

POLICY REVIEW AND DEVELOPMENT PANEL

10 MARCH 2014

Present :- Councillor Mark Cory (Chairmen)
Councillor John Elliott (Deputy Mayor)
Councillors Mark Cable

Substitute Members :- Councillor Sonia Lewis for Councillor Nigel Chapman
Councillor Helen Chuah for Councillor Barrie Cook
Councillor Jo Hayes for Councillor Colin Mudie
Councillor Jon Manning for Councillor Lesley Scott-Boutell
Councillor Dave Harris for Councillor Julie Young

27. Apologies from Councillor J. Young

Councillor Cory, the Deputy Chairman of the Panel read a statement from Councillor Julie Young, the Chairman who was unable to be present at what would be its last meeting:

“I am very disappointed to be missing the last meeting of the Policy Panel taking place tonight where you are discussing such an important item as Welfare Reform. I am away in Cardiff on an LGA commitment chairing meetings on flooding. I did not want this evening to go by without acknowledging the hard work of both members and officers of this Panel.

Over the years we have considered and shaped some important policies and procedures of the Council and our work has been valuable. In recent times we have reached out to engage witnesses to join us in our discussions which has often tested our common understanding and stimulated ideas to feed through improvements. Our discussions have been collaborative, rarely has the work of the Panel been used politically. It is with great sadness that this evening’s meeting concludes the work of the Policy Panel. Have a good meeting.”

28. Minutes

The minutes of the meeting of the Panel held on 13 January 2014 were confirmed as a correct record.

29. Invited Guests

The Chairman welcomed four guests who had been invited to the meeting in order to broaden the Panel’s discussion on Welfare Reform, Housing and Homelessness:

- Andy Smith, Colne Housing Society Ltd
- Reverend Andrew Fordyce, Colchester Food Bank

- Simon Lasky, CAP (Christians Against Poverty) Money
- Teresa Lasky, CAP (Christians Against Poverty) Money

30. The Impact Of Welfare Reform on Housing and Homelessness

The Panel considered a report by the Head of Commercial Services inviting the Panel to consider the work undertaken to date by Colchester Borough Council, Colchester Borough Homes and their partners to support residents affected by the Government's welfare reform changes.

Jason Granger, Customer Interventions Manager, Tina Hinson, Housing Strategy Manager, Karen Loweman, Colchester Borough Homes Director of Housing and Jigna Marzell, Colchester Borough Homes Financial Inclusion Officer provided a joint presentation to the Panel explaining that the Government's Welfare Reforms represented the biggest change to the welfare system for over 60 years. The Council had recognised that it needed to support a number of its residents to ensure that the financial impact of the changes would be minimised and to ensure a proactive approach to the changes so that other costs such as homelessness did not fall to the Council.

The reforms had a number of objectives, including creating the right incentives to get more people back into work, protecting the most vulnerable in society and to deliver fairness to those claiming benefit and to the taxpayer.

The main welfare benefits and areas affected were the introduction of a spare bedroom subsidy for tenants claiming housing benefit and living in social/affordable housing, Local Council Tax Support, the Benefit Cap and the Universal Credit.

The spare bedroom subsidy affected residents renting from the Council or a Housing Association. If a resident had one or more spare bedrooms their housing benefit would be reduced. Those considered to be under-occupying (as defined through a set of rules) would see a reduction in their housing benefit:

- 14% of total rent for under-occupying by one bedroom
- 25% of total rent for under-occupying by two bedrooms or more

In Colchester information suggested that 714 households were affected and it was estimated that this represented a reduction of nearly £570,964 of housing benefit paid out per year. If tenants were unable to make up this shortfall between their housing benefit and the rent they paid they would fall into rent arrears which would jeopardise their tenancy and was a loss of rental income to the Council or their Registered Provider landlord.

As part of the welfare reform agenda Council Tax Benefit ended on 31 March 2013 after which Local Authorities were required to introduce locally agreed schemes to provide support to residents in need of assistance in paying their Council Tax Liability. Colchester's LCTS was means tested with a number of criteria including:

- A capital savings limit of £6,000
- Residents of working age were required to pay a minimum of 20% towards their Council Tax liability
- Residents of state pension credit age received the same level of support as under the former scheme
- Second adult rebate ended
- Income from maintenance and child benefit included as income.

Around 7,000 households in Colchester had been affected and there was a small amount of money allocated to support those in extreme hardship where it was judged they would not be able to pay.

The Benefit Cap would limit the total amount of welfare benefits that working age residents could receive to £500 per week for families and £350 per week for single people. 71 households in Colchester had had the benefit cap applied to their income from welfare benefits which had resulted in a loss of housing benefit for these families on average of £61.30 per week. 13 households had been identified that may be at higher risk of homelessness because of the high level of reduction in their housing benefit.

Universal Credit was to be implemented on an incremental basis from October 2013 although it was not expected to be launched in Colchester during 2014/15. Universal Credit introduced significant differences to the way benefits were paid and administered currently:

- It brought together a number of benefits into a single application and single payment
- It would be paid monthly in arrears
- Tenants would be responsible for paying their rent to their landlord rather than housing benefit paid directly to their landlord
- All claims would have to be made online, including notification of any change of circumstances.

Colchester's response to these reforms had been in terms of:

- Recognition that national policy changes affected the borough's residents and required a local response to support those residents
- Mitigation by collaboration – working with a range of organisations in Colchester to support residents and co-ordinating collective efforts
- Early intervention – contacting residents who would be affected and offering them support and advice along with a check that the information held was accurate and to establish how they would be affected
- Money management advice
- Housing options advice
- Job search advice supported by a secondment from Job Centre Plus.

In addition, a number of publicity activities had been undertaken which were detailed in the report.

Discretionary Housing Payments (DHP) provided additional support for residents in receipt of Housing Benefit in need of extra help with their housing costs. For 2013/2014 Colchester Borough Council's grant for DHP from the Department for Work and Pensions (DWP) was £448,524 together with an additional £50,000 which the Council had agreed to support DHP. By 31 January 2014 £459,228 of the DHP budget had been committed to help support residents.

Current performance on the collection of council housing rents remained consistent with previous years, reflecting the pro-active work undertaken. At the end of 2012/2013 a total of 98.35% of rent had been collected. At the end of January 2014 the figure was 98.37%. However, it is not clear what the impact of any decrease in DHP, the ending of direct payments of housing benefit to the Council together with the introduction of Universal Credit and increased financial pressures on council tenants would have on future rent collection.

The Chairman invited each of the guests in turn to address the Panel on the issues from their perspective.

Andy Smith, Housing Manager for Colne Housing Society Ltd, explained that Colne Housing was the second largest Registered Social Landlord in Colchester with 1800 general needs properties, some of which were located outside Colchester Borough. The company was developing its business and had partnered with other private sector companies to build new houses each year. The income recovery team had recently been increased, a Welfare Reform Adviser had been created whilst visits to tenants affected by Welfare Reform had been introduced. Recently a greater number of smaller units were being developed. Currently the effect of the reforms on rent arrears in Colchester had been negligible, largely due to the impact of DHP. In Colchester 1 in 30 tenants were receiving DHP, in Tendring 1 in 40 received DHP whilst in Maldon the figure was 1 in 70 tenants. He praised the work of the Housing Benefits Team which was reflected in the low level of 10 evictions in 2013-14 and an increase in the number of mutual exchanges which had increased to 55 in 2013-14 compared to 22 in 2012-13. Colne had not yet decided to reclassify houses according to reduced numbers of rooms and Andy referred to the increase in applications from tenants in need of debt advice.

Reverend Andrew Fordyce from Colchester Food Bank explained that the idea of the Food Bank had first come to light some 5½ years ago when 'prosperity for all' was considered to be the norm. He had challenged himself to set up a Food Bank in Colchester and over the years he had been amazed at the support that had been received from the public for the initiative. Demand for assistance had increased exponentially. In terms of weight of food distributed:

- 2009 ½ ton
- 2010 4 tons
- 2011 12 tons
- 2013 25 tons

The increase in 2013 had seen big increases in demand in April, in September and in December, 60% of which was due to reductions or delays in payment of benefits. The

Food Bank had recruited more volunteers to cope with the increased demand such that now there were over 100 each week. Also a General Manager and a Warehouse Manager had been employed. The Bank did check on the circumstances of those receiving the food and they worked with various agencies to ensure that the control measures were fair and robust. Colchester had been the 33rd Food Bank to be set up in the country, now there was more than 400.

Simon and Teresa Lasky, from CAP (Christians Against Poverty) Money explained that they provided money management courses which comprised three 90 minute sessions provided free of charge to teach people how to formulate a budget, to live within their means and what to do if this was not the case. They worked in partnership with other agencies such as Colchester Borough Homes and Family Mosaic. A Debt Centre had been opened in June 2013 which enables work to be given to four families each month. In terms of a client profile for Colchester, the families:

- Had average incomes of £11k per year,
- Were either living in rented accommodation or homeless,
- 66% were in employment,
- All were in receipt of benefits,
- 50% had used the Food Bank

It was emphasized that there was important collaboration with other agencies, all of whom encouraged early intervention to assist people. The DHP had provided significant help and the work of the Food Bank was invaluable.

Particular discussion from the Panel members was in relation to:

- Councillor Lewis – the need for vulnerable people to be warned about the dangers of pay day loan adverts on television and the very high rates of interest applied by certain companies;
- Councillor Harris – the work undertaken by staff within Colchester Borough Council and Colchester Borough Homes in supporting people to retain their dignity and hopes that they will be permitted to continue to do so;
- Councillor Manning - who was entitled to issue vouchers for the Food Bank and to ensure that the distribution was sufficiently wide to incorporate all who required help and the high cost of energy for those using pre-payment meters;
- Councillor Hayes – the need for information to be given to people on economical ways to prepare meals and her considerable concern about the dangers of entering into payday loan agreements, how credit checks were overcome for people in rent arrears, the use of online applications and people with no access to bank accounts;
- Councillor Cory – whether DHP would be available to the Council in future years, the provision within the LCTS for payments to be made pending the receipt of benefit payments, whether statistics were compiled on the home location of Food Bank clients;
- Councillor Cable – officers needed to be congratulated for implementing a number of reforms to welfare and he had direct experience within his ward of the work done to assist residents using DHP. He also congratulated the guests on their presentations and asked about the processes in place to prevent people

becoming reliant on DHP, the type of agencies used to administer Food Bank vouchers and the criteria used for issuing the vouchers;

- Councillor Harris – he had taken time to volunteer for the Food Bank and he encouraged others to do the same and he credited the Council for the work done in successfully bidding for a large sum of money for DHP and the need to ensure it was well managed for the future

In response to questions raised, the following information was provided:

- The Council was currently arranging to enter into a new banking contract which included basic bank accounts and the work being done to make this information more widely available;
- A third of Colchester Borough Homes stock was 2 bed homes which was considered a good ratio as it provided for people moving both up and down the housing ladder. In 2012-13 34% of lettings were of two bed flats, 11% were two bed town houses, 27% were one bed flats, 19% were three bed houses with over 522 lets in total;
- The Food bank operated by means of a voucher system which were available from over 100 agencies in the Borough, it was part of a national network and there were plans to spread the work to Clacton and Walton and to Tiptree;
- There were concerns about people who may get into financial difficulties as a result of the strong direct payment ethos within Universal Credit system but there was a mechanism called 'switch back' which would provide for payments to be made direct to landlords, in addition clients could opt to use monthly or weekly direct debit payments for their Council Tax payments
- Colchester Borough Homes had been able to make referrals to a fund for people in rent arrears difficulties which was administered by British Gas and other energy providers and residents were also being encouraged to register with the energy providers in order to ensure they received the best deals. However there remained a number of customers who preferred the use of pre-payment systems to assist them with their budgeting;
- 85% of Housing Benefits clients were accessible via the internet and applications for DHP were also by means of the internet. However, it was possible to arrange for home visits for people who required it. Universal Credit would require people to have bank accounts and work had already taken place to prepare residents for this;
- The administration of both DHP and Universal Credit would require a local support framework;
- The Food Bank was looking into trends in location of clients, currently it was estimated that nationally 40,000 people were affected by delays in receipt of payments from the Department of Work and Pensions;
- Examples of the agencies used to issue Food Bank vouchers were CCVS, the Job Centre, the April Centre, Colchester Borough Homes, Youth Employment Service, Signpost, GPs and the Probation Service;
- The criteria for issuing vouchers was in relation to 12 categories of crisis such as delays in benefit payments, unemployment, domestic abuse;
- In terms of dependency on DHP, applicants were being directed to areas which would help them with certain issues in the future such as Homechoice for mutual

exchanges, Colchester Borough Homes and checks were made on whether any mitigating action had been taken;

- It was envisaged that the full proportion of DHP for 2013-14 would be utilised, the payments were going to the most hard to reach clients which confirmed that the funding arrangements were robust.

In order to assist plans for the future, the Chairman invited each of the Panel's guests to indicate if there was anything more that could be done which wasn't currently being provided.

Andy Smith referred to the work being done by Colne Housing with Gateway to Homechoice for tenants in arrears to provide a coherent policy to assist them to move on.

Reverend Fordyce suggested that it was important that the vulnerable and the poor should not be forgotten by society.

Teresa Lasky felt that there was every reason to feel positive considering the close working relationships between numerous agencies but she was hopeful that there would be a change in the Banking system structure which would provide more assistance for people in difficulties

Councillor Bourne, Portfolio Holder for Housing, was invited to address the Panel. She thanked the guests for their very valuable contributions and she welcomed the good examples of what the Council and its partners could deliver. The presentations had, to some extent, made the work sound easy but it was not. Dealing with people on the front line who were facing crippling debt such that they couldn't provide food for their families or clothes for their children was very challenging. Colchester Borough Homes and Colne Housing had to collect rent to keep their stock of housing well maintained. When rent levels reduced this impacted on the quality of housing provided. She was therefore interested to hear about the ways residents had been helped to continue to meet their commitments. The Council was also helping address fuel poverty by installing solar panels to its housing stock. All agencies had to put extra resources into mitigating the impact of the welfare reforms and this has had an impact. She had seen demonstrated a coherent message to residents who were suffering hardship but she acknowledged that more would need to be done and things would need to be done differently in the future.

Councillor Smith, Portfolio Holder for Business and Resources, was invited to address the Panel. He referred to the preparatory work undertaken by the Council and others to assist in dealing with these issues. He paid tribute to the Council's Benefits Team, which had used its in depth knowledge of the system to help and to offer assistance. This work in Colchester had been recognised by the Department of Work and Pensions and by ministers in the House of Commons. He was very interested in the statistics for the allocation of DHP in Colchester and voiced his concerns regarding the temptation of payday loans.

RESOLVED that Andy Smith, Reverend Andrew Fordyce, Simon Lasky and Teresa Lasky be thanked for their valuable contributions to the meeting.

RECOMMENDED to Cabinet that the following issues be borne in mind when evaluating the benefits of the work on Welfare Reform:

- The work of Colchester Borough Council, Colchester Borough Homes and its various partners to ameliorate the effects of the recent changes to the reform system be welcomed;
- The problems associated with the continued availability of payday loans and other similar types of loans and the need to ensure information is available to people to inform their financial choices;
- The concern regarding the move within the Welfare Reform system to direct payments to residents and the need for the work to prepare tenants for this change to be continued;
- The need for assistance to be provided for people coping with excessive charges imposed by banking institutions;
- The need for the sharing of data to improve knowledge across organisations;
- The continued availability of Discretionary Housing Payments and the need for Colchester to continue to bid for these funds wherever possible whilst ensuring measures are also in place to reduce dependency.

31. Waste and Recycling Task and Finish Group // Update

The Panel considered a report by the Head of Operational Services inviting the Panel to note the progress of the Waste and Recycling Task and Finish Group against its terms of reference and desired outcomes and to recommend to Cabinet that the Group be continued in the next Municipal Year.

Members of the Panel referred to the important work undertaken by the Task and Finish Group to date and, for the future they suggested a number of opportunities including:

- A review of the allocation and distribution of sacks
- Measures to encourage greater recycling participation
- The potential to develop an anaerobic digesting facility within the Colchester area
- Creative ways to engage with school children through visits to local schools.

RECOMMENDED to Cabinet that, in order to assist the Portfolio Holder in any reviews of strategy or delivery relating to the Recycling and Waste service, the work of the Waste and Recycling Task and Finish Group be continued in the forthcoming Municipal Year.

32. Work Programme 2013-14

Councillor Cory explained that the work of the Policy Review and Development Panel had been concluded. He welcomed the practices adopted by the Panel in encouraging an open forum for debate and the invitations which had been extended to some fantastic guests had provided an opportunity to meet people from the community and to learn about issues from their particular perspectives. This view was endorsed by

other members of the Panel who indicated that the opportunity for this type of work to continue in the future should be explored.

RESOLVED that the achievements of the Policy Review and Development Panel be noted.