

Croydon

Housing Scrutiny Panel



Scrutiny of the Housing Income Service

October 2013

Housing Scrutiny Panel: Carol Bennet, Caroline Stembridge, Guy Pile-Grey, Chris Crossdale, Sheryl Read, Eamonn O’Kane, Gary Allen, Yasmin Ismail

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1. Introduction

- 1.1 In April 2012 the social housing regulator, the Homes and Communities Agency (HCA), introduced revisions to its regulatory standards. There is now a greater emphasis on local mechanisms to involve tenants in scrutinising landlord performance and resolving problems with housing services. The regulations state that *“tenants should have the ability to scrutinise their provider’s performance, identify areas for improvement and influence future delivery”*
- 1.2 In response to these regulations Croydon Council, in partnership with its tenants developed a framework for tenant scrutiny. This included the establishment of and recruitment to, a tenant scrutiny panel. During early 2012 the panel members received a range of training to prepare them to conduct effective scrutiny exercises.
- 1.3 Following a request from the Head of Income & Lettings (Colin Alexander) the scrutiny panel decided that their second scrutiny exercise would be the housing income service. Seven scrutiny panel members took part with additional support from tenant inspectors and tenant mystery shoppers.
- 1.4 This report details the findings and recommendations of this scrutiny exercise, which took place during July, August and September 2013.

2. Scope and Methodology

- 2.1 The panel decided to focus on early rent arrears prevention. This area of the income service is particularly important at a time when welfare reforms and the general economic climate have resulted in the majority of tenants having less income to pay their rent.
- 2.2 The purpose of the scrutiny exercise was to work with the council to review the services currently provided and to explore possible options to improve services both in the short and longer term, with the aim of mitigating the effect of the welfare reforms.
- 2.3 The scrutiny panel received full co-operation from both management and front line officers which greatly aided the scrutiny process.
- 2.4 The panel was mentored at key stages during the exercise by an independent consultant. They met for a facilitated workshop on the exercise where they agreed the scrutiny process, their activities and identified key areas for scrutiny.

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2.5 The panel also received presentations on the work of the Housing Income Team from Colin Alexander (Head of Income & Lettings) and on the current rent arrears position from Paul Edwards (Housing Finance) at the beginning of the review. The panel were provided with the following information:

- Performance reports
- Team structure charts
- Income recovery procedure
- Standard arrears letters
- Welfare reform information leaflets
- Benchmarking reports
- Job descriptions
- Divisional service plan
- Tenant mystery shopping report from March 2013

2.6 To support their work, the Panel used lines of enquiry and some illustrative questions for the Income Managers and Income Service staff to ensure there was a structured approach in interviews. These were developed further during the course of the exercise.

2.7 The exercise involved a substantial range of activities and meetings including:

- Mystery shopping with 18 shops by telephone and 4 shops by email (Annex A)
- 7 interviews with managers and staff
- 5 work shadowing exercises in the income and welfare benefits team, including observation of a team meeting
- A survey of tenants who had recently used the service
- Benchmarking with other similar London social landlords (in particular Amicus Horizon RA).

2.8 Individual panel members recorded the key points from their range of scrutiny activities then came together with their mentor in another facilitated workshop to agree on their key findings and initial recommendations.

2.9 The Panel also had the benefit of feedback from two panel members (who did not participate on this scrutiny exercise) who were active customers of the

service at the time of this exercise. One was affected by the bedroom tax and the other supported and advised a community group on welfare reform.

- 2.10 Before writing this report, members of the panel met again with Colin Alexander to share their findings and seek his feedback on some of their proposed recommendations.

3. Findings & Recommendations

THE STAFF AND TEAM STRUCTURES

- 3.1 The panel was impressed with the approach of the staff. They felt that all of the staff interviewed were committed to providing customers with an excellent service and tried their best to resolve all issues raised by the customer. This was particularly evident in the Welfare Benefit Team.
- 3.2 The staff felt well supported by their managers and there was good communication with regular team meetings and 1 to 1's. Morale generally appeared to be good. However, some income officers commented on the fact that the income managers no longer sat with their teams and that in some cases this had impacted on supervision and discipline. In their view other officers were taking advantage and working less hours or causing disruption to the team. The panel raised this with Colin Alexander who explained there were good reasons for managers sitting separately and to support them having the ability to work in a quiet environment, managers were now working one day a week from home. The move to Bernard Weatherill House will mean further change and the panel noted Colin's suggestion of a review in six months.
- 3.3 The panel noted that staff mentioned that managers spent a large part of their time on 'strategic' work and that this was impacting on the ability of the teams to actively recover rent and support tenants who are experiencing problems.
- 3.4 The panel noted that the service was split into 3 geographically based teams. Apart from this being attributed to historical arrangements none of the officers interviewed could provide a business case why this was advantageous. Mystery shopping identified that some callers needed to be transferred between teams because of this split and customers would not be aware of which team they would fall within. The panel heard from Colin Alexander that he was intending to move away from a patch approach to a 'one team' approach with greater flexibility of staff working between the current patches.

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Some officers would also welcome more flexibility in 'patch' sizes as they felt there were significant imbalances in workloads in some cases.

- 3.5 Attendance at an income team meeting by panel members revealed that some officers were apprehensive about the new office environment at Bernard Weatherill House, in particular the need to hot desk and as a result they are now required to spend one day a week out of the office visiting customers in their homes. Officers felt that this would impact on the time available to them to complete the required paperwork for court actions. However the panel were reassured that tenants would still be able to 'drop in' without an appointment following the move.
- 3.6 The panel noted that there had been some flexible working of staff to contact tenants at weekends or evenings and welcomed the intention to consider greater flexibility for staff working in the future.
- 3.7 The transfer of three income officers and an Income Manager to the Welfare Benefit Team (with backfill) appeared as a positive move by all officers and panel members were impressed by the expertise of the officers in the team and their approach to tenants who were affected by the welfare reforms.
- 3.8 A number of officers felt that the welfare reforms had impacted on their workloads and were concerned that things would only get worse when Universal Credit was introduced. This situation has been exacerbated by managers being moved away from teams to work on welfare reform related projects.
- 3.9 The panel noted that home visits were governed by the general approach of lone visits unless there was a 'red flag' where staff would go in pairs. There were some loose arrangements whereby staff could also go in pairs if there was training or support needs and managers would maintain close supervision of how this worked in terms of staff time.

Recommendations

1. A review of the risk assessment for home visits should take place and all staff should be briefed on arrangements for all home visits.
2. That there should be a review of the seating arrangements for the Income Team once moved into the new office within six months
3. That there should be a greater emphasis on a whole team approach and flexibility between patches and teams
4. That tenants should still be able to 'drop-in' without an appointment following the move to Bernard Weatherill House.

5. That management should consider greater flexibility of staff working to support tenant access to the service e.g. staff available evenings and Saturday mornings

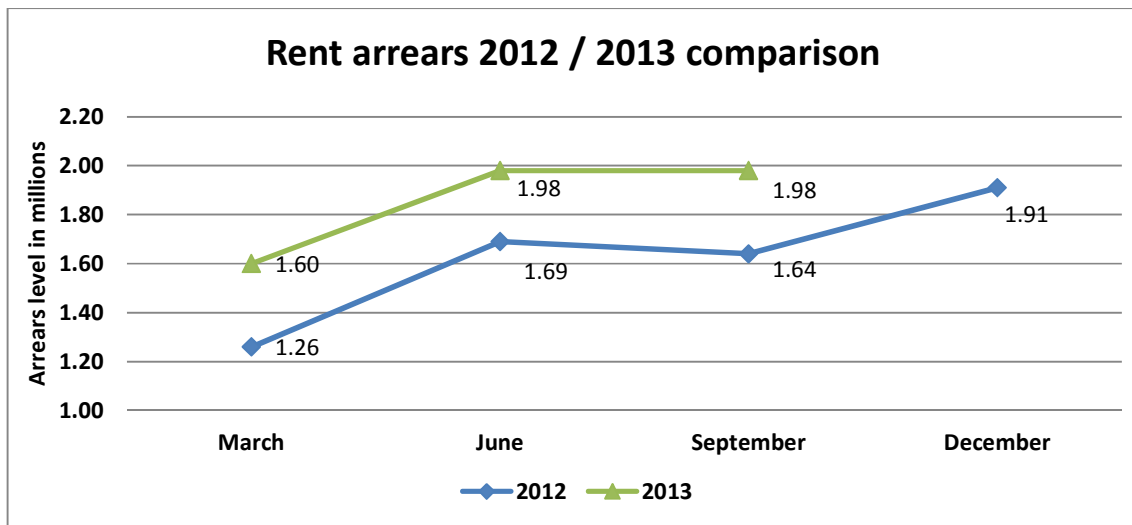
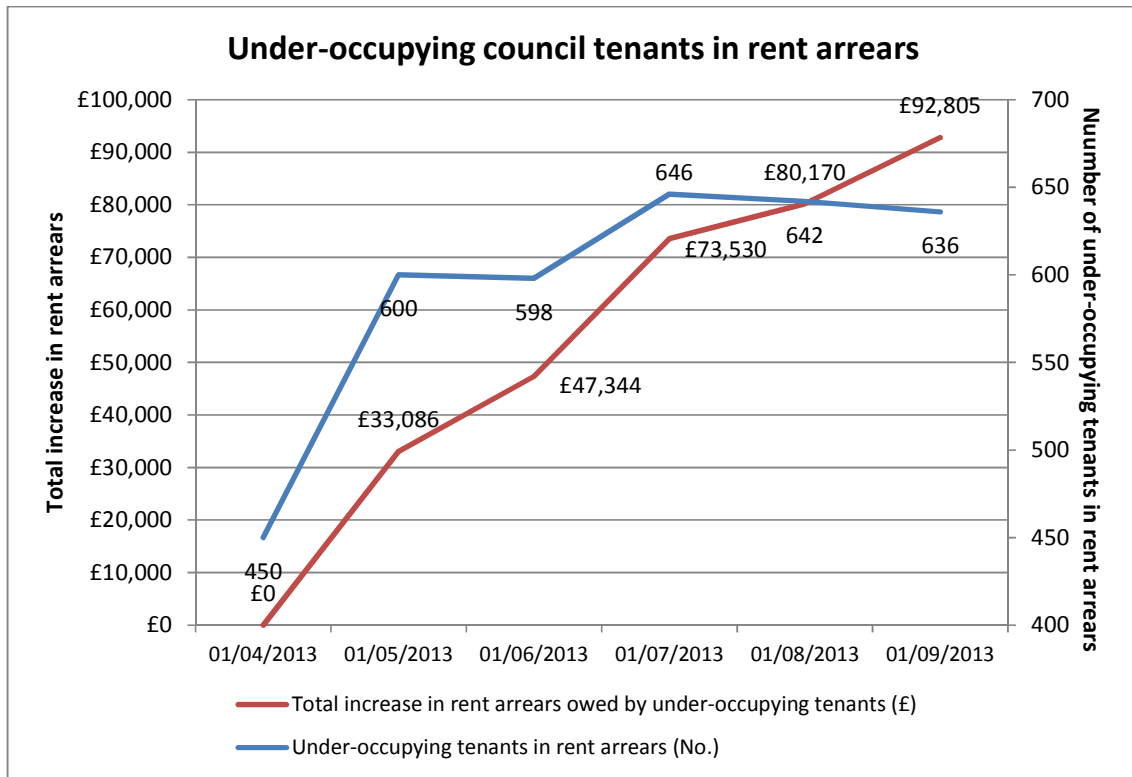
PERFORMANCE & BENCHMARKING

3.10 Reviewing benchmarking and performance reports the panel noted the following:

- Total cumulative rent arrears as at September 2013 amounted to £1,952,000. This represented an increase of 24% since March 2013 and a 42% increase since June 2012. There is a significant difference between the three teams since March 2013:
 - East 15%
 - North 23%
 - South Central 35%
- The rent collection rate for 2011/12 was 99.4% which ranked Croydon in the **lower quartile** of London Council's and ALMOs. The collection rate for 2012/13 was 98.9 %
- For 2011/12 current tenant rent arrears (excluding unpaid HB) was 1.84% of the total rent due. This placed Croydon in the **top quartile** of London Council's and ALMOs.

3.11 The panel noted the impact the welfare reform changes introduced from April 2013 and onwards was having on arrears levels and on some tenants ability to afford their rent:

- Total increase in arrears by those affected by benefit reduction at 2/9/13 was £92,805
- A total of 636 tenants affected by benefit reductions are in arrears at 2/9/13



Dates closest to the month end were selected

Arrears levels always drop at the beginning of January due to the two 'rent free' weeks at Christmas.


Arrears levels can fluctuate due to incoming housing benefit payments

3.13 The panel was impressed with the range of action taken by the council to mitigate the impact of the benefit reforms on both tenants and the council, in particular the following:

- The establishment of a specialist welfare reform team
- Benefit Information days

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- Comprehensive information on website and in the Open House newsletter
 - Home swap events
 - Evening and weekend visits to ensure maximum contact with tenants affected by welfare reform
- 3.14 However the panel also felt that there was no evidence of learning from outside the Council and that the service could benefit from looking at how other social landlords were tackling rent arrears in the light of welfare reform.
- 3.15 In addition whilst the number of home visits were welcome these had not included individual budgeting advice. This would have been of help to tenants who choose to 'pay and stay' without having the ability to sustain their tenancy.
- 3.16 Officers and managers felt that the council's policy on rent arrears was about right in terms of providing support to tenants to maximise their income and managing their budgets and taking legal action when the rent was not paid.
- 3.17 The panel noted that the cost of providing the income service was £107 per property in 2011/1 and this was one of the highest in levels in London (see extract from HouseMark performance report 2012 below). Colin Alexander responded to this by explaining that eviction rates were low, his team provides a good quality service and there was positive customer feedback.

HouseMark - Cost Summary							
Service	Sample Size	Upper	Median	Lower	LB of Croydon (2011/2012)		
					Result	Rank	Quartile
Direct CPP of Rent Arrears & Collection	25	65.76	78.83	96.48	107.35	22	

Recommendations

6. The impact of current and future welfare reform changes should be monitored very closely and staffing levels and mitigating actions reviewed regularly. It is

suggested that reports are submitted to each Performance Monitoring Panel meeting.

7. Performance information on rent collection and arrears does not give a clear or consistent picture to management or councillors of how well the service is performing against other Councils. In addition arrears are increasing at a considerably higher rate in south central district. This should be fully investigated and reported back to the scrutiny panel

8. A more detailed analysis should be conducted of those in rent arrears to identify the local areas and tenant groups facing financial difficulty

9. Visits or contacting social landlords should be arranged to see how they were approaching rent arrears as Croydon may learn from others

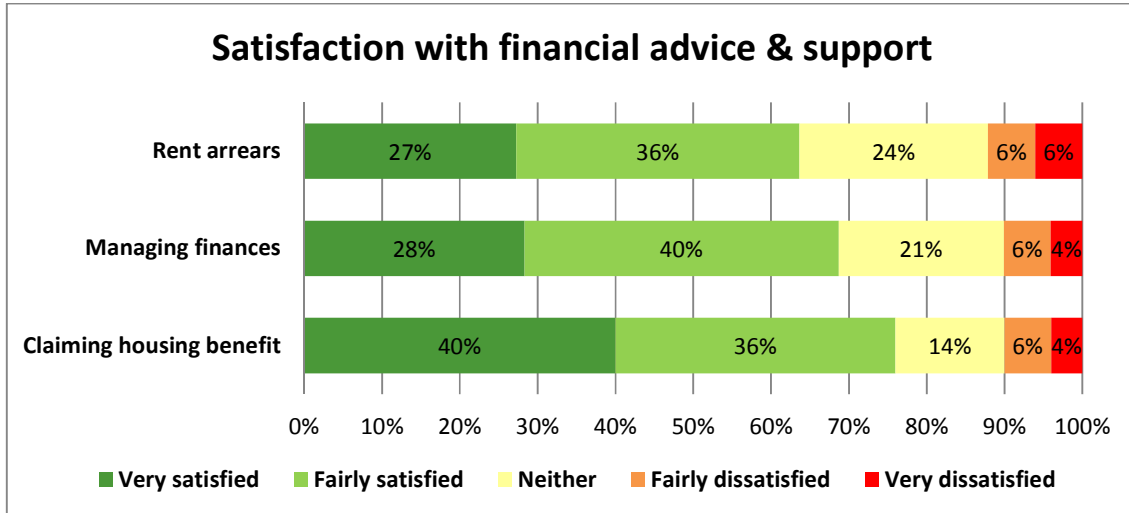
10. That there should be greater use of individual budgeting to help tenants understand their circumstances when choosing whether to 'pay and stay'

11. That the high costs of the service compared to other similar landlords should be investigated and reported to the scrutiny panel

CUSTOMER VIEWS

3.18 There was a mystery shopping exercise in August, following one carried out in March this year. The panel found that the previous action plan had not been fully implemented at the time of the review, with issues remaining about some callers not being given clear or correct information. The panel were reassured by Colin Alexander that training was going to take place in November. Otherwise the response times to both telephone calls and emails was good and generally there was a polite response from staff.

3.19 STAR survey feedback showed that there is high customer satisfaction with welfare advice and support (see below).



3.20 There was a phone survey of customers of the service. This was also positive about the service offered (see annex B). However, the panel was concerned that only 10 tenants were surveyed as only 3 officers provided contact details to the resident involvement team of those interviewed or visited over a two week period.

3.21 The panel was also concerned about comments made in the survey that some tenants had to re-submit documents and wanted to understand why it was not possible to deal with queries at the first time of asking. It was also felt that every tenant should be advised of their tenancy and income officers. It was clear that this is not always the case.

TRAINING OF OFFICERS

3.22 The panel noted that general training was delivered on the job through job shadowing or reading procedures. There were no formal training programmes for new or existing staff. Income officers only had a basic understanding of the welfare reform changes which had only been gained through emails and information provided on the intranet. Again there was no formal training. Some income officers said they referred all welfare enquires to the specialist officers so they didn't need this training.

Recommendations

12. That the mystery shopping Action Plan be implemented including staff training

13. That the training be followed up by a further mystery shopping exercise to ensure that the issue raised on sharing incomplete or inaccurate information has been resolved.

14. That a training needs analysis be conducted and an ongoing training plan developed for all income staff.

15. There should be more 'face to face' interaction, early debt counselling and tenants should be kept informed of officer changes

ICT SYSTEMS AND MOBILE WORKING

3.23 The panel welcomed the introduction of the new on-line rent payment system which would benefit a number of tenants. However, officers raised an issue with the system which prevented officers accessing tenants on line accounts.

3.24 One of the biggest issues raised by officers was poor IT systems and lack of mobile connectivity. It was said that the council's various IT systems (OHMS/CRM/Benefits) do not 'talk to' each other which means that the sharing of information and duplication is a problem. It was also frustrating that mobile devices had not yet been deployed to allow officers to directly upload data and access tenants' accounts in their homes which creates a lot of paperwork when officers return to the office.

Recommendations

16. That the panel receive a report on the viability that all IT databases be united

17. That staff should have access to handheld devices which enable them to work longer in the field and reduce paperwork

WORKING IN PARTNERSHIP WITH THE BENEFITS TEAM

3.25 The panel noted that income officers were frustrated with the poor communication and the sharing of information between themselves and the benefits team. In particular, the lack of a direct phone line to the team and long delays in replies to emails. In some cases there was a need to get a manager involved before a reply was forthcoming. This was raised with the Housing Benefits manager, who welcomed the panel's identification of this as an issue, and referred to a recent meeting with the Income team which had resulted in agreement to hold regular bi-monthly meetings and training on Universal Credit. This was also confirmed with Colin Alexander.

Recommendation

18. That the Income and Benefits teams meet regularly and minutes of these meetings to be provided to the Panel and to Income Team members

INFORMATION TO TENANTS

- 3.26 The panel found the web site to be informative and up to date with plenty of useful information regarding the welfare reform changes including details of where to go to get help.
- 3.27 The panel noted the letters to tenants in arrears, especially the second letter which was the first to mention the possibility of eviction.
- 3.28 There was concern from the Panel that the message regarding welfare reform was not being understood by everyone. This was evidenced by one panel member who was working with the Somali community and they experienced difficulty in obtaining translated materials.

Recommendations

19. That future reviews of standard rent arrears letters are checked by tenants
20. Look to change the way that tenants are contacted to focus less on letters and more on out of hours contact including the use of texting and email
21. Develop a cost effective communications campaign combining film, social media, literature and press to engage with all tenants

4 Conclusion & Next Steps

- 4.1 The panel wish to thank the staff and managers of the income service for their co-operation during this exercise and acknowledge the significant contribution made by them. The panel would welcome staff playing a role in developing and implementing the recommendations and would also welcome the opportunity to meet with staff to discuss the contents of this report.
- 4.2 Overall the panel was impressed with the attitude of the staff, the work of the team and its responses so far to the welfare reform challenges.
- 4.3 The panel hope that the council will welcome this report and agree an action plan to deliver the recommendations which will hopefully lead to further service improvements.

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Annex A – Summary of mystery shopping

Annex B – Phone survey of service users