registerable personal interest in relation to Minutes HO30/11/16 Welfare Reform and HO31/11/16 Homelessness Strategy, as she worked frontline for partner ENGIE serving customers on welfare reform and housing related issues including homelessness.

Cllr M Madden declared a registerable personal interest in relation to Minute HO30/11/16 Welfare reform, as she advised customers on welfare reform issues as part of her job role.

Cllr D Drummond declared a registerable personal interest in relation to Minute HO30/11/19 Welfare Reform, as his wife worked for the Citizens Advice Bureau.

HO29/11/16 Minutes

Resolved that the minutes of the meeting held on 24 October 2016 be confirmed and signed by the Chair.

HO30/11/16 Welfare Reform

The sub-committee received a report and presentation which updated Members on the Governments Welfare Reforms, the impact so far for North Tyneside Council Housing and an overview of forthcoming reforms outlined in the Welfare Reform and Work Act 2016, and the Housing and Planning Act 2016. Members were informed that some changes would apply to the information provided in the report (that had been circulated) following the Autumn statement.

The first wave of Welfare Reform measures came into effect in April 2013. Some of the first changes to impact on North Tyneside Housing tenants were the removal of the Spare Room Subsidy and the introduction of the first Benefit Cap (£20,000). The report detailed the estimated number of tenants affected by each of the reforms, the average monetary impact per case and the total estimated annual impact. For North Tyneside Council the impact had been seen in a reduction in the proportion of the annual debit that it covered by

28 November 2016

housing benefit payments and the subsequent associated increase in rent arrears.

Universal Credit (UC) had gone 'live' in North Tyneside on 23rd November 2015. UC replaced the six main working age welfare benefits: Housing Benefit, income based Employment and Support Allowance, income based Job Seekers Allowance, Working Tax Credits, Child Tax Credits and Income Support. The main features of UC included: a monthly payment, in arrears, on the same day each month, with new claimants waiting 5 to 7 weeks for a first payment; UC was for people not in work but also for those in low paid work; and claimants had to comply with their Claimant Commitment which was bespoke to each individual. Members were informed that only claimants that met the gateway eligibility criteria were eligible for UC. These criteria included being single, aged 10 to 60.5; having no children; less than £6k capital and being fit for work.

The Department for Work and Pensions (DWP) had estimated that North Tyneside Council housing would get between 6 and 8 new claimants for UC per week. It was therefore anticipated that there would be around 300 tenants claiming UC by November 2016. However, at the start of November 2016 there were 141 tenants in receipt of UC; a shortfall against predictions reflective of national trends.

As the Council was designated as a 'live' service area, only single claimants that met the gateway criteria were eligible for UC. North Tyneside was due to transition to 'full digital' service status in February 2018. From that time, all new claims that met the gateway criteria would be required to make a claim for UC, including families and those with vulnerabilities. It was noted that there were differences between 'full service' and 'live service' with regards to childcare costs, assessment periods, claim closure and re-claims procedures and the calculation of un-earned income. More details of this would be provided nearer February 2018. It was highlighted that Newcastle City Council was a 'full service' area and that North Tyneside would work closely with colleagues in Newcastle to understand the impacts and learn from their experiences.

Of the 141 tenants on UC, 130 of them were in arrears. The total amount of arrears for these tenants was £136,000, an average of £1,046 per tenant. It was noted that the average level of arrears when the Council found out that a tenant had made a claim for universal credit was £450. This was due to problems with DWP informing the Council of claims. There had been some recent improvements with the introduction of a dedicated email service which was hoped would improve the flow of information. Officers were working closely with tenants to help them to better manage rent payments and their budgets. Members asked whether UC was broken down into various amounts or made as one payment. It was explained that the original letter from the DWP would identify the housing cost contribution within the UC credit but following that it would be one payment and tenants would have to manage their budget to pay rent from this (payment).

It was explained that once North Tyneside moved to a full digital service it was anticipated that the majority of working age households currently claiming welfare benefits would transition to Universal Credit. This would mean that every household (except for pensioners who will continue to be entitled to Housing Benefit) would be responsible for paying the full amount of the gross rent, including service charges and water rates, to their landlord. The projected impact of this was that the monetary value of the debit collected by the Council would increase to around £51.5m per annum, a 96% increase since 2012/13.

In order to respond to this increased level of rent collected by the Council, several measures were being put in place. This included working to improve the Direct Debit offer to increase the number of dates available and reviewing the escalation process to ensure response at the earliest opportunity when tenants failed to pay. It was highlighted that a restructure of the Housing service had taken place in the previous year, one of the aims of

which was to realign resources to enable more staff to work with tenants to manage rent accounts and prevent escalations. Members asked what the escalation process was and if it involved face to face contact. It was explained that a first and follow up letter would be sent and if the tenant still failed to clear the arrears, the local authority would send an officer to call at the property. It was noted that if tenants were in significant hardship they could apply for an advance in their UC. However, this would have to be paid back over a 6 month period and could therefore make things more difficult for the tenant in the long run.

Members were informed that a number of new reforms had been brought in as a result of the Welfare Reform and Work Act 2016 and the Housing and Planning Act 2016. Changes from the Welfare Reform and Work Act 2016 included lowering the benefit cap to £20,000 (outside London); abolishing automatic entitlement to housing benefit for 18-21 year olds and limiting UC, tax credits and housing benefit support to the first two children for families who have subsequent children after April 2017. It was highlighted that the challenge to understanding the impact of the changes would be that every individual would be different and therefore have a different headline figure and further work would need to be undertaken by the Council to know the circumstances of tenants.

In relation to the reduction in the benefit cap, it was noted that DWP had written to around 200 claimants affected in North Tyneside, 121 of which were Council tenants. The impact varied from 0.41p per week reduction up to £88.66 per week for 1 family. The total reduction in housing benefit for North Tyneside equated to £232,000 per year, which was likely to lead to an increase in arrears estimated at around £30,000. The DWP had increased Direct Housing Payments funding (to £473,141) and an additional burdens funding had also been provided. The DWP had sent notification to everyone affected and the reduction would apply from 5th December 2016.

The sub-committee was informed of the help and support available for those affected. The claimant could request an explanation of the decision or request a review within 1 month of the decision. A claimant could also make a claim for a Discretionary Housing Payment. Support from the Education to Employment Team included better off calculations and income maximisation; budgeting advice, prioritising and signposting to more specialist services and preparation for UC. Members asked how many officers worked in the Education and Employment Team and the roles they undertook. Officers agreed to circulate some further information on this matter after the meeting.

Members were updated on emerging legislation in relation to the sale of higher value homes, which would require all Local Authorities with a housing revenue account to make a payment in respect of higher value council housing that is expected to become vacant each year. The authority would be issued with a determination which would set out the payment based on a formula the government were currently developing. The authority had supplied information on all stock, and void data for the previous 3 years, to help the government devise their database formula. Members would be kept informed of further details regarding this policy as they emerged.

The Chair thanked the officers for the presentation and suggested that the sub-committee monitor the development of these various new policies in the future.

It was **agreed** to note the information and request further Welfare Reform updates in the future.

HO31/11/16 Homelessness Prevention Strategy 2013-18

The sub-committee received a report which updated Members on the delivery of the Homelessness Prevention Strategy 2013-2018, the emerging Government Homelessness

Policy and provided a timetable for the planned review of the Homelessness Prevention Strategy.

The Homelessness Act 2002 placed a duty on all local housing authorities to carry out a homelessness review for their area and formulate and publish a homelessness strategy based on the results of the review, at least every 5 years. The current Homelessness Prevention Strategy 2013-18 had received Cabinet approval in October 2013. It had 4 priorities aimed at preventing people becoming homeless by addressing the causes: widen housing choice; support people to secure and sustain a home; provide timely and accessible housing and homelessness information; and deliver excellent housing advice and homelessness services.

The Strategy was supported by an action plan to ensure priorities were delivered. Lead officers had been identified to oversee and drive the objectives that sat within each priority, with quarterly reporting to the North Tyneside Homelessness Prevention Forum. Time focused task and finish groups had also been established for specific pieces of work, i.e. the annual rough sleeper estimate and the review of the Severe Weather Emergency Protocol.

Members were informed that, working with partners, the Authority had been able to deliver a number of outcomes and successes towards achieving the objectives of the Homelessness Prevention Strategy. These included successfully attracting funding to deliver a range of homelessness prevention initiatives in North Tyneside and reducing the number of households presenting to the Housing Advice Team. In 2013/14 a total of 2790 households presented to the team, this reduced to 2139 households for 2015/16. Members commented that they felt this number still seemed high and it was explained that those figures included anyone that had sought advice from the team (tenants and private rented sector/home owner), often following family arguments. This figure did not reflect the number of people that had been accepted as homeless.

The sub-committee was informed that on 28th October 2016 the Homelessness Reduction Bill received its second reading in Parliament. The Bill sought to reduce homelessness and reform homelessness duties placed on Local Authorities to ensure that all households at risk receive advice and help more quickly. The Bill had received cross party support in Parliament and it was expected that it would receive Royal Assent in April 2017, with implementation around 9 to 12 months later.

With the Homelessness Prevention Strategy 2013-18 due to expire in 2018, North Tyneside needed to produce a new strategy to outline its strategic objectives for the provision of services and the prevention of homelessness in the borough. It was intended that the review would begin in February 2017 and provide stakeholders with opportunities for engagement and consultation to ensure that the emerging strategy is representative of their views. Housing sub-committee would be consulted as part of this process. In the meantime a briefing note would be circulated to the sub-committee with more detail on the emerging Homelessness Reduction Bill.

It was **agreed** to note the report.

