

Crawley Borough Council

Report to Overview and Scrutiny Commission 23 September 2019

Report to Cabinet 25 September 2019

Crawley Homes Additional Staffing Requirements

Report of the Head of Crawley Homes, **CH/186**

1. Purpose

- 1.1 The purpose of the report is for additional revenue budget within the HRA to start in 2019/20 for additional staffing.

2. Recommendations

- 2.1 To the Overview and Scrutiny Commission:

That the Commission consider the report and decide what comments, if any, it wishes to submit to the Cabinet.

- 2.2 To the Cabinet

The Cabinet is recommended to:

- a) Approve two FTE additional posts of Housing Officer immediately with the provision of four further FTE posts to enable efficient rent collection following changes relating to Universal Credit. To delegate the appointment of the further four posts to the Head of Crawley Homes in consultation with the Head of Finance, the Cabinet Member for Housing and Leader of the Council.
- b) Approve an additional 1 FTE post in the Cleaning and Clearance team to provide cleaning services to new build flats.
- c) Approve an increase in funding of £13,500 for the Older Persons Services Team following the removal of the grant funding from WSCC as outlined in paragraph 6.1.5.
- d) *Note that a bid will also be made through the Budget Advisory Group for an additional resource to manage increased requirements on fire risk management, and for additional cleaning requirements at Bridgefield House, Three Bridges when this scheme is handed over in 2020. This will be additional to the posts identified in this report.*
- e) Request Full Council to agree the additional budget of £265,500 per annum for the additional posts required in the 2019/20 budget (pro rata). And additional one off setting up costs as outlined below.

3. Reasons for the Recommendations

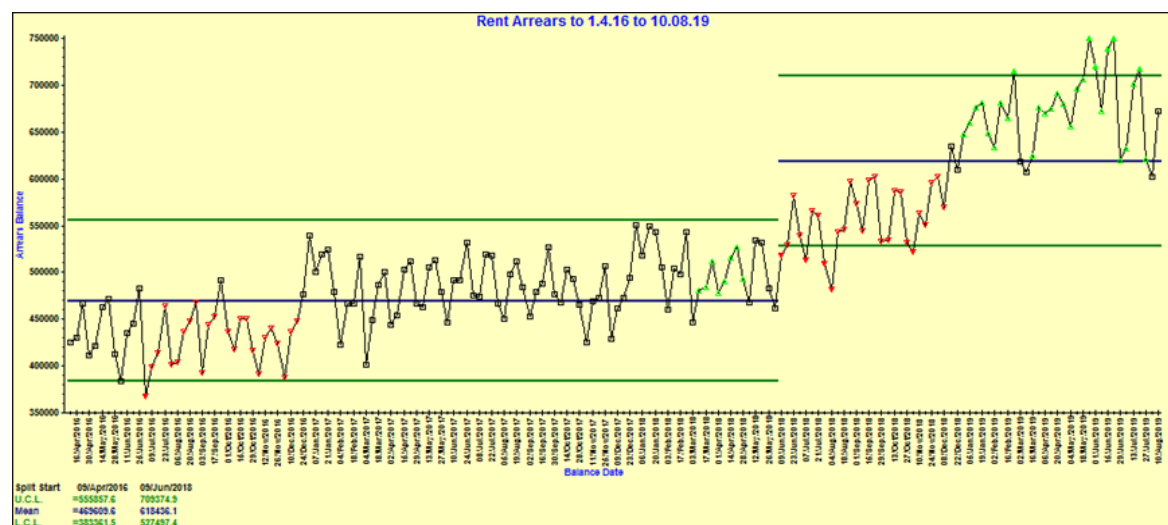
- 3.1 Welfare reform and the introduction of Universal Credit (UC) have meant a significant increase in volume of work within the housing management team and additional Housing Officer posts are required to ensure that rent is collected and the work is manageable within the team.
- 3.2 New build properties including blocks of flats with requirements for cleaning have been added to the Council's housing stock. With further flats being handed over additional cleaning staff are required to maintain the buildings.
- 3.3 The Older Persons Services team budget is impacted by a reduction of £70,000 per annum from September 2019 of supported people funding from WSCC and additional funding for one post is required to mitigate the removal of grant funding.
- 3.4 Crawley Homes staff are currently working on the best way of delivering increased inspections and duties surrounding fire risk assessments following the fire at Grenfell Tower. This will form part of the Budget Advisory Group process but is highlighted to inform members of further revenue implications.

4. Background

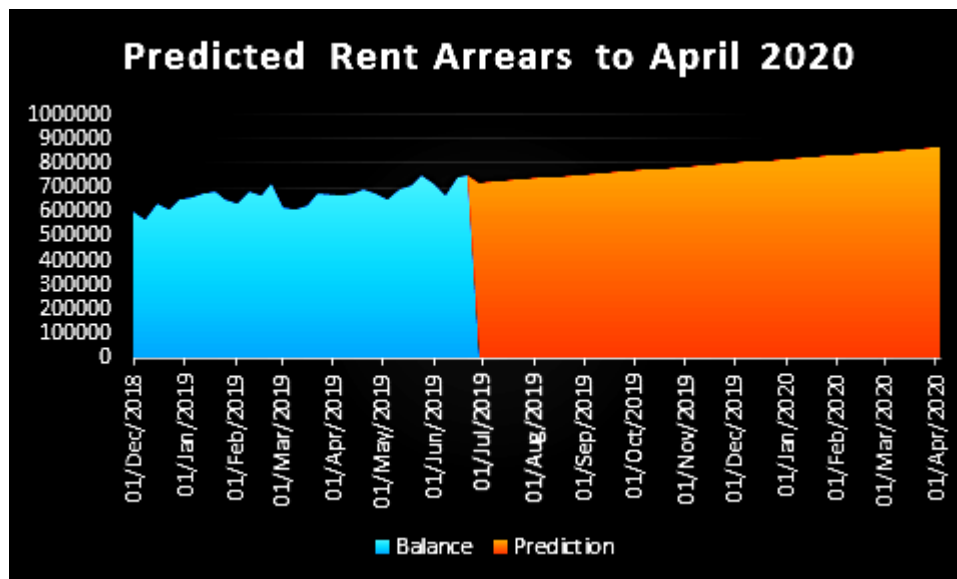
4.1 Impact of Universal Credit

- 4.1.1 UC is one of a number of changes introduced through the welfare reform programme. The roll-out of UC Full Service commenced in June 2018 whereby all new claims and those with change of circumstances are moved on to UC.
- 4.1.2 Nationally, stock holding local authorities and housing associations are reporting increased arrears following the roll-out of UC, one analysis showing a 13% average increase.
- 4.1.3 A number of issues have been identified as contributing to the increase in rent arrears, these include:
 - A misunderstanding of UC system by customers leading to delays in making claims and extending the time without income.
 - Debts accrued prior to making a UC claim or while a UC claim is in process.
 - The five week delay in receiving first UC payment.
 - Tenants applying for a UC advance but not using it to pay their rent (and then having less income to pay their rent each month due to paying back the advance).
 - Errors and delays in payments
 - Digital literacy issues
 - Alternative Payment Arrangements (APAs) being clunky and difficult to administer (and paid up to 7 weeks in arrears and only generally available once arrears exceed 8 weeks rent).
- 4.1.4 The capacity of the Tenancy Services Team has been significantly impacted by the roll-out due to the high volume of work required to support tenants who are transitioning on to UC and to manage the rent accounts of tenants who are in receipt of UC (many who would previously have their rent paid directly by HB and have required minimum intervention).

- 4.1.5 There are an average of 52 UC Verifications each month. These are new UC cases requiring verification on the Jobcentre portal. The verifications are also a trigger for early intervention work with the tenant in light of their UC claim. This work can involve 2-3 telephone contacts, sometimes face to face contact, to discuss the UC claim and rent payments and offer support where required.
- 4.1.6 Once UC is in payment there is a much higher rate of non-payment of the rent due compared to all rent accounts including HB accounts. The average rent arrears on a UC claim is £546 whereas the average rent arrears across all accounts is £304 and on HB accounts £170. In July 2019, 11% of all rent accounts had a broken payment agreement, whereas 31% of those in receipt of UC had a broken payment agreement. This equates to a substantial increase in the amount of work associated with UC claims that is required to engage with tenants in order to secure the payment of rent and sustain the tenancy. This can be extremely time consuming requiring multiple repeated contacts and contact attempts which can be lengthy.
- 4.1.7 The arrears balance has increased significantly since June 2018 when UC Full Service was rolled out, with the highest peak reaching just under £750,000 in May 2019. Prior to this, the arrears performance was relatively stable for a long period of time with arrears running at an average of £470,000 since April 2016. The average arrears since UC Full Service was rolled out is £618,500 though since December 2018 this has escalated to higher levels.
- 4.1.8 The arrears chart below shows the arrears trajectory with a split showing the point where UC full service was rolled out.



- 4.1.9 As a result of the additional workload brought about by UC Full Service roll-out, workloads have increased. This has impacted upon other work areas.
- 4.1.10 The following graph shows the predicted rate of arrears without further intervention to increase staffing in this area. At the current rate of increase the arrears would be expected to be in the region of £814,000, although this does not include any increase associated with the Christmas period.



- 4.1.11 Staff are currently having to work additional hours with some housing management work not being covered. The volume of work and hours required to complete it is not sustainable and changes are required to the current complement of staff in order to deliver the additional work created through UC and maintain the Council's financial position.
- 4.1.12 All aspects of the Housing Service have been reviewed to remove 'waste' and to 'redesign the service from a customer perspective'. This has resulted in a dedicated Housing Officer for each neighbourhood/patch (and tenants). This increases ability to build relationships with those we need to in order to facilitate engagement and resolution of problems and also helps to identify other customer problems and estate issues.
- 4.1.13 The approach to income is around proactive early intervention response to non-payment of rent. There is some difficulty in implementing this approach due to the high numbers of tenants who are not paying to their agreements.
- 4.1.14 A strong and cooperative relationship has been developed with the Jobcentre. This helps to facilitate communication, understanding and resolution of customer problems relating to their UC claims. Whilst liaison with the Jobcentre and DWP can be time consuming, we have found this essential in helping to resolve issues. It has been necessary for Housing Officers to develop increased knowledge and set of skills around welfare benefits, income management and income maximisation and debt advice in order to collect the rent effectively and ensure tenants are receiving their full benefit entitlement. The complex nature of this work on a case by case basis can be very time consuming and requires sufficient time to carry out. It is not uncommon for officers to spend several hours with tenants sometimes on a number of occasions in order to assist them.
- 4.1.15 As a result of working with many tenants with whom we have had little contact with in the past (partly due to HB being paid directly and partly due to now having neighbourhood / patch officers) we are also identifying more tenants who are vulnerable and in need of other support to maintain their tenancies (with issues such as property condition and hoarding). Between July 2018 and January 2019 the team logged an average of 6 tenancy support cases each month. Since February (when the team moved to patches) we have logged an average of 11 tenancy support cases each month. It is difficult to quantify the associated work as many of these

cases require ongoing work indefinitely in order to sustain the tenancy. This work is in addition to the casework provided by the team's specialist Tenancy Support Officer.

4.1.16 The team has two specialist roles to aid in the support of tenants with complex support needs.

- Financial Inclusion Officer who assists tenants with complex debt issues, benefit appeals and complex applications for benefits associated with health and disabilities.
- Tenancy Support Officer who assists tenants with complex issues which may affect their tenancy.

4.2 Impact of Additional Properties on Cleaning Team

4.2.1 Although a number of recent developments (Brunel Court, Gales Place and Forgewood,) have had flats with a cleaning requirement, this has been managed through some reduction in the requirements for cleaning in hostels (reduced numbers of hostel rooms) and some general efficiencies.

4.2.2 The next phase of handovers (John Brackpool Court, New Timber Close) have further flats with cleaning requirements. An additional hostel, Southwell Lodge, Balcombe Road, has also been added to the cleaning requirements.

4.2.3 John Brackpool Court has long internal corridors and the decision was taken to carpet these communal areas rather than have a vinyl surface to prevent an institutional feel to the corridors. This is a usual specification requirement in housing association new build properties so was the specification included for Aspen Court in Langley Green. It is also the specification now included for Bridgefield House in Three Bridges.

4.2.4 There are also some tasks not being covered following transfer of workloads between Community Services and Crawley Homes' teams, most specifically weed spraying of drying areas. The additional post will create capacity within the team so that these tasks can be carried out.

4.2.5 The cleaning requirement at John Brackpool is for 3x weekly visit with the remaining time being absorbed at New Timber Close and Southwell Lodge.

4.3 Impact of Removal of Grant funding for Older Persons Services

4.3.1 Over a number of years supporting people funding had provided grant support for services to tenants in sheltered housing. Previous cuts have seen this funding reduced to £70,000 per annum. The funding requirement also widened the service to include older tenants in general needs accommodation. The service was remodelled accordingly.

4.3.2 Under the current arrangement we are supporting those most in need of support: this is 125 tenants in sheltered schemes and 18 floating support (older people in general needs housing). This equates to 580 contacts per month to ensure the welfare of older people in Crawley Homes' properties. Whilst some people are in need of permanent support others require temporary support as circumstances change such as hospital discharge, diagnosis of health condition, or bereavement.

4.3.3 Last year WSCC announced that the £70,000 funding would be withdrawn from September 2019, thus leaving a shortfall in the budget for this service.

- 4.3.4 There are currently two vacant posts within the team with one post being covered by two job share members of staff working full time. The other post has been successfully covered by the team so can be deleted partially mitigating the impact of the withdrawal of funding. This will partly offset the reduction in funding, however, in order to maintain a reasonable level of service to tenants in sheltered housing and continue the work with vulnerable older tenants in general needs accommodation the other post is needed and therefore needs to be a growth item within the budget for 20/21.
- 4.3.5 Reducing staffing beyond the identified 1 FTE would mean further cuts to the services for older people, which would either be withdrawing the floating support service or further reducing the hours available to tenants in sheltered schemes.

5. Information & Analysis Supporting Recommendation

5.1 Universal Credit Impact

- 5.1.1 Prior to the recent impact of UC the out of sync (this is the notification when someone has not paid according to agreement) was about 50 cases per week per officer. With a full staffing compliment this was manageable, although problems inevitably occurred when covering leave or sickness. Since managing the UC roll out the out of sync list has increased to 70 cases per week per officer, with significant problems when the team has covered for leave or sickness. As referenced in 4.1.10 above this workload has not been manageable.
- 5.1.2 Two temporary Housing Officers were recruited in order to experiment with a smaller ratio of properties per Housing Officer on a number of 'patches' (from around 530 properties to 360). This reduced the out of sync list back down to around 50, becoming manageable, with arrears on those patches now reducing.
- 5.1.3 In order to move to these smaller patches an additional up to six full time posts are needed: one part time post has existed within the team for some time from utilising some spare hours from a manager post and a hostel officer post. Going forward these hours will be used within those job roles. Two temporary posts have been recruited to enable the patch experimentation and three additional posts are required to assist in reducing the numbers on the other patches.
- 5.1.4 It will also ensure workloads return to manageable levels and allow the service to move into a position to meet challenge that will occur when the remaining legacy benefit claims are migrated on to UC although no date is known for this.

5.2 Additional Cleaning Requirement

- 5.2.1 The additional cleaning requirements are due to the increase in numbers of blocks of flats with a cleaning requirement especially when John Brackpool Court is handed over at the end of September as it is considered that there will be a requirement for 3x weekly visit to vacuum the carpets and ensure the refuse area is kept clean and tidy. The carpets will also require a six monthly carpet clean. At the beginning of September there are additional cleaning requirements for smaller blocks of flats at New Timber Close (Goffs Park).

6. Implications

6.1 Financial Implications

- 6.1.1 £44m of rent is collected annually and ensures funding to maintain existing stock, service the HRA debt and develop new property. UC has the potential to disrupt what has previously been a stable rent collection position within the HRA. Ensuring sufficient staff are in place to ensure that rent continues to be successfully collected has been key to those organisations that have managed to more successfully mitigate the impact of UC. The provision for Bad Debts will need to be increased as a result of increased arrears in part, due to the introduction of UC; this will impact on the sums available for future investment. By investing in additional staff the level of this increase in the provision for bad debts may be reduced.
- 6.1.2 Six housing officer posts will have a revenue requirement of £225,000 based on £37,500 (Maximum) per post including oncosts. There would also be one off costs such as IT requirements. The monthly cost of 6 housing officers is £18,750 but should be considered against the cost of increasing arrears which between June 2018 (the start of the UC roll out) to June 2019 increased by £12,938. The increase is exponential with rate of increase significant and predicted to rise to £16,536 per month (which includes the three posts – two temporary housing officers and the post currently created from unfilled hours).
- 6.1.3 New developments are let at affordable rent. Revenue of over £1.5m is built into the 19/20 budget for affordable rents. Rents on affordable properties are capped at LHA rates or 80% of market rent (Including service charges) this means it is not always possible to recover additional cleaning or maintenance costs from tenants. The additional cleaning requirement of 1 post will cost £27,000, there will also be a capital cost for an additional van, of £15,000.
- 6.1.4 The Older Persons Services budget for 19/20 included for a decrease of £35,000 grant funding from WSCC. From September 2019 there will be no further grant funding from WSCC.
- 6.1.5 The OPS team therefore requires an additional budget of one OPSO post at £33,500, with one post to be deleted. General efficiencies within the team budget have shown a saving of £20,000 which reduces the increase to £13,500.
- 6.1.6 The additional revenue requirements within the HRA will limit the money available to be transferred for future development projects. Available sums for future house building will be reduced as a result these of increased posts. However, as Prudential borrowing is now available for the HRA this impact can be mitigated by additional borrowing for specific projects. The financial implications in relation to borrowing will need to be considered and included in the treasury management strategy.

6.2 Staffing Implications

- 6.2.1 Additional posts are required to support housing management staff with additional workload caused through the migration to UC.
- 6.2.2 An additional post is required within the cleaning team due to increased numbers of flats being developed with a requirement for cleaning.
- 6.2.3 An increased budget requirement for one post is required in the OPS team to maintain existing service levels to older people following cuts to grant funding.

6.3 Legal Implications

- 6.3.1 There are no direct legal implications arising from this report. The appointment of staff to the Council will be made in accordance with the Council's recruitment procedures.

7. Background Papers

Report from ARCH and National Federation of ALMOs: Patching the Safety Net – Measuring the Impact of Universal Credit on tenants and landlords – survey results 2019

<http://www.almos.org.uk/document?id=8394>

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