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Welsh Government

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Impacts of Welfare Reforms on the Social Rented Sector

Report of a Welsh Government Task and Finish Group



February 2014

Introduction

1. Since 2011, the Welsh Government has, with local authorities and third sector organisations, been proactive in helping people cope with the impact of changes by the UK Government to its Welfare Reform policy. With total Welsh Government funding of approximately £2.1m, a programme of support, has operated since 2011.
2. The initial programme of support focused on raising people's awareness of the changes to Housing Benefit. As time passed, the focus moved to more practical advice and personal support to help people take steps to manage the impacts on their financial situation. Over the course of the last year, the Welsh Government has been considering what support, if any, is needed in the future. It established a new, broader, working group of stakeholders from across Wales who also indicated it would be beneficial for Welsh Government to lead the group.
3. The purpose of the Group was to:-
 - Obtain and assess the latest information on the impacts on the social rented sector (tenants and landlords) of the welfare reforms;
 - Examine steps that landlords are taking to manage the impacts and any implications or consequences of such action for tenants;
 - Form a view on the adequacy of the response and the extent to which it is evident across all landlords; and
 - Identify and share good practice to deal with the reforms.
4. Information obtained through the work of the Group was also identified as potentially useful to inform the work of the Welsh Government's Housing Regulation Team. It regulates Registered Social Landlords, which are more commonly known as "housing associations".
5. The *Task and Finish* Group was established in July 2013. It met on three occasions: 16 July 2013, 6 September 2013 and 11 November 2013.
6. Membership and Terms of Reference of the Group are provided at annex 1.

Welfare Reform - Social Rented Sector

7. In April 2011, tenants with non-dependant(s) may have experienced a reduction in their benefit. Financial impacts were considered minimal as the non-dependant would have been expected to increase their contribution to the household income to offset any reduction in benefit.
8. In April 2013, the spare room subsidy (bedroom tax) was introduced and according to Department for Work and Pensions figures¹ would affect 40,000 with an average loss of income of £12.00 per week. This is equivalent to 46 per cent of working-age Housing Benefit claimants in the social rented sector in Wales, the highest proportion out of all regions in Great Britain.
9. The Department for Work and Pensions has recently published statistics² on the number of housing benefit claimants affected by the bedroom tax and the average reduction in awards between May and August 2013. The data shows that 33,876 claimants in Wales who were deemed to be under-occupying social accommodation had their housing benefit reduced in August by an average of £13.11 per week. This is broken down as follows:-
 - 27,334 of the affected claimants in Wales had one spare bedroom (and an average reduction in their Housing Benefit award of £11.32 per week); and
 - 6,413 had 2 or more spare bedrooms (and an average reduction in their Housing Benefit award of £20.79 per week)³.
10. A report from Community Housing Cymru⁴ indicates that:-
 - 22,000 housing association tenants have been affected by this reform;
 - Only three per cent have successfully downsized;
 - 78 per cent of housing associations who are members of Community Housing Cymru have seen an increase in rent arrears, with over £1 million attributed to this reform. They expect this to increase to £2 million by April 2014;
 - 51 per cent of tenants are fully paying the shortfall in their rent, 37 per cent are part-paying and 12 per cent are not paying anything towards the shortfall;

¹ Department for Work and Pensions Housing Benefit Impact Assessment : Under occupation of social housing 28 June 2012

² <https://www.gov.uk/government/publications/number-of-housing-benefit-claimants-and-average-weekly-spare-room-subsidy-amount-withdrawal>

³ Information on the number of spare bedrooms is not available / missing for the remaining 129 affected claimants.

⁴ <http://chcymru.org.uk/en/view-news/welfare-defence-programme-urgently-needed-in-wales-as-bedroom-tax-hits>

- Void (empty) properties are increasing with over 700 homes in the social rented sector becoming increasingly hard to let, with many remaining empty; and
- They estimate that there are 90,000 people on social housing waiting lists.

11. The UK Government put forward three proposals for tenants affected by the bedroom tax:

Downsizing – move to an appropriately sized property.

- This assumes that there are adequate properties available for families to move into.
- Many people in the social rented sector have lived in their homes for many years and have built up support networks through relatives and friends.
- There are potential safeguarding issues for children as vulnerable families move between local authorities.

Lodger – supplement income to top up shortfall in rent.

- There is a financial benefit for a tenant taking in a lodger as the first £20.00 of income is disregarded for housing benefit purposes.
- There are safeguarding issues as a 'normal' family is unable to verify the credentials of a potential lodger because the *Disclosure and Barring Service* checks (replaces Criminal Records Bureau check) are not available to them.

Work Additional Hours – top-up shortfall in rent.

- The assumption is that additional hours are readily available.
- Those with childcare costs are further restricted because for many these costs are increasing at the same time that support within Working Tax Credits is falling.

Universal credit

12. The Welfare Reform Act 2012 provides for the introduction of a new working age income-related social security benefit, universal credit, and the abolition of income-based jobseeker's allowance, income related employment and support allowance, income support, housing benefit and child and working tax credits.

13. Members of the group welcome a simplified system but acknowledge that problems will be created for landlord and tenants alike, such as:-

- On-line applications only (Department for Work and Pensions is promising to put in place local support services to help those who are unable to claim electronically);
- Direct payment (including housing costs) to tenants;
- Payment calendar monthly in arrears; and
- To a named person in the household (concerns raised by domestic abuse organisations about potential financial abuse and the possible knock on effect for services).

14. All of the above criteria have potential to create financial and social problems for many in the social rented sector.

15. The direct payment element of the new universal credit system is being tested in a number of demonstration projects across the UK including Torfaen in South East Wales. The *Baseline Tenant Survey* work undertaken in advance of the project found that:-

- 83 per cent of households selected for the project were workless and 62 per cent considered they had a disability or long term limiting illness;
- 66 per cent of tenants considered themselves adept at managing their finances with 63 per cent operating weekly spending limits;
- 31 per cent thought they would cope poorly with direct payment and 36 per cent felt they would need significant long term support;
- 95 per cent didn't have any savings to fall back on;
- 74 per cent expressed a preference for face to face communication;
- 25 per cent of tenants said they were suffering from some form of stress or anxiety with a further 13 per cent indicating a mental illness

16. In the report *Direct Payment Demonstration Project: Learning and Payment figures –Payment 14*⁵ the following outcomes were identified:

- Direct payments had increased indebtedness – in the six months from April to September 2013, the average monthly arrears figure for *Bron Afon* tenants on direct payments was £91 higher than those outside the project;

⁵ <https://www.gov.uk/government/publications/direct-payment-demonstration-projects-learning-and-payment-figures-dec-2013>

- Collection costs were higher. Contact rates in the *Bron Afon* direct payments tenant group are 150 per cent higher than outside the scheme and 219 per cent up for *Charter* - this has to be resourced;
- Effective data sharing with the local housing benefit team remains key to success. Arrears and contact needs would increase significantly without it;
- In September 2013, 28.7 per cent of tenants had been switched back to payment to landlord, supporting baseline studies which indicated 31 per cent of tenants considered they would cope poorly with the direct payments; and
- Tenants find it difficult to have conversations about their finances and have been less willing to open their doors to money advisors than support workers. It is likely then, that people who need help will answer “no” when asked by the online personal budgeting assessment *triage* proposed under universal credit if they require money advice or signposting.

Discretionary housing payments

17. Discretionary housing payments are not devolved. They are the responsibility of the Department of Work and Pensions with local authorities being responsible for administration. Discretionary housing payments help address financial shortfalls and if used appropriately, can be used to tackle underlying problems.
18. What is apparent is that there is insufficient money in the discretionary housing payments fund to help all cases of hardship in Wales caused by Welfare Reform.
19. Discretionary housing payments may be awarded, in addition to any welfare benefits, when a local authority considers that a claimant requires further financial assistance towards housing costs. In general, *housing costs* means rental liability; however, housing costs can be interpreted more widely to include:
 - Rent in advance;
 - Deposits; and
 - Other lump sum costs associated with a housing need such as removal costs.
20. The fund is finite and allocated annually to each local authority by Department for Works and Pensions. They are also responsible for issuing guidance to local authorities on administering the fund.
21. Local authorities are able to 'match' the fund by a maximum of 2.5 times their allocation. However, in these austere times this rarely happens.
22. It is apparent that landlords and tenants use the discretionary housing payments system as a way of addressing income shortfalls caused by the bedroom tax and demand is expected to increase when direct payments for the social rented sector are introduced within universal credit.
23. The Scottish Government has 'match-funded' the Department for Work and Pensions' allocation for 2013/14 and is considering doing the same for 2014/15. Stakeholders would welcome additional money from the Welsh Government but there is a realisation that any additional support could not be maintained indefinitely, and that throwing money at a situation is not always the answer.

1) Request additional funding from Welsh Government to top up the discretionary housing payments fund to local authorities
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24. Between the 2011/12 and 2012/13 financial years, local authorities were allowed by Department for Work and Pensions, as a one-off exercise, to carry forward any underspend in discretionary housing payments fund. This encouraged and rewarded local authorities for being cost-conscious and is something which the group would encourage for future years. A precedent has, therefore, already been set by Department for Work and Pensions to work beyond conventional end of year business.

2) Welsh Government Ministers should write to Department for Work and Pensions to request for:-

a. the ability for local authorities to carry forward underspends in discretionary housing payments funds between financial years.

25. The UK Government has been providing additional money to the discretionary housing payments fund since 2011/12 to 'compensate' for the welfare reforms (see annex 2). This year they have also provided additional in-year funding for the most rural areas of the UK, including Ceredigion, Gwynedd and Powys.

26. In his 2013 Autumn Statement, the Chancellor of the Exchequer announced additional funding for discretionary housing payments in 2014/15 and 2015/16 years:-

"The [UK] government will increase discretionary housing payments by £40 million in both 2014-15 and 2015-16. This will ensure the pot of discretionary housing payments available to support those affected by under occupancy deductions will not be reduced for the next 2 years, giving councils discretion to make longer term awards. Funding of discretionary housing payments will be met from Department for Work and Pensions budget from 2014-15".

27. As the table in annex 2 indicates, the money being promised for 2014/15 and 2015/16 is less than that being allowed during 2013/14.

28. Since the introduction of the bedroom tax, total demand for discretionary housing payments in 15 local authorities in Wales in the first half of the financial year 2013/14 has increased by around 260 per cent compared to the same period a year earlier.

29. Apart from inadequate funding, some group members reported concerns about administrative inconsistencies by local authorities. This is unsurprising because of:-

- The vague guidance issued by Department for Work and Pensions;
- 22 separate local authority policies, each requiring clearance from council members; and

- Unprecedented increase in demand.
30. Shelter Cymru⁶, in March 2012, reported on the administration of discretionary housing payments in Wales and the 2012 Welsh Local Government Association survey of *Local Authority discretionary housing payments policies and practices* indicated that there are many areas of consistency in the way discretionary housing payments are administered, but also some variation across Wales.
 31. One housing association reported that they were “...*especially concerned about those tenants who are living in specially adapted properties who are not receiving additional financial helpthere were approximately 20 examples ...across a number of local authorities in Wales*”
 32. Discretionary housing payments are the main focus of support for those facing a shortfall in their benefit income and again it was expected that problems with the system would be mentioned at the group.
 33. In an effort to address consistency issues in the past, the Welsh Government facilitated a meeting between Department for Work and Pensions and housing benefit managers; however, inconsistencies remain.
 34. The concerns of the group fall into three particular areas:-
 - Guidance;
 - Disabled tenants and adaptations to their homes; and
 - Disregard of disability benefits.

Guidance

35. Updated guidance was provided by Department for Work and Pensions in April 2013 in readiness for the change to localised council tax. The group wrote to the Department for Work and Pensions asking for improved and more explicit guidelines to improve consistency by local authorities.
36. The request was rejected by the Department for Work and Pensions on the basis that:-

“.... legislation relating to discretionary housing payments is wide and gives local authorities a very broad discretion..... If the guidance was more prescriptive this could fetter the discretionary nature of the scheme....”

Disabled tenants and adaptations to their homes

37. The UK Government provided additional funding to assist tenants affected by certain elements of welfare reforms e.g. local housing allowances,

⁶ cymraeg.sheltercymru.org.uk/images/pdf/DHP_col.DOC.pdf

bedroom tax, benefit cap etc. The fund was specifically increased to help disabled tenants with housing adaptations and affected by the bedroom tax with the expectation that the money would be 'ring-fenced' by local authorities and assigned to this particular client group. This has not happened and consequently the funds are not reaching their intended destination.

38. The request was rejected by the Department for Work and Pensions on the basis that:-

"...It is for local authorities to determine how discretionary housing payments funding is spent in their area. They have been advised of their total discretionary housing payments allocation for 2013/14 and this is the total amount to cover all the welfare reforms, not just removal of the spare room subsidy....."

39. This raises a question of why then did the Department for Work and Pensions separate the funding into "core", "local housing allowance", "size criteria" and "benefit cap"? (annex 2)

2b) guidance is altered to ensure specific client groups are protected and local authorities 'ring fence' discretionary housing payments for client groups as identified by Department for Work and Pensions i.e. local housing allowance reforms, bedroom tax and benefit cap.

Disregard of disability benefits

40. There is concern that the treatment of disability benefits is not being treated equitably by local authorities. It could be argued that discretionary housing payments are a form of 'hardship' payment and, therefore, seems plausible for all disability income to be taken fully into account. However, local authorities are required to offset any pertinent expenditure supported by that benefit e.g. Motability, special diets etc.

41. The request was rejected by the Department for Work and Pensions on the basis that:-

".....it is for local authorities to decide what income and capital is taken into account when assessing a discretionary housing payments claim. Each case is considered individually and as it is a discretionary scheme local authorities may in some circumstances decide that disability benefits should not be disregarded"

42. This is an area where clear and unambiguous guidance would be beneficial. All three suggestions were rejected, which infers that Department for Work and Pensions must be satisfied with the administration of the scheme. The group acknowledges this is a difficult situation but something that Welsh Government should endeavour to tackle.

2c) local authorities agree to take all disability income into account (without any disregards) and then offset any pertinent expenditure supported by that benefit (s).

43. As stated in paragraph 18, the group accepts that discretionary housing payments are finite and there is too little money to support all cases of hardship.
44. Furthermore, it is rarely used to address the underlying problems hence negating the need for a further application to the fund.
45. There are some excellent and innovative working practices being adopted by many local authorities and third sector partners (Cardiff City Council, Flintshire County Council, Merthyr Tydfil, and *CyngorDa*). It is recommended that some of these initiatives are implemented by all local authorities to resolve the underfunding issue from Department for Work and Pensions.
46. There would be a necessity for all interested parties to work more closely including housing benefit, housing options, welfare advice, money advice, landlords, the Discretionary Assistance Fund and the third sector. It is important that stakeholders are engaged because they will, very often, be able to provide the solution to the underlying problems:-
- Triage /information hub (claim process) – overview of the discretionary housing payments fund; liaison with the Family Fund and Discretionary Assistance Fund (Social Fund) – voucher payments etc;
 - Housing option teams – access to homeless prevention funds which are being used to clear rent arrears to enable a tenant to move on, help with relocation costs, bonds and deposits; advice on alternative housing, social lettings, etc;
 - Money Advice Services – which provides useful IT software solutions to local authorities free of charge, it's officers provide financial advice, renegotiate payday loans/excessive interest payments;
 - Landlords – they can provide details of tenant debt, alternative housing options, mutual exchange information and input in providing a priority downsizing list;
 - Third sector –key workers who can provide supporting evidence on behalf of a tenant who is unable to deal with their own matters;

- *HouseswapWales*⁷ or *Houseswapper*⁸
 - i. These are schemes which enable tenants to search for properties;
 - ii. *HouseswapWales* uses Facebook to interface with tenants whereas *Homeswapper* uses online/paper applications; and
 - iii. Additional information is available via <http://www.yourbenefitsarechanging.com/movetoasmallerproperty.htm>.
- Housing benefit /welfare advice team - maximisation of benefits

3) Local authorities should adopt a revised approach to discretionary housing payments.

47. For the proposals to work effectively this recommendation requires the support of all local authorities. A flow chart is provided in annex 3 to this document which maps out the proposals.

Proposed claims process for discretionary housing payments

Triage Service

48. The majority of group members felt that the most effective way of dealing with the public was through face-to-face interaction. Therefore, when a discretionary housing payments claim is lodged, local authorities, possibly through a triage service (in collaboration with social landlords), will identify underlying issues and contact the person(s) who are most likely to be able to assist. Some local authorities already use a triage service and utilise the mitigation officers, who for the past three years, have been supported by a Welsh Government programme. They have built up knowledge of welfare reforms and could, if funding can be provided for future years, act in a co-ordinating capacity to help ensure people get the help they need. Courses of action could include:

- Awarding discretionary housing payments for a limited period allowing the tenant time to find a permanent solution, such as:
 - i. Moving to a smaller/cheaper property; and/or
 - ii. Getting money/debt advice; and/or
 - iii. Input from the housing option team; and/or

⁷ <http://www.houseswapwales.co.uk/>

⁸ <http://www.homeswapper.co.uk/>

- iv. Passing it to Discretionary Assistance Fund; and/or
- v. Financial advice and support; and/or
- vi. Discussion with landlord.

4) Introduce a triage service to identify problems and solutions.

5) Local authorities should build on the experience by using the housing benefit mitigation officers to inform future action.

49. Flintshire, for example, uses a triage system and have produced a triage form and accompanying reference documents for use by front line housing staff. The documents are stored within a shared drive on their local authority network, so staff can have easy access to them. It is recommended that this is provided to all local authorities and that each authority considers its use.

6) Local authorities should consider Flintshire's approach to triage services (or other similar) which enables staff to readily identify need and support.

50. Shelter Cymru has produced an appeals toolkit which can be uploaded onto local authority websites. This toolkit allows tenants to appeal against adverse decisions on bedroom tax. It is available at <http://www.sheltercymru.org.uk/bedroom-tax-appeal-toolkit/>

51. The updated toolkit includes a template dispute form. This makes it considerably easier for people to mount a challenge.

7) Shelter Cymru to make the appeal toolkit available to all local authorities.

52. For those who choose not to engage, their claim will be considered on merit but no further payment will be made if the tenant is unable to prove that they have endeavoured to find a solution to their problems.

8) If tenants do not engage or are unable to evidence they have helped themselves, repeat discretionary housing payments should be regarded as low priority.

53. For social rented sector tenants affected by the bedroom tax, their award will be categorised as short term, medium term or long term need.

- A. Long term (discretionary housing payments are paid on a long term basis) -
- Tenants with a genuine need for an additional bedroom (i.e. medical equipment such as dialysis apparatus); and
 - Disabled tenants who have adaptations undertaken to their home.
- B. Medium term – tenants affected by the size restriction rules such as tenants where they or their partner will be pensioners within 12 months, or tenants with children within 18 months of a significant birthday.
- C. Short term – For all other tenants, discretionary housing payments can be awarded on condition they attempt to address their underlying issues and work with the necessary stakeholder(s).

54. It is anticipated that the majority of these claims will come from category C (Short-term)

Partnerships

Discretionary Assistance Fund

55. The Welfare Reform Act abolished the discretionary Social Fund that provided Community Care Grants and Crisis Loans. Funding was transferred to the Welsh Government and the national replacement scheme, 'The Discretionary Assistance Fund', was operational across Wales from 2 April 2013.
56. The purpose of this fund is to offer payments or in-kind support to provide urgent assistance to people where there is an identified need to safeguard health and well-being. This cash limited fund will initially run until March 2015.
57. For the first six months of operation, Northgate Public Services have reported that 18,320 applications were made to the Discretionary Assistance Fund with support being given to 12,192 people. Spend for this period is just over £2.7 million. This is low compared to the budget of £10.2 million for the year.
58. The Task and Finish Group has made a formal approach to the Discretionary Assistance Fund board and requested them to consider the following items for inclusion.

Furnishings

- Additional furniture. Currently, an allowance is only made for one area in which to be seated i.e. table and chair or a sofa - not both;

- Carpets are awarded only in special circumstances and generally are only provided for one or two rooms and do not include stairs or landings; and
- The arrangement for floor covering has ostensibly been for wooden flooring. This creates problems particularly at the end of a tenancy as the flooring needs to be lifted and moved out of the property.

Housing related/Homelessness issues

- When an offer of a tenancy is granted there is generally little notice given, which results in tenants having to find significant amounts of money to fund removal costs and rent in advance etc. which is very often beyond the means of those on benefit;
- Travel warrants would be useful for those who are homeless/unsuitably housed people and those with support needs who are unable to travel to places where housing and/or support is available;
- Household fuel costs would be particularly helpful when tenants are facing possession proceedings where heating is centrally controlled and arrears have accrued (shared accommodation);
- For single older and/or disabled people without family:-
 - i. Discretionary Assistance Fund to cover the cost of garden and rubbish clearance and/or cleaning of the current home to comply with tenancy conditions particularly for vulnerable tenants; or
 - ii. The former home where the tenant has moved to a smaller property.
- Equipment to promote independence for disabled people who are not normally provided by community care services i.e. portable ramps, wheelchairs, start-up contract payment for community alarms, minicom and flashing telephone, doorbell alerts, large button phones. These items are normally hired or purchased but some disabled people who have not had personal independence payment processed are unable to afford the fees; and
- Removal expenses for those not entitled to discretionary housing payments.

General Issues

- Rather than have set award amounts it would be better if they could be tailored to meet the need because occasionally amounts seem arbitrary and are either too little or too much;

- Discretionary Assistance Fund to consider awards for single people on contribution based benefits, e.g. those who have changed from incapacity benefit to employment and support allowance;
- Non acceptance of identification codes resulting in vulnerable clients being turned down at the 'eligibility checker' level and then successfully claiming via phone;
- Housing support staff in rural areas would like to be able to make applications on clients' behalf without the client actually being present, since this is not always practical in rural areas;
- More flexible access to non-standard items to meet particular needs – e.g. a smaller version of an oven was requested because a claimant had mobility problems that meant she could not bend to use a normal oven. She was refused assistance and advised that only standard items are available.

59. All of the above have been raised with the Discretionary Assistance Fund and details are contained in annex 5.

60. There is major concern with one particular provider of electrical equipment. The matter has been discussed with senior officials of the fund and the situation is being reviewed. This should provide positive outcomes for all users of the fund.

9) Enhanced engagement with Discretionary Assistance Fund board to establish if the fund can be extended to take pressure away from discretionary housing payments fund.

Debt, Poverty and Crime

61. Women's Aid has published a study, *Domestic Abuse, Money and Education*⁹ project (DAME) that shows that financial abuse is often a component of domestic abuse. Information provided by Bron Afon shows that 15 per cent of tenants owe more than four weeks rent but when considering domestic abuse, 63 per cent of them owe more than four weeks rent. This suggests that there is a probability that welfare reforms will lead to an increase in domestic abuse.

62. Community safety partnerships are made up of representatives from the 'responsible authorities', which are the:-

- Police;
- Local authorities;

⁹ http://www.womensaid.org.uk/core/core_picker/download.asp?id=3756

- Fire and Rescue authorities;
- Probation Service; and
- Health

63. The responsible authorities work together to protect their local communities from crime and to help people feel safer. They tackle deal local issues such as antisocial behaviour, drug or alcohol misuse and reoffending.
64. In line with the Welsh Government's *Right to be Safe* Strategy's objective to provide support for victims and to protect children and the proposed Bill's commitment to Safer Accommodation (10,000 Safer Lives target), the Welsh Government provides funding to each of the 22 Local Authority Community Safety Partnerships to purchase vital 'target hardening' equipment. Target hardening enables victims of domestic abuse the option to remain in their own home, by providing essential equipment for properties, to make them safer and more secure. This type of equipment includes locks, bolts, door chains and mirrors, mail safe letterboxes, fire safety equipment, personal and property alarms, security lighting and CCTV equipment.
65. As well as making the victim safer, target hardening is also expected to partially reduce the void and re-let costs incurred for council properties and reduce accommodation costs incurred when placing a victim (and in the majority of cases their children) in temporary accommodation through homelessness services.
66. Violence against women and domestic abuse affects people from all walks of life, and from all cultural, social and ethnic backgrounds, the well off as well as the poor. It affects those in work and those out of work, the young and the old, in all parts of Wales.
67. In 2012 the Welsh Government published "*The Right to be Safe*". It is a six year integrated strategy for tackling all forms of violence against women. Violence against women constitutes a serious violation of the human rights of women and girls and is a major obstacle to the achievement of equality between women and men.
68. Domestic abuse can include all kinds of physical, sexual and emotional abuse, and can occur within all kinds of intimate relationships, including same sex relationships. Women and children suffer in particular but men can also be victims.
69. The Minister for Housing and Regeneration is committed to doing more to enhance the responsiveness of housing associations and local authorities to tackling domestic abuse and to help victims.

70. The Chartered Institute of Housing has concerns about households affected by domestic abuse and anti-social behaviour not having consistent and fair access to target hardening equipment. The following would support victims to remain in their home where it is safe to do so:-

- Lock-changes;
- CCTV equipment;
- Re-enforced doors etc.; and
- Costs incurred in escaping violence / harassment in or around the home:-
 - i. For emergency travel; and/or
 - ii. Bed and breakfast and food.

71. It is felt that these matters could be better addressed by the Community Safety Partnerships and the Chartered Institute of Housing has been advised accordingly.

10) Organisations in the social housing sector should review their policies and practice to help victims of domestic violence

Housing Option Teams/Homeless Prevention Fund

72. Housing option teams work in local authorities across Wales helping to prevent people from becoming homeless. Changes to the welfare system, the consistent undersupply of new non-market and market housing, alongside sharp rises in the prices of fuel and food, mean that the numbers of people experiencing housing problems are increasing.

73. Furthermore, there is growing concern that homeless issues will be exacerbated as rent arrears increase and evictions become more prevalent.

74. They have developed close working relationships both within their local authorities and with external organisations including *Shelter Cymru, Caer Las, Cyrenians, The Big Issue* and *The Wallich*.

75. Many local authorities have developed a *Homelessness Prevention Fund* to support a preventative approach to homelessness. The fund enables authorities to spend relatively small amounts of money to prevent homelessness thereby saving large amounts of money that would otherwise be wasted on Bed and breakfast accommodation.

76. 17 of the 22 local authorities have a Homelessness Prevention Fund. However, all local authorities have clarified that they each have a

mechanism in place which might not be called a 'prevention fund' but does fulfil the same purpose and enables housing options officers to provide small scale grants to prevent homelessness. The funds have been used in a variety of ways:-

- Interest free loan to pay for deposits or rent in advance;
- Bonds;
- Clear rent arrears;
- Repairs to property;
- Rent in advance removal costs;
- Loans in domestic abuse households;
- Top-up shortfalls in benefit where discretionary housing payments is not payable;
- Match fund discretionary housing payments;
- Advertise to source accommodation in rural areas;
- Holding fee for accommodation prior to discharge from prison or hospital;
- Loans for white goods; and
- Loans to assist rent in advance.

Community Housing Cymru

77. The group was informed that social rented sector landlords were increasing their pre-tenancy requirements, such as rent in advance and bonds to secure housing. There was concern that if this was occurring, potential tenants, in desperation to secure a tenancy, may rely on payday loans to secure the increased costs

78. Furthermore, there was anecdotal information that some registered social landlords were building up rent credits for tenants to offset against any unpaid rent which may occur in the future (bedroom tax and/or direct payments).

79. Both matters were investigated by Community Housing Cymru. When considering upfront costs, the feedback from the associations which responded suggested that those in receipt of housing benefit are treated more leniently than those who are not.

Housing benefit tenants

- They are charged one week's water rate in advance of tenancy instead of one week's rent;
- All new tenants expected to pay one week's rent in advance, with a narrow exception criterion;
- £5 in advance for housing benefit claimants; and
- One week's rent required on sign up, except where evidence of housing benefit claim can be presented in which case the rent in advance is not required.

Non housing benefit tenants

- Advance payment of two weeks rent;
- One weeks rent required on sign up;
- Full weeks payment in advance; and
- Two weeks rent required in advance, unless applicants pay by direct debit from the start of their tenancy.

80. None of those questioned about overpayments of rent, are using the money to build up credit ahead of universal credit, although many were considering their options. A number of associations encourage overpayment to ensure rent accounts remain in credit, rather than arrears.

81. The responses are reassuring; however, it is appreciated that not all landlords responded. The group is unable to categorically dispel the assertion that bonds and rent in advance have increased in the sector since the onset of welfare reforms.

<p>11) Community Housing Cymru and local authorities to provide the Welsh Government with regular reports on the levels of bonds and rent in advance being charged to secure a tenancy. Advice agencies and tenant organisations (i.e. Shelter Cymru and Welsh Tenants) should also advise, through case-work, on any issues emerging about financial barriers to accessing secure tenancies.</p>

82. Landlords are certainly being more cautious in their allocation of property and affordability is playing a more prominent part in the letting process.

83. Community Housing Cymru produced a report (annex 4) identifying examples of work being undertaken in the sector in response to the bedroom tax and direct payment. Their report highlighted the following:-

- Tenant profiling – how and why;
- Under-occupancy – Housing Management;
- Financial Capability – increasing tenants’ ability to cope;
- New technology; and
- Communication and awareness-raising.

Your Benefits are Changing

84. The award winning *Your Benefits are Changing* campaign has been set up to raise awareness of the benefit changes among tenants and to enable them to communicate consistent messages in a non–corporate way. Community Housing Cymru members have been encouraged to adopt the branding in order to ensure that consistent messages are communicated to staff, to prevent them from re-inventing the wheel and to save costs for all involved.

85. The campaign includes Wales-wide media coverage on local radio and internal bus and newspaper adverts, a signposting website and dedicated advice line and downloadable factsheets and resources for supporting organisations and tenants.

86. Over 60 organisations have signed up to use the branding including housing associations, local authorities and advice agencies.

87. A range of campaign materials have been designed for download and use and can be tailored to include individual organisational details.

Financial inclusivity (Credit Unions/ Payday Loans)

88. The Welsh Government works with Community Credit Unions to improve access to affordable financial products as an alternative to high cost lenders. This access to financial products has helped more than 14,000 people in Wales.

89. A range of projects to support credit unions in Wales¹⁰ have been announced by the Minister for Communities and Tackling Poverty, Jeff Cuthbert. Funding of over £1.2m is being given to national and local schemes which include a publicity campaign, money management education and the development of financial services.

¹⁰ <http://intranet/English/NewsEvents/Pages/FundIncreaseCreditUnionMembership.aspx>

90. The Welsh Government is continuing to support the Financial Inclusion Initiative, led by the Wales Co-operative Centre, with further funding for two years starting April 2013.
91. The initiative has developed and is maintaining the *MoneyMadedclearwales* website¹¹. The website provides people with access to information and advice services, to help them make informed decisions about financial services available to them.
92. The Welsh Government is also supporting advice providers in Wales to support people who are struggling with unmanageable debt. For example, funding is provided to Citizens Advice Cymru for the “*Better Advice: Better Lives*” Programme: comprising of £2.2m each year for three years starting in 2012-13.
93. The Welsh Government’s *Wales Illegal Money Lending Unit* investigates and prosecutes loan sharks. The Unit has found that most loan shark victims have already borrowed or attempted to borrow money from doorstep and/or pay day lenders before falling prey to the loan shark. The Unit’s client liaison officers work closely with loan shark victims to support them with their debt and other problems.

Money Advice Services/On-line facilities

94. Bron Afon housing association advised that helpful online tools like a budget planner, cut back and money stretcher calculators were available on Sky or Virgin which are hosted on a syndication platform. These are not available on ITV or BBC and are not available as applications for Android and IOS platforms.
95. The Money Advice Service has been pro-active in making available their financial tools and many registered social landlords have had these embedded on their websites. It is suggested that all stakeholders make use of this provision.
96. There still remains a gap in public knowledge and awareness. It was suggested that the Welsh Government should approach Money Advice Services to consider liaising with national and local TV and radio stations to highlight welfare reform and the use of their financial facilities?

12)The Welsh Government to ask Money Advice Services to consider undertaking a publicity campaign in Wales, liaising with national and local TV and radio stations to highlight welfare reform and the use of their financial facilities.

97. It was encouraging to see Bron Afon’s good practice example of embedding Money Advice Service into their website, which they display

¹¹ <http://www.moneymadedclearwales.org>

and positively commented on. The information on this can be obtained from <https://www.moneyadviceservice.org.uk/en/categories/partners>

14) Stakeholders, including Welsh Government to contact Money Advice Services to have their free financial tools embedded on their websites.

Review of Advice Services

98. The review undertaken by the Welsh Government was published in May 2013. It made ten recommendations surrounding the need to improve the way advice services are coordinated, funded and delivered in Wales so that people can access the help they need. The recommendations will be taken forward, supported by an additional £1.8 million in 2013/14 from the Welsh Government. As part of that financial package, the Welsh Government will be supporting a Communities First/Citizens Advice joint project which will deliver outreach debt advice (through on-the-ground outreach workers) in Communities First areas.
99. Following publication of the report, the Welsh Government invited the Independent Advice Providers Forum to consider the recommendations and to propose a way forward for the sector. The Forum is made up of 'umbrella' organisations representing networks of independent advice providers across Wales and independent advice providers with a national remit across Wales. Other interested parties, including Welsh Local Government Association, the Money Advice Service and the Equalities and Human Rights Commission have also been part of the Forum's discussions about the Review and the way forward.
100. The forum has recommended a number of proposals including:-
- The development of a system of specialist support workers;
 - Increased emphasis on undertaking preventative work;
 - Support for front-line services in meeting predicted increases in demand for advice on welfare benefits; money and debt; housing and particularly for supporting people with universal credit (generalist and specialist); and
 - Support for more home-visiting services.
101. To ensure that that there is little or no duplication in provision, the Welsh Government has taken a joined up approach by involving the following policy areas from the outset:-
- Welfare Reform;
 - Tackling Poverty Action Plan;

- Strategic Equality Plan;
- Framework for Action on Independent Living;
- Tackling Hate Crimes and Incidents: A Framework for Action;
- The Strategy for Older People in Wales: Living Longer, Ageing Well;
- The Social Services and Well-being (Wales) Bill; and
- Fuel Poverty – the Welsh Government is changing the way it provides information, advice and support to help people in Wales to use resources such as energy and water more efficiently.

102. Currently, the following advice services are supported from the Communities and Tackling Poverty portfolio budget:-

- Citizens Advice Bureaux;
- Shelter Cymru; Advice UK;
- *AgeCymru* Partnership;
- Royal National Institute of Blind People;
- SNAP Cymru (support families of children and young people with additional learning needs);
- Welsh Refugee Council; and
- Law Centres Network.

103. Furthermore additional funding has been provided to support:-

- Specialist discrimination advice;
- Encourage benefit take-up for
 - i. families with disabled children;
 - ii. for those living in deprived areas whose health is likely to be affected by poverty; and
 - iii. Council Tax and Housing Benefits, through the *Better Advice, Better Lives* project. This also provides a comprehensive bilingual telephone advice service that can support or sign-post people seeking advice on a variety of topics; and

- Outreach debt advice in 36 Communities First clusters across Wales.

Supporting People - Collaborative Committees

104. There is significant financial advice and support work being undertaken by Supporting People services to assist people facing the negative consequences of welfare reforms. The group questioned, as the Supporting People budget was largely protected, if through the Regional Collaborative Committees, they could explore opportunities to develop additional housing-related support services specifically aimed at mitigating against welfare reform impacts on vulnerable people.

14) Supporting People Regional Collaborative Committees to explore opportunities to develop additional housing-related support services specifically aimed at mitigating against welfare reform impacts on vulnerable people.

Local Support Services Framework

105. The UK Government believes that most people will be able to cope with the new features of the universal credit system. However, some will require extra support with:-

- Understanding new services, particularly as they are being introduced in incremental stages;
- Assistance with making claims online and managing their universal credit account online; and
- Advice to help manage their money under monthly payment arrangements and ensure that rent and cash flow is well managed.

106. The Local Support Services Framework was published in February 2013 and a universal credit Local Support Services update and test plan were published in early December 2013.

107. The latter is intended to test a number of areas with a report expected in Autumn 2014.

108. There is a Housing and Voluntary and Community Sector Reference Group work stream within the framework, which is tasked with providing:-

- Information to representatives of housing, voluntary and community organisations;

- Insight, advice and expertise from the perspective of housing, voluntary and community organisations, which will be key players in delivering local support services;
- Feedback on proposed strategies, approaches and plans to ensure they have the maximum chance of success; and
- Advice about support and products required from the Department for Work and Pensions/local authorities to enable the housing, voluntary and community organisations to deliver local support services.

109. Both the Welsh Government and the social rented sector in Wales are represented on this working group.

Standard templates and letters for all local authorities

110. It is proposed that any publicity relating to welfare reforms are standardised and placed on stakeholder websites so that both landlords and tenants have access to the same information. The Department for Work and Pensions regularly issue information bulletins, toolkits and other packages. Access to this information is available via their resource centre - <http://www.dwp.gov.uk/local-authority-staff/> or <https://www.gov.uk/government/organisations/department-for-work-pensions>

15) All stakeholders to have access to the Department for Work and Pensions information.

Publicity

111. It was also proposed by the Group that the minutes of the group and relevant papers are placed on the Welsh Government website.

16) Task and Finish Group information is made available on the Welsh Government's website.

Recommendations

There are sixteen recommendations stemming from the Task and Finish group. These have been assigned on the basis of which partner is best placed to influence outcomes. The recommendations are as follows:-

Welsh Government

- Request additional funding from Welsh Government to top up the discretionary housing payments fund to local authorities. (Recommendation 1)
- Welsh Government Ministers should write to Department for Work and Pensions to request:-
 - The ability for local authorities to carry forward underspend in discretionary housing payments funds between financial years; (Recommendation 2a)
 - Guidance is altered to ensure specific client groups are protected and local authorities ring fence discretionary housing payments for client groups as identified by Department for Work and Pensions i.e. local housing allowance reforms, bedroom tax and benefit cap; and (Recommendation 2b)
 - Agree to take all disability income into account (without any disregards) and then offset any pertinent expenditure supported by that benefit (s). (Recommendation 2c).
- Enhanced engagement with Discretionary Assistance Fund board to establish if the fund can be extended to take pressure away from discretionary housing payments fund. (Recommendation 9).
- The Welsh Government to ask Money Advice Services to consider undertaking a publicity campaign in Wales, liaising with national and local TV and radio stations to highlight welfare reform and the use of their financial facilities. (Recommendation 12).
- Task and Finish Group information is made available on the Welsh Government's website. (Recommendation 16).

Local authorities

- Supporting People Regional Collaborative Committees to explore opportunities to develop additional housing-related support services specifically aimed at mitigating against welfare reform impacts on vulnerable people. (Recommendation 14).

- Local authorities should adopt a revised approach to discretionary housing payments. (Recommendation 3).
- Introduce a triage service to identify problems and solutions. (Recommendation 4).
- Local authorities should build on the experience by using the housing benefit mitigation officers to inform future action. (Recommendation 5).
- Local authorities should consider Flintshire’s approach to triage services (or other similar) which enables staff to readily identify need and support. (Recommendation 6).
- If tenants do not engage or are unable to evidence they have helped themselves, repeat discretionary housing payments should be regarded as low priority. (Recommendation 8).

Social rented sector

- Organisations in the social housing sector should review their policies and practice to help victims of domestic violence. (Recommendation 10).

Shelter Cymru

- Shelter Cymru to make the appeal toolkit available to all local authorities. (Recommendation 7).

All Stakeholders

- Community Housing Cymru and local authorities to provide the Welsh Government with regular reports on the levels of bonds and rent in advance being charged to secure a tenancy. Advice agencies and tenant organisations (i.e. Shelter Cymru and Welsh Tenants) should also advise, through case-work, on any issues emerging about financial barriers to accessing secure tenancies. (Recommendation 11).
- All stakeholders to have access to the Department for Work and Pensions information. (Recommendation 15).
- Stakeholders, including Welsh Government to contact Money Advice Services to have their free financial tools embedded on their websites. (Recommendation 13).

Terms of Reference
[Agreed on 14 July 2013]

Assess the impacts on the Social Rented Sector [tenants and landlords] of the welfare reforms: identify and share good practice taken within the Sector to deal with the reforms’.

Membership

External

Amanda Oliver and Aaron Hill - Community Housing Cymru
Michelle Wales and Jennie Bibbings - Shelter Cymru
Joy Williams and Paula Holland - Welsh Local Government Association
Steve Clarke - Welsh Tenants
Amanda Oliver - Tenants Participation Advisory Service (TPAS)
Ian Simpson - Bron Afon Housing Association
Shayne Hembrow and Steve Porter - Wales and West Housing Association
John Marr - Council of Mortgage Lenders (Wales)
Paul Neave - Flintshire County Council
Keith Edwards and Julie Nicholas - Chartered Institute of Housing (Wales)
Alun Thomas - Citizens Advice Service (Wales)

Welsh Government

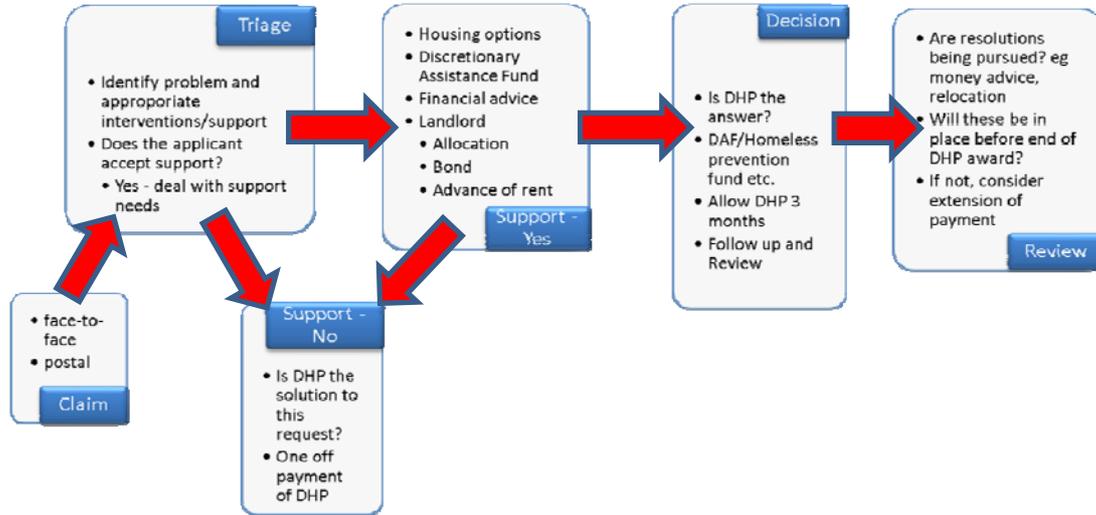
Peter Griffiths and Lowri Hamer - Housing Regulation Team
Simon Prothero and Geoff Marlow - Homeless Team (housing options)
Tim Margetts and Karl Thomas - Welfare Reform [Housing] and Rent Officers
Wales (benefit updates)
Phil Lawson and Chris Gittins - Local Government and Communities
(Financial inclusion)
Sara Ahmad - Knowledge and Analytical Services

Discretionary housing payments

	£ Millions					
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Core	£20	£20	£20	£20	£20	
LHA	-	£10	£40	£40	£40	
Size Criteria	-	-	-	£35	£30	
Reserve Fund				£20		
Autumn Statement					£40	
Benefit Cap	-	-	-	£65	£35	
Total	£20	£30	£60	£180	£165	£0
Includes £5m rural funding						

The Department for Work and Pensions have yet to decide how to allocate the 2014/15 funds and hope to be in a position to confirm the 15/16 total shortly (5 December 2013)

Proposed flow of work for discretionary housing payments administration





Welfare Reform – Good Practice April 2013

Changes to the benefits system, which will have big impacts on both social landlords and tenants, have already been implemented. April 2013 saw the introduction of the ‘bedroom tax’ and benefit cap. The national roll out of Universal credit, which replaces many existing benefits, begins in October 2013.

Around 350,000 working-age benefit claimants and 330,000 families in receipt of tax credits have already incurred, and will continue to incur, income losses as a result of the switch to up-rating most benefits by the Consumer Price Index (CPI) rather than the Retail Price Index (RPI). Total annual income losses in Wales are estimated to be £90m in 2011–12, increasing to around £600m in 2015–16.¹²

The Department of Work and Pensions estimated that approximately 40,000 HOUSING BENEFIT claimants in Wales will be affected by the changes.¹³ Claimants with one spare room will lose approximately £12 a week, whilst those with more than one spare room stand to lose approximately £20 a week. The projected average yearly loss for tenants of working age in Wales with spare bedrooms is £600.¹⁴

CHC is working with members, the Department of Work and Pensions and Welsh Government to try to mitigate the impact of welfare reform. We recently became aware through a variety of seminars and welfare reform focused days that housing associations are piloting several different approaches to welfare reform. We wanted to get a snap-shot of which approaches are currently being taken with a view to sharing good practice with the sector.

In April 2013 we asked our members to complete a survey about their approach to the various aspects of welfare reform including direct payments

¹² Analysing the impact of the UK Government’s welfare reforms in Wales – Summary of the key findings

¹³ DWP (June 2012) Equality Impact Assessment: Size Criteria for People Renting in the Social Rented Sector

¹⁴ Welsh Local Government Association (2012) <http://www.wlga.gov.uk/english/media-centre/bedroom-tax-impacts-will-be-hugely-negative/>

and new under-occupancy rules. We intend to send out a follow-up survey in April 2014 to find out what worked well, what did not work well and whether members have modified their original approaches.

We received 23 responses to the survey during the month of April 2013. This report is based upon those responses and the examples of good practice members told us about.

What is CHC doing?

Community Housing Cymru is:

- Supporting housing associations to prepare for the changes
- Monitoring the impact of the reforms
- Influencing the implementation of the reforms

Over 18 months ago our members told us that welfare reform is the most pressing challenge they are currently faced with. CHC responded to this by:

- Running additional Solution Days, this focused solely on welfare reform with partners such as credit unions and the Department of Work and Pensions.
- CHC recognises that the number of organisations offering in-house face-to-face advice to tenants has increased. In response we set up the Advisory Network, which provides the opportunity to share good practice and ideas and also ensures that money, welfare benefit and energy advisers are updated on important developments in those areas.
- CHC organises a Housing Services Forum for members within which good practice and ideas can be shared.
- Working with the National, Scottish and Northern Ireland Housing Federations to monitor the impact of welfare reforms and influence the implementation of reforms.
- In addition, CHC has worked with partners to make the Your Benefits are Changing campaign available to members and other stakeholders to ensure that a clear, consistent message is given out to tenants and other benefit claimants.
- CHC also works in partnership with The Big Lottery, Moneyline Cymru, Dŵr Cymru and members to provide money advice and welfare benefit advice to some of Wales' most deprived communities.

Resources – increases, targeting and deployment

Welsh housing associations and community mutuals are committed to tackling financial exclusion and are in a good position to be able to identify those who

are financially, digitally and socially excluded. 60-70 per cent of social housing tenants are likely to be financially excluded, meaning they cannot easily access bank accounts, affordable credit and money advice.

The survey found that the majority of housing associations have in-house staff providing advice on matters such as budgeting, welfare reform and energy. Some partner with external organisations which provide this service.

We asked members whether they have increased their financial inclusion provision or increased resources within their rent and income teams.

Fig. 1



Out of the 23 members who responded to the survey, 20 (87 per cent) said they have increased staffing levels to help them to meet the demands of welfare reform. Only 2 (13 per cent) members said they had not increased staffing levels and 1 out of those 2 is considering doing so. (See Fig. 1 above)

Increased staffing levels are split between financial inclusion (for example, money advisers) and rent and income teams (for example, rent collectors). 17 (73 per cent) members are increasing staffing levels within their financial inclusion resources and 14 (61 per cent) members are increasing resources within their rent and income teams. Out of these, 10 (43 per cent) members said they were increasing resources in both their rent and financial inclusion teams.

One member said they have employed an ASB officer (other) to help reduce the workload on housing officers so that they might be freed up to focus on welfare reform issues.

9 (43 per cent) members stated that they are increasing provision from external advice providers which is an indication that they understand their own in-house limitations and value the independence external money and benefit advice can offer. Money Saviour was mentioned by several members and 3 CHC members are currently partnering with CHC to provide money advice to their tenants.

Members outlined some of the other areas where they are increasing resources, including:

- Increasing bad debt provision on rent accounts
- Increases in digital provision, such as digital access points for tenants

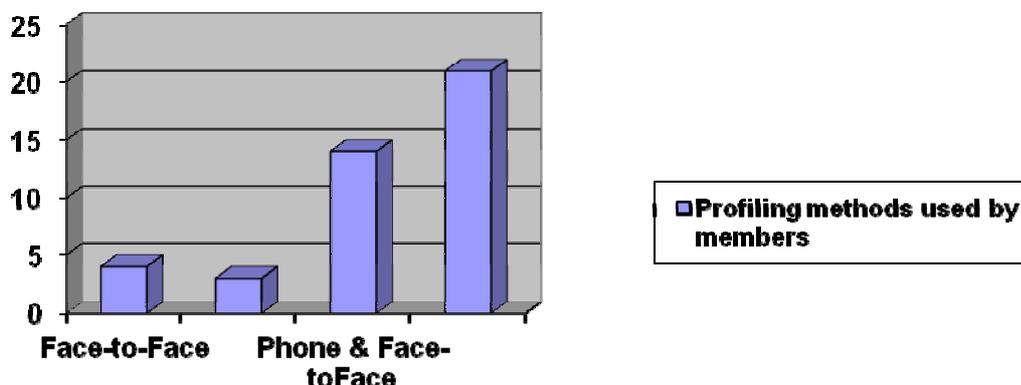
Tenant profiling – how and why

Housing associations profile their tenants as part of their business plans to better understand how to target their resources.

Out of 23 respondents, 22 (96 per cent) said they are profiling their tenants specifically in relation to welfare reform and one said they are about to. Many are adding welfare reform specific questions to their usual tenant profiling.

We asked members which methods they used to profile tenants. 4 (17 per cent) members said they are profiling their tenants on a face-to-face basis, while 3 (13 per cent) said they are using the phone only. 14 (61 per cent) members said they are using a combination of both phone and face-to-face to profile their tenants. 21 members said they used postal surveys to try to reach those tenants they could not communicate with in person. (See Fig. 2)

Fig. 2



Members told us they plan to use the profiling information gathered in the following ways:

- To identify those impacted by welfare reform
- To identify those who are ill-equipped to deal with welfare reform, for example, those without bank accounts and the digitally excluded
- To tailor services accordingly
- To properly target resources
- To monitor support need and take-up
- To segment tenants into profiles in order to better focus communications
-

Good Practice Example 1

Between March and October 2013, all staff at Valleys to Coast (V2C) conducted phase two of their tenant profiling exercise, "Getting to Know You". Phase one, completed in 2010, yielded almost 52% of tenant data through a combination of postal forms, telephone surveys and door knocking. V2C decided to employ a different approach to get the remaining profiling data.

All staff, regardless of their position within the organisation, signed up to a door knocking exercise and have been allocated between 15 and 20 doors to knock. Support is provided by a team of co-ordinators, maintenance staff and the Regeneration Van. V2C are promoting this exercise via a jingle on local radio station "Bridge FM".

Customers are already reaping the benefits of the exercise with minor property repairs being carried out on the spot and the provision of tailored welfare reform advice from V2C's Money Matters Team.

Under-occupancy – Housing Management

According to the DWP's impact assessment, Wales will be hit hardest by the 'bedroom tax'. 46 per cent of housing benefit claimants will be affected. Evidence from the report suggests that 40,000 housing benefit claimants will have an average annual loss of £600.

Only a very small number of organisations (2 or 9 per cent) are re-designating properties at the moment, despite this approach featuring regularly in the media recently, which means that members are considering the financial and business implications carefully before making semi-irreversible decisions to their stock. Both organisations who have re-designated properties stressed that they have done so in very limited and exceptional circumstances, although 7 (30 per cent) organisations said that they were considering re-designating properties in the future.

Nearly all respondents (20 respondents, or 87 per cent) have changed their lettings policies, or are currently reviewing them. 2 (9 per cent) respondents said they are now asking for rent in advance and some members are helping their tenants to down size by changing their arrears policies, allowing those with arrears to exchange properties on an ability to pay basis.

Many respondents were unable to say how many tenants they had helped to move within the context of welfare reform as they participate in a common register or were not in a position where they are able to monitor that at the moment. Of those who were able to say how many tenants they had helped move, numbers helped ranged from nil to 10. Similarly, organisations were unable to say whether tenants who had recently terminated their tenancies did so as a direct result of welfare reform.

Tenants who are able to move to smaller properties will incur associated costs.

We asked members whether they provide financial assistance to those tenants who are willing and able to downsize. 12 (52 per cent) members said they are currently offering financial incentives and these ranged from £250 to £1,000 per household. Payments were to help with costs associated with moving, such as removals and decorating.

Good Practice Example 2

RCT Homes is planning to implement two initiatives in the very near future, as part of the strategy to lessen the impact of welfare reform. The initiatives are tenant service based and reflect our area of operation in terms of demand and occupation and complement other initiatives including financial inclusion and sustainability.

Smart Move is aimed at people moving to more appropriate sized accommodation and where their vacated home is in an area of demand. The rent relief fund is aimed at people who stand little or no chance of being rehoused and have a commitment to enter volunteering, training or work opportunities.

Financial Capability – increasing tenants’ ability to cope

The introduction of Universal credit from April 2013 (phased) means that housing benefit will be paid directly to tenants instead of landlords. Evidence suggests that the majority of social housing tenants would prefer to have their rent paid directly to their landlord in order to reduce the risk of homelessness. This also helps landlords to keep staffing and arrears costs to a minimum. In Wales, homelessness has increased since 2009 and there was a 4 per cent increase between 2011/12 (Welsh Government (2012) Homelessness, April-June 2012).

Financial capability will be crucial to tenants’ ability to cope with the large amounts of money they will receive under Universal credit, particularly with the growing popularity of payday-style lenders and growing problems with illegal money lenders.

We asked members whether they are promoting financial products such as bank accounts to their tenants. 20 (87 per cent) respondents said yes, they are promoting financial products and 18 said they are working with partners to create new financial products for tenants. 18 (78 per cent) respondents said they are working with credit unions.

Claims for Universal credit must be made online. Digital exclusion is high amongst social housing tenants - household tenure is an indicator of digital exclusion, with those in social housing nearly twice as likely to be excluded as owner occupiers - so we wanted to know whether members are helping their

tenants to access online services.¹⁵ Out of 23 respondents, 19 (82 per cent) said they are helping tenants get online to prepare them for online claims for Universal credit.

One member has a digital inclusion officer working with tenants to help them with applications and another said they would give staff mobile technology so that they could help tenants with their online applications at home if necessary.

We asked members whether they had put any of their tenants onto direct payments ahead of the roll out of Universal credit to prepare them for this change. 17 (74 per cent) said no and two said yes. Out of the respondents that said yes, one was a demonstration project housing association.

On the matter of direct payments, one member said they are encouraging greater take-up of Direct Debits and another will be piloting this very shortly. One member said they are trying to encourage tenants to switch to Direct Debit payments if they can but they are experiencing resistance from tenants.

Good Practice Example 3

Hafod Housing Association is looking at the possibility of setting up a pilot for direct payments to tenants on one or two small sites to gauge the impact on behaviour and arrears. The working group is liaising with the demonstration project housing associations to try to understand any difficulties they have encountered to date and how they can be avoided or managed.

Initially tenants' views will be sought as to the level of support that may be required to help them set up and sustain direct payments. Several payment options will be available, including direct debit.

Hafod's Welfare Reform Advisers will lead on tenant consultation. Tenants will be offered the services of the Welfare Benefit & Specialist Money Advisers for additional help above basic budgeting skills.

It is hoped that by piloting small projects, Hafod will be able to gauge the total amount of advice and support required for the future and help us identify what additional resources or changes to how we manage/monitor accounts will be needed.

New technology

Currently the local authority makes a 4 weekly payment in total to the housing association landlord for all tenants claiming housing benefit. Under Universal credit, payments will be made directly to tenants on a monthly basis, according to which day of the month the application was made.

¹⁵ Living in Wales Survey 2008

<http://wales.gov.uk/topics/statistics/publications/livinginwales08/?lang=en>.

We asked members whether they had found it necessary to implement new IT systems to help them cope with changes to the way they will now receive their rent. 11 (48 per cent) respondents said they were implementing new systems and this included new arrears prioritisation income management, providing staff with iPads, and upgrading existing IT systems. 4 (17 per cent) said they were reviewing their existing system.

All respondents thought that, with some upgrading or modification, their IT systems would cope with direct payments and other necessary adjustments due to welfare reform.

16 (67 per cent) respondents told us that they were considering issuing their staff with mobile technology to allow them to respond efficiently to changes in tenants' circumstances and also to help them with their Universal credit applications.

Good Practice Example 4

RCT Homes will be implementing rent arrears prediction software to help them identify potential arrears cases and enable them to offer early intervention. The software uses complex algorithms to highlight only those customer accounts in genuine arrears which require contact. It will decipher the causes of technical arrears, full or partial housing benefit, erratic payers, both formal and informal arrangements, monthly Direct Debits, static arrears and other complex payment patterns.

Communication and awareness-raising

The 'Your Benefits are Changing' (www.yourbenefitsarechanging.co.uk) campaign has been set up and funded by Community Housing Cymru (CHC) and RCT Homes.

CHC is a member of Advice UK and currently employs seven money advisors who are all members of the Institute of Money Advisors (IMA). Advice provided is centred on welfare reform and income maximisation, identifying which changes will affect individuals and families and providing possible solutions.

We asked members whether they are making use of the Your Benefits are Changing campaign branding to raise awareness amongst their tenants. 21 out of the 21 members who responded to the question said yes, they were using the branding in a variety of ways, including:

- Van wraps
- Newsletters
- Rent statements
- Websites

17 members are using social media to communicate with tenants about welfare reform.

We asked members to tell us about any other initiatives that may not have been covered in the survey.

- Collecting case studies to generate media stories
- Working with local authorities to identify affected tenants via house-to-house visits
- A social inclusion week to raise awareness of changes

Good Practice Example 5

It is still necessary to house many families on waiting lists in properties which are deemed too big for housing benefit purposes. That they are then subject to the 'bedroom tax' is beyond their control. House Swap Wales is a practical response to increasing demand for smaller properties from under-occupying households.

From the landlord's perspective, the potential high cost in repairs and rent loss means that encouraging tenants to mutually exchange properties is a much cheaper and attractive option. The project also promotes greater choice to tenants about where they would like to live. Tenants from across Wales are already looking for exchanges by using Facebook. House Swap Wales is a Facebook page which makes the links with social media and a co-ordinated response to exchanges. Tenants can also access landlord web links, including rules, information and advice about exchanging.

The project has strong, easily recognisable branding and to date 17 social housing providers have become sponsors and over 400 tenants have signed up to the page with numbers increasing rapidly.

Which communication initiatives are working?

We asked members to tell us which initiatives currently seem to be working. Whilst it is too early to monitor outcomes, overwhelmingly face-to-face communication was recognised by housing associations as being the best way to communicate with tenants.

Conclusion

Housing associations are trying to understand the issues associated with welfare reform by profiling their tenants early on in the process. They are responding by piloting a variety of projects, and accepting that it is too early to understand how tenants will respond, particularly since Universal credit is yet to roll out.

For many years housing associations have provided their tenants with a wide range of services to help them deal with their finances. Housing associations are currently taking a spend-to-save approach to the poverty by increasing resources in their rent and financial inclusion teams, and it is clear that technology will play a large part in tackling the impact of welfare reform.

The message is getting through to tenants via vast resources being ploughed into face-to-face approaches and the majority of housing associations are doing this with the help of the Your Benefits are Changing campaign.

In order to better understand how the reforms will impact on both landlord and tenant, an in-depth impact study is necessary.

We plan to revisit respondents in April 2014 to find out what, if any, outcomes were achieved for tenants through the projects outlined in this report.

Clare James
Community Housing Cymru
June 2013

Shelter Cymru Questions	Outcomes
Award amounts could be more tailored to need. Amounts sometimes seem arbitrary and can be either too little or too much in each particular case	All DAF applications are considered on an individual basis and award is based on evidence level of need. The level of award invariably reflects the nature of the award type (IAP or EAP) and the method of payment i.e. cash through PayPoint or BACS (smaller) voucher (larger).
More furniture – currently they only give for a place to sit i.e. a table and chair or a sofa but not both	The Discretionary Assistance Fund is a finite fund which focuses on providing the essentials for applicants in need and as a last resort. DAF is committed to working closely with its developing partner network to utilise other existing networks in signposting to other local providers (recycling, landlords, charities etc.)
Carpets are awarded in special situations but currently they only give for one or two rooms, and not stairs or landings – need to expand this	Discretionary Assistance Fund understands that “floor covering” has been a challenging issue, in year one of the Fund. On reflection, it was not appropriate to award laminate flooring and DAF will no longer be providing laminate. DAF will consider applications for floor coverings only where there is a specific vulnerability or need, this will now be provided through awarding carpet tiles. Each case will be considered on a case by case discretionary basis, where an appropriate case is made for landing/stair carpet it will be considered in exceptional circumstances.
Removals for those not entitled to DHP	DAF does not include removal costs in any situation at present except the fund does allow for removals in a crisis – i.e. in a flood situation.

Shelter Cymru Questions	Outcomes
<p>Awards for single people on contribution based benefits, e.g. those who have gone over from Incapacity Benefit to ESA</p>	<p>DAF has been asked by the partner network to look at whether the fund has scope to extend its eligibility to include contributions based benefits across the board. Although the decision, to date, has been taken not to extend the Fund at this time, DAF would consider movement between IB and ESA “contribution based” in name only and therefore background and circumstances would play a significant part in considering eligibility. DAF would always advise any partner to contact the DAF Wrexham office to discuss whether an application could be eligible, especially if there is a very recent change to benefit.</p>
<p>Equipment to promote independence for disabled people not normally provided by community care services including e.g. portable ramps, wheelchairs, start-up contract payment for community alarms, minicom and flashing telephone and doorbell alerts, large button phones. These normally have to be hired or purchased and some disabled people whose PIP has not been processed cannot afford to pay the fees</p>	<p>DAF, through discussions at the partner forum, has established a suitable approach to equipment to promote independence for disabled persons. Each claim is considered on a case by case basis. DAF would advise all applicants that it is not able to fund any “specialist item” that would require a medical assessment prior to award. This would include wheelchairs (assessed usually by district nurses), stair lifts (social services) and hoists/ handrails etc.</p> <p>If the item does not require a medical assessment and will assist a disabled person to live independently in their home (where no other funding or support is available), it will be considered by DAF.</p> <p>DAF will always try to look at all cases where there is a disability or significant vulnerability with discretion with the aim to support where the fund is able to.</p>
<p>Travel warrants where homeless/unsuitably housed people and those with support needs cannot travel to places where housing and/or</p>	<p>DAF will award travel costs where exceptional pressure is present. I.e. travel to visit a sick child in hospital/ travel for immediate family funeral.</p>

Shelter Cymru Questions	Outcomes
support is available	
Costs incurred in escaping violence / harassment in or around the home (e.g. for travel, B&B and food)	DAF's criteria currently allows travel and food costs when someone is moving within emergency circumstances. Unfortunately any costs of temporary housing whether B&B or other are outside the remit of the fund.
Costs for garden and rubbish clearance and/or cleaning of a) current home where required to ensure a vulnerable person complies with tenancy conditions and b) the former home where the tenant has moved to a smaller property. These issues particularly affect single older and/or disabled people without family to help them and who are otherwise recharged by the former landlord	DAF would consider all maintenance, rubbish, gardening and clearance services beyond the remit of the Fund. Local community services and schemes often have support for these services.
Fuel costs in specific cases – for example, we are representing clients in one particular block of flats in Caernarfon where tenants are facing possession proceedings where the only arrears is for the heating, which is centrally controlled. Charges are high and tenants on subsistence benefits fall within the definition of fuel poverty. In this case the landlord acknowledges that the flats are a problem and do not meet WHQS. Heating charges are not covered by DHP – can DAF	<p>DAF does consider fuel poverty as a vital component of the EAP payment as the fund will award for fuel costs in emergency situations.</p> <p>The fund does not award for complete fuel bills or oil deliveries.</p> <p>DAF is working closely with many housing partners, as it is the landlord's responsibility to ensure the property is energy efficient for its tenants.</p> <p>Tenants should first raise any concerns about fuel costs to their landlords. Often there are many proactive steps both landlord and tenant can do to reduce energy bills.</p> <p>The support DAF offers focuses on short-term emergency support only.</p>

Shelter Cymru Questions	Outcomes
<p>be expanded to assist clients to meet fuel costs and in extreme cases like this one, avoid homelessness?</p>	
<p>Besides the need for removals costs (which were never a problem with CCGs previously) new tenants face other extra costs if they can't move on time e.g. rent on two homes. They need this money quickly – social tenants often only get a day or two notice of moving date – and the amount involved is way beyond what benefit claimants can afford without assistance</p>	<p>DAF is aware of the pressures placed on tenants being asked to move quickly. The setting up costs are significant and the housing sector is concerned about tenants using payday loan companies to finance upfront costs. However, we would refer applicants to their local credit union. Many credit unions are doing excellent work to respond positively to the welfare reform changes and have established “Jam Jar” accounts and express loans to help support people to manage their money more responsibly. DAF considers the costs to be outside the remit of the fund, sitting instead within housing. The Task and Finish group does not indicate that upfront costs are increasing significantly.</p>
<p>We would also like to see more flexible access to non-standard items to meet particular needs – e.g. we had a client who requested a Baby Belling as she had mobility problems that meant she could not bend to use a normal oven. She was told only standard items are available.</p>	<p>This case was brought to the second partnership forum and discussed as a case study. This led to further flexibility being awarded to meet a particular need with a non-standard item. All non-standard items will be awarded only where there is evidence of a health related condition or specific vulnerability. .</p>

Shelter Cymru Questions	Outcomes
<p>There may be a need to raise awareness among Wales DWP advisors about the DAF scheme as we have found the DWP advising from Wrexham that the Social Fund is now ended and the only place an individual can get help is from the local authority</p>	<p>DAF values working with its partner network to raise awareness and confidence in the Fund. DWP/Job Centre Plus in Wales is part of the Partnership Forum and its Head of Service is fully aware of the scheme. Furthermore, the Welsh Local Government Association are also registered partners. Information about DAF including monthly updates are circulated to all DWP regional managers and circulated down to local teams. DAF is committed to ensuring the fund is being signposted correctly and we would therefore expect misunderstandings around DAF versus English system to continue to fade out, although we understand there has been significant drop off of these incidents already.</p>
<p>We have had some issues with the online application process i.e. ID codes not being accepted and vulnerable clients being turned down at the 'eligibility checker' level, then going on to make a successful application by phone</p>	<p>This matter is known about and being addressed so should be less of an issue in future. The eligibility checker problems should not currently be happening. DAF always advises to telephone and speak to an adviser using the telephone application method if there is any special circumstance or the case is complicated as the adviser will strive to support the applicant through any issues/barriers or stumbling blocks.</p>
<p>Support staff in rural areas would like to be able to make applications on clients' behalf without the client actually being present, since this is not always practical in rural areas</p>	<p>Data Protection is very important in this scenario as is the need to protect client identity as a paramount concern. For most partner supported applications, the DAF team will only need to speak to the client once (usually) to complete the identity verification and ensure permissions to speak to the partner. DAF feels this is a straightforward process that balances the fraud and data protection mandatory conditions versus ease of applications for our partners.</p>

Shelter Cymru Questions	Outcomes
<p>Does DAF award the full cost of any item awarded and what does a client do if they have difficulty redeeming their award?</p>	<p>DAF awards only full costs for items including delivery and installation costs, if applicable. DAF does not award part or token payments for items as this is not considered beneficial. If any client is unable to purchase the items awarded at any retailer, they should contact DAF to investigate and resolve the matter. If a client experiences any treatment by a retailer that they are not satisfied by, there is a complaints procedure the applicant should follow. The complaints policy and full information about how to make a compliment or complaint is available on the Money Made Clear Website.</p>
<p>As a registered partner organisation, how do I complain and how else are lessons learned?</p>	<p>If a partner experiences poor service at any point during their DAF application including when redeeming a DAF award at a retailer, please contact DAF through the complaints process and state case number, retailer details, dates & specific information. This enables the DAF team to fully investigate the incident.</p> <p>If a partner has a case study (it should be a closed case by the time it comes to the forum) they would like to raise - this can be provided for discussion at the partnership forum. Please provide all case studies to Helen Richards, Partnership Manager at: helen.richards@fftrading.co.uk</p>