



# Public Document Pack Housing and Community Overview and Scrutiny Agenda

*Scrutiny making a positive difference: Member led and independent, Overview & Scrutiny Committee promote service improvements, influence policy development & hold Executive to account for the benefit of the Community of Dacorum*

**Wednesday 4 July 2018 at 7.30 pm**

**Conference Room 2 - The Forum**

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

#### Membership

Councillor Adeleke  
Councillor Armytage  
Councillor Banks  
Councillor Mrs Bassadone  
Councillor Conway  
Councillor England  
Councillor P Hearn

Councillor Fethney  
Councillor Imarni (Vice-Chairman)  
Councillor Mahmood (Chairman)  
Councillor Mills  
Councillor Pringle  
Councillor W Wyatt-Lowe

#### Substitute Members:

Councillors Howard, Clark, Ransley, Tindall, Link and McLean

For further information, please contact

## **AGENDA**

### **1. MINUTES**

To confirm the minutes from the previous meeting

### **2. APOLOGIES FOR ABSENCE**

To receive any apologies for absence

### **3. DECLARATIONS OF INTEREST**

To receive any declarations of interest

A member with a disclosable pecuniary interest or a personal interest in a matter who attends a meeting of the authority at which the matter is considered -

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent

and, if the interest is a disclosable pecuniary interest, or a personal interest which is also prejudicial

- (ii) may not participate in any discussion or vote on the matter (and must withdraw to the public seating area) unless they have been granted a dispensation.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Members' Register of Interests, or is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal and prejudicial interests are defined in Part 2 of the Code of Conduct For Members

[If a member is in any doubt as to whether they have an interest which should be declared they should seek the advice of the Monitoring Officer before the start of the meeting]

### **4. PUBLIC PARTICIPATION**

An opportunity for members of the public to make statements or ask questions in accordance with the rules as to public participation

### **5. CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO CALL-IN**

#### **6. PRS UPDATE (Pages 3 - 36)**

#### **7. SUSTAINABLE TENANCIES STRATEGY (Pages 37 - 56)**

#### **8. INCOME MANAGEMENT STRATEGY (Pages 57 - 76)**

#### **9. UPDATE ON UNIVERSAL CREDITS (Pages 77 - 88)**



<b>Report for:</b>	<b>Housing and Communities Overview and Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>04 July 2018</b>
<b>Part:</b>	<b>1</b>
If Part II, reason:	

Title of report:	
Contact:	Cllr Margaret Griffiths, Portfolio Holder for Housing  Emily-Rae Maxwell, Strategy, Improvement and Engagement Team Leader
Purpose of report:	<ol style="list-style-type: none"> <li>1. To provide Members with an overview of activity undertaken by the housing service since gaining the remit of Private Sector Housing</li> <li>2. To provide Members with an overview of key legislative changes and an opportunity to comment on the proposed approach outlined in the attached policies and terms of reference</li> </ol>
Recommendations	<ol style="list-style-type: none"> <li>1. For Members to offer feedback on the update for the Private Rented Sector</li> <li>2. For Members to offer comments on the Private Sector Enforcement Policy and Houses in Multiple Occupation Policy</li> <li>3. For Members to consider how the impact of new powers and responsibilities will need to be approached and if they are adequately resourced.</li> <li>4. For Members to agree the proposed approach for the Private Sector Housing Strategy and the focus on regulating the Private Rented Sector and Houses in Multiple Occupation.</li> </ol>
Period for post policy/project review	Review of the council's performance in relation to Private Sector Housing to be undertaken 6 monthly following the introduction of the Private Sector Housing Strategy.
Corporate objectives:	The Strategic Housing Service's responsibilities and activity in relation to the Private Rented Sector contributes to the following corporate objectives:  Clean Safe and enjoyable environment

	Building Strong and vibrant communities
Implications:  'Value for money' implications	<p><u>Financial</u></p> <p>Failure to actively regulate the private rented sector could have financial implications for the council in relation to prevention of homelessness and in relation to pressures on temporary accommodation provision. Additionally undertaking enforcement action to improve the standards of the private rented sector will require sufficient staff resource and additional legal input.</p> <p><u>Value for money</u></p> <p>Any income gained from activity related to regulating the private rented sector, is ring-fenced and must be retained for expenditure within the general fund to deliver an effective private sector housing service.</p>
Risk implications	The risk register presented to members on a quarterly basis will take the new remit into consideration.
Community Impact Assessment	N/A
Health and safety Implications	N/A
Consultees:	<p>Natasha Beresford, Group Manager, Strategic Housing</p> <p>Fiona Williamson, Assistant Director Housing</p> <p>Mark Gaynor, Director Housing</p> <p>Herts and Beds Private Sector Housing Network</p> <p>Hertfordshire Fire Service</p>
Background papers:	
Glossary of acronyms and any other abbreviations used in this report:	<p>Houses in Multiple Occupation (HMO)</p> <p>Private Rented Sector (PRS)</p> <p>Full Time Equivalent (FTE)</p> <p>Housing Health and Safety Rating System (HHSRS)</p> <p>Ministry of Housing Communities and Local Government (MHCLG)</p>

## 1. Introduction

1.1. In January 2018, the housing service took on the responsibility for regulating private sector housing. The purpose of this report, is to provide members with an update on how the housing service has responded to this new remit.

The report will include a proposed approach to the change in definition for Houses in Multiple Occupation (HMO) and new enforcement powers introduced in April 2018.

## **2. Context**

2.1. On a national scale the private rented sector is the fastest growing housing tenure type, having more than doubled in size over the last decade. This growth, alongside the gradual decline of social rented stock due to policies such as the 'Right to Buy', means that private renting is increasingly becoming the primary option for addressing housing need across the country.

2.2. A recently conducted BRE Integrated Stock Model Report has identified that there are 65,289 dwellings in Dacorum, 18% of which are privately rented properties.

## **3. Remit, Staffing and Resources**

3.1. The new Private Sector Housing team currently sit under the Strategy, Improvement and Engagement Team (*see appendix 1 – structure chart*). This team is a combination of 1.5 FTE officers who moved from Environmental health, officers that previously administered the Help to Rent scheme and newly appointed officers gained through a growth bid which was approved at Full Council in February 2018.

3.2. The remit of this team is as follows;

- Regulation of the Private Rented Sector (PRS) landlords and property standards
- Licencing Houses in Multiple Occupation (HMO)
- Interventions for owner occupier properties or Registered Providers where there are Category 1 Hazards and works outstanding
- Energy Efficiency Standards and Fuel Poverty
- Prevention of illegal evictions or harassment
- Empty Properties

3.3. The remit transferred over on 22 January 2018 and the required restructures and recruitment were delivered by May 2018.

## **4. Establishing the team**

4.1. To deliver this remit a full review of the internal system FLARE has taken place. This required all standard letters, Notices and Licence templates to be reviewed. Additionally, a full suite of procedures has been established to support the team which are in the process of being programmed into FLARE.

4.2. All staff have since undergone the required specialist training to deliver this remit. This included:

- Housing Health and Safety Rating System (HHSRS)
- HMO Enforcement and Licencing
- Fire Safety
- PACE Training

## 5. Implementing Central Government Policies

5.1. A specific Private Sector Enforcement Policy and HMO Policy have been drafted (see appendix 2 - PRS Enforcement Policy and appendix 3 - HMO Policy) to account for the new legislation introduced by Central Government. This paper however will draw attention to the key changes.

### 5.2. HMO Licensing Reform

5.2.1. In December 2017, the Ministry for Housing, Communities and Local Government (MHCLG) published a response to the proposed HMO licensing reforms. The new reforms offer major revisions to the HMO legislation extending the definition of an HMO to include houses with less than three storeys. This will mean all HMOs will be required to apply for a license regardless of the number of storeys the property has. Dacorum currently has 44 licensed HMOs in the borough.

5.2.2. With this legislation set to launch in October 2018, Central Government have advised Local Authorities to prepare for a minimum increase of 350 taking the number of HMOs in Dacorum closer to 400.

5.2.3. To achieve this, all suspected HMO's are being logged and inspected by the team. The council will write to landlords of suspected HMO's informing them of the changes in definition and the requirement to apply for a licence. Failure to do so will result in enforcement action.

### 5.3. Energy Performance Rating

5.3.1. As of April 2018 all privately rented properties are required to have a minimum energy performance rating of E or above. If the rating falls into the F-G category the property will not be considered legal for letting. It is estimated that 6.7% (786 properties) of private rented properties within the Borough are below the E rating. All landlords of these properties have been contacted and advised of these changes and where to access support for energy grants.

### 5.4. Fitness for Human Habitation Bill

5.4.1. Most recently, the Homes (Fitness for Human Habitation) Bill has been going through parliament. This Bill proposes to amend the Landlord and Tenant Act 1985 to create a new duty on landlords to ensure homes are fit for human habitation at the start of tenancy and throughout. The term fitness will be amended from the nine factors e.g. repairs, water supply, freedom from damp to also include any category 1 hazard under the HHSRS. Based on our knowledge of current properties with this category of hazard, this is approximately 1,800 homes in Dacorum.

### 5.5. Housing and Planning Act 2016

5.5.1. Since April 2018, several new powers have been introduced. These include:

- Extension of Rent Repayment Orders

- Banning Orders
- Civil Penalties

(see appendix 2 - PRS Enforcement Policy for full details)

5.5.2. Additionally, the MHCLG launched the rogue landlord database. This requires DBC to input the details of any landlord or managing agent that we issue a banning order against onto a national database. This database can be accessed by all Local Housing Authorities.

5.5.3. Under section 30 of the Housing and Planning Act 2016, we can also input the details of landlords or managing agents who receive two civil penalties within a 12-month period. While this is discretionary, we are committed to tackling rogue landlords and believe that where two civil penalties have been issued within 12 months, it is appropriate to use this power.

## **6. Enforcement**

- 6.1. Historically there has been limited enforcement action taken by DBC to regulate the private rented sector (see appendix 4 – breakdown of enforcement action.)
- 6.2. At present DBC has two Management Orders on properties which are set to expire in 2019 and 2020.
- 6.3. To establish a more robust approach to enforcement, a PRS enforcement panel is being established. The purpose of this panel will be to review cases where the landlord has failed to meet the requirements set out in either a Prohibition Notice, or Improvement Notice or there has been a breach in the HMO licence (see appendix 5 – PRS Enforcement Panel Terms of Reference).
- 6.4. It is important to note that HMO licence costs and income generated through enforcement action such as Civil Penalties is ring fenced for investment back into the service area.

## **7. Private Sector Housing Strategy**

- 7.1. To support the Private Sector Housing team to establish a clear direction the service has committed to developing a Private Sector Housing Strategy. This will be developed in partnership with landlords, tenants, letting agents and other professional partners.
- 7.2. The strategy will concentrate predominately on regulation of the Private Rented Sector and HMO's. Whilst empty homes remain a core part of the team's remit at present the resource required to undertake an Empty Dwelling Management Order is limited. Additionally, with the introduction of new powers for tackling rogue landlords and HMO definition, the team will be required to focus on delivering this throughout the period of this strategy.
- 7.3. A copy of the strategy for consultation will be presented to Members in November 2018.

## **8. Wider context for Private Sector Housing**

- 8.1. The current strategy for Preventing and Tackling Homelessness includes a commitment to improving access, security and stability in the private rented sector.
- 8.2. One of the biggest barriers to accessing the private rented sector is the reluctance of many landlords to take on a tenant who is in receipt of housing benefit payments. This is likely to increase as Universal Credit continues to roll out across the borough. This has a knock on effect for the Homelessness team's ability to provide Personalised Housing Plans in line with the Homelessness Reduction Act 2017 as it significantly reduces options.
- 8.3. Across all property sizes within the private rented sector of Dacorum, the Local Housing Allowance rate falls below the rent level by between 15 – 25%. This means that low income households who rely on housing benefit to pay their housing costs are having to top up their rent payments with other benefits, Discretionary Housing Payments (DHP) or alternative forms of income.
- 8.4. A further barrier for tenants looking to rent a private sector property is often the initial deposit and other related costs required in order to secure it. On average, prospective tenants are required to pay between 4 – 6 weeks rent as a tenancy deposit as well as the first 1 – 2 month's rent upfront. If the tenant has gone through a letting agent in order to find accommodation, letting agent fees of between £250 - £450 will also be expected.
- 8.5. Tenants wishing to rent 1-bedroom accommodation in Dacorum will have to pay approximately £2000 - £2500 before they move in to the property. This becomes a particular issue when tenants are required to move between private rented properties, as often their previously paid deposit (which, as long as there were no property damages or tenancy issues, they are due back) is still held by their former landlord, therefore making it difficult for them to pay the required deposit on any new property.
- 8.6. The proposed Tenants Fees Bill is now going through parliament. This calls for a ban on letting agent fees.

## **9. Fees and Charges**

- 9.1. Due to the increase in workload for the team, it has been proposed that the council revisit the agreed fees and charges linked to the regulation of the PRS. This includes HMO licence fees and notices.
- 9.2. The team will be working with finance to explore the breakdown of costs and will present findings to Cabinet.

## **10. Conclusion**

- 10.1. This report has provided members with an overview of the PRS and changes to the council corporate structure which led to Strategic Housing taking over the delivery of this service. It includes an update on the progress of the team which has since been set up.
- 10.2. This report also draws members' attention to key legislative changes which the team are required to meet over the next year. Both a change in

HMO definition and new powers to tackle rogue landlords will be a priority for the council.

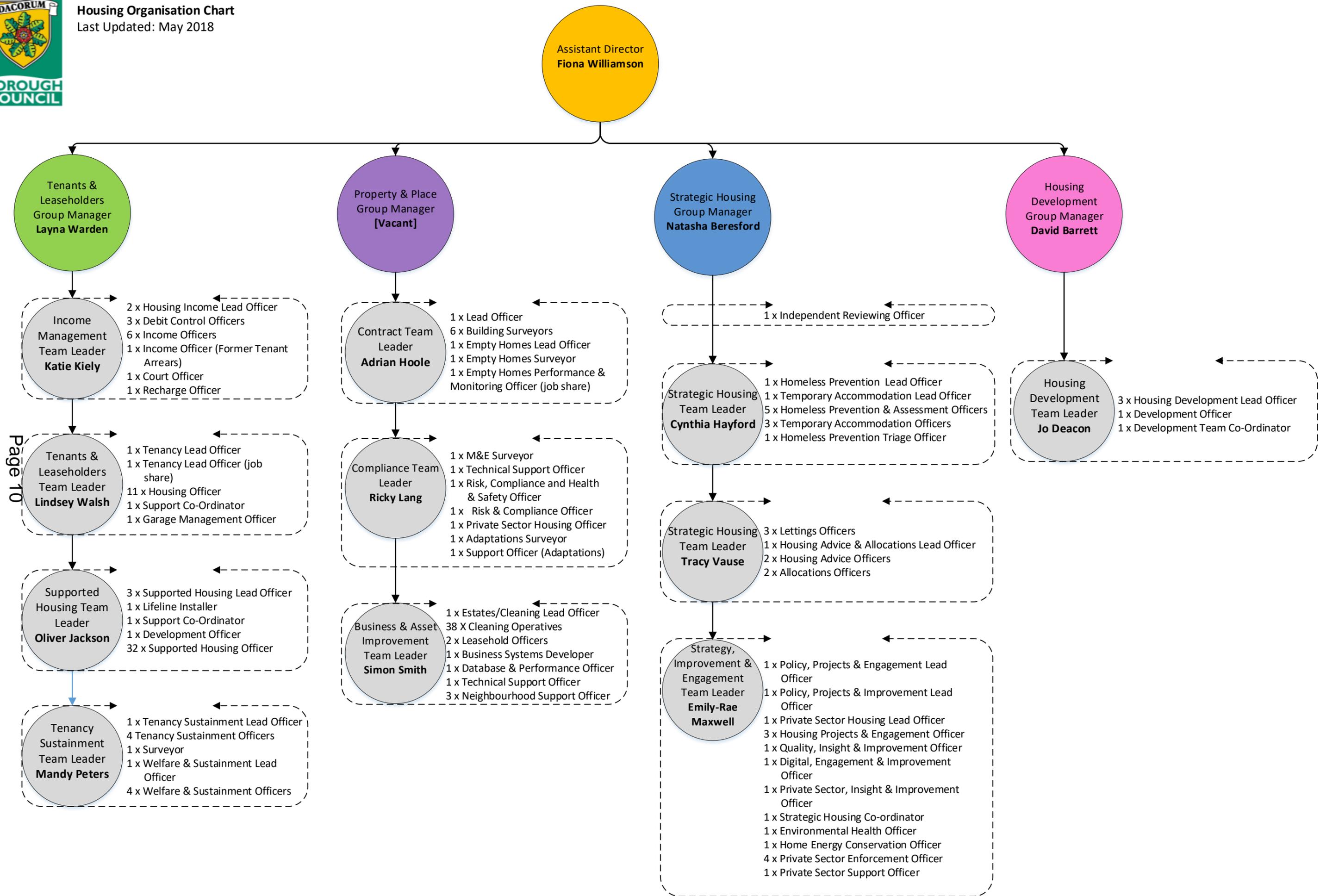
10.3. Through the drafted PRS Enforcement Policy and HMO Policy the service sets out a proposal for regulating the PRS. These draft documents offer members an opportunity to shape the approach taken.

10.4. Finally, the report informs members of the work that is on-going to review fees and charges and ensure they appropriately reflect the demand on the service so costs are covered by landlords.



# Housing Organisation Chart

Last Updated: May 2018





# Private Rented Sector (PRS) Enforcement Policy

Last reviewed April 2018

# 1.0 Private Sector Housing Enforcement Policy

This policy is managed and adhered to by the housing service. This policy will be reviewed on a regular basis.

## Contents

### 1.0 Policy overview

- 1.1 Introduction
- 1.2 Aim(s) of the policy
- 1.3 Links to the Council's corporate aims
- 1.4 Equality and diversity
- 1.5 Policy statement

### 2.0 PRS Enforcement Policy detail

- 2.1 Powers to investigate
- 2.2 Determining the need for enforcement action
- 2.3 Enforcement action options
  - 2.3.1 No action
  - 2.3.2 Informal action
  - 2.3.3 Statutory action
  - 2.3.4 Works in default
  - 2.3.5 Conditional, varied or removal of licence
  - 2.3.6 Caution issued
  - 2.3.7 Management order
  - 2.3.8 Civil penalties
  - 2.3.9 Banning order
  - 2.3.10 Rent repayment order
  - 2.3.11 Prosecution
  - 2.3.12 Injunction

### 3.0 Links to other corporate strategies and policies

### 4.0 Legislation

## 1.1 Introduction

Dacorum Borough Council (DBC) is committed to ensuring that all Dacorum residents living in the private rented sector live in homes that are safe and meet the required standards.

We recognise most landlords want to be compliant and provide a good standard of home to their tenants. This policy sets out how we will take appropriate action using powers outlined in relevant legislation (i.e. Housing Act 2004 and more specifically the Health and Safety Rating System [HHSRS]) to tackle 'rogue landlords' that have a clear disregard for their responsibilities and the safety of their tenants.

This policy defines enforcement as any action taken by the Private Sector Housing Team. This is not limited to formal enforcement action such as notices, civil penalties or banning order. It also includes offering advice or undertaking an initial investigation of a complaint.

This policy covers all types of property in the Private Rented Sector, it does not however include empty homes. It will make reference to owner occupiers.

## 1.2 Aim(s) of the policy:

The aims of this policy are to:

- Outline a range of enforcement options available to the Private Sector Housing Team;
- Ensure a fair, reasonable and consistent approach to enforcement is used in accordance with all appropriate guidelines and legislation; and
- Provide tenants and landlords with an overview of the consequences of enforcement action.

## 1.3 Links to Council's corporate aims:

This policy supports the council's corporate priorities which are set out in ['Delivering for Dacorum – Corporate Plan 2015-2020'](#).

## 1.4 Equality and diversity

The council is committed to promoting equality of opportunity in housing services and has procedures in place to ensure that all Applicants and Tenants are treated fairly and without unlawful discrimination.

## 1.5 Policy Statement(s)

All landlords in Dacorum are required to take responsibility for managing their properties so their tenants live in good conditions and feel safe and secure in their home.

All complaints received will be fully investigated before action is taken.

We will take action against landlords that do not effectively maintain their properties or cause unnecessary upset for their tenants.

We will use a range of powers delegated to the council to achieve a positive outcome for tenants living in poor conditions.

We will ensure all officers are competent and have a thorough understanding of current and upcoming legislation so any action taken by the council against landlords is informed.

Where required we will also use powers to maintain the safety of owner occupiers.

# 2.0 Private rented sector enforcement policy detail

## 2.1 Powers to investigate

We will fully investigate all complaints and requests we receive using relevant powers to gather information and gain access to properties where necessary. Investigations will be undertaken by officers who will determine whether enforcement action is required.

As part of our investigations, in line with section 265 of the Housing Act 2004, we may request documentation to be produced in order to:

- Identify whether any offence has been committed under Parts 1-4 of the Housing Act 2004; or
- Support our functions as a local authority under Parts 1-4 of the Housing Act 2004.

So that we can determine details of anyone with an interest in the property being investigated (e.g. occupier, mortgagee, lessee or someone who is directly or indirectly receiving rent payments), a Requisition for Information may be served under section 16 of the Local Government (Miscellaneous Provisions) Act 1976.

A response to such notice must be provided within 14 days. Failing this, or deliberately providing false information, could result in a fine.

In line with section 237 of the Housing Act 2004, we will also liaise with Housing Benefit and Council Tax departments where appropriate, to gather information which will support our investigations.

Where required, we will carry out inspections of the property in question. Under Section 239 of the Housing Act 2004, authorised officers have a power of entry to properties at any reasonable time to carry out an inspection. At least 24 hours' notice will be given to owners (if known) and occupiers (if any) ahead of a property inspection unless in the case of an emergency, or where there is imminent risk to the health and wellbeing of persons using the premises.

We are not required to give notice of entry if we are seeking to determine whether an offence has been committed under sections 72 (offences in relation to licensing of HMOs), 95 (offences in relation to licensing of houses) or Section 234 (offences in relation to HMO management regulations).

If admission is refused, premises are unoccupied or prior warning of entry is likely to defeat the purpose of the entry, then we can apply for a warrant to be granted by a Justice of the Peace.

This warrant will include a power to enter by force, if necessary.

Following an inspection, a written response may be provided, usually in the form of a letter. It will include information on:

- what legislation is contravened
- what works are required and why
- wherever possible agreed timescales
- the nature of the enforcement action the authority may take in the future.

All investigations we carry out into alleged breaches will follow best professional practice and meet all necessary requirements of relevant legislation (as listed in 4.0).

## 2.2 Determining the need for enforcement action

All enforcement action taken will be both proportionate and reasonable. When deciding the type of action required, we will consider:

- The seriousness of the deficiencies identified in the property;
- The past history of compliance;
- The confidence in management and the degree of willfulness involved;
- The consequences of non-compliance;
- The existence of statutory duties or discretionary powers; and
- The likely effectiveness of the various enforcement options.

When deciding the appropriate action, we will also consider the views of the tenants and landlord, as well as any relevant partners e.g. the Fire Service.

# 2.0 Private rented sector enforcement policy detail

Depending on the outcome of these consideration we may choose from a range of enforcement options, including:

- take no action;
- take informal action;
- take statutory action, e.g. service of Statutory Notices;
- carry out works in default;
- issue licences with conditions, remove licences or vary licence conditions;
- issue a caution;
- management orders;
- civil penalties;
- banning orders;
- rent repayment orders
- prosecute; or
- seek an injunction.

Investigative cases (and any enforcement action as a result) are regularly reviewed by senior officers to ensure a consistent approach in deciding the appropriate enforcement action to be carried out.

## 2.3 Enforcement action options

### 2.3.1 Take no action

Where an officer has investigated a complaint and no breach of legislation or concerns are identified, no action will be taken.

### 2.3.2 Informal action

Informal action that is either verbal advice, requests or warnings, or letters and inspection reports can be used when:

- concerns identified are not considered a serious risk;
- there is not a significant risk to the safety or health of the occupant or others as a result of the property;
- informal action will be more effective and/or quicker than formal action; or
- there is confidence in the Manager/owner or there is evidence they have previously responded well to advice and guidance from the team.

In the case of informal action, where the level of risk is not high and the landlord or managing agent is willing to work with the team, we will allow a reasonable timeframe for recommended works to be carried out. If works are not carried out in this time, the level of enforcement will increase.

### 2.3.3 Statutory action

If a property has a category 1 hazard under the HHSRS, we are legally required to take enforcement action.

In these cases, enforcement action may take the form of:

- an Improvement Notice (including suspended Notices);
- a Prohibition Order (including Suspended Orders);
- a Hazard Awareness Notice;
- emergency remedial action;
- an Emergency Prohibition Order;
- a Demolition Order; or
- declaration of a Clearance Area.

Any Orders undertaken or Notices served will be accompanied by a statement of reasons under section 8 of the Housing Act 2004. All Notices issued will include timescales that are reasonable and comply with statutory legislation.

We will maintain contact with the landlord or managing agent throughout the duration of the Notice to ensure any requirements are complied with.

Landlords and managing agents can request an extension by contacting the officer who served the Notice and outlining the reasons why an extension is required. This will be considered by the Management Team who will approve or reject extensions. The outcome of this decision will be given to the landlord or managing agent in writing within 7 days of the request.

If a Notice is not complied with, we will escalate the level of enforcement.

# 2.0 Private rented sector enforcement policy detail

## 2.3.4 Works in default

If a landlord refuses or fails to carry out repairs following a Notice, we will carry out works in default.

In most circumstances, a person will be given notice of our intention to carry out works in default. Where we are required to do this, the landlord will be charged for the repairs, administration cost and the time of the officers involved.

It is an offence for any person to obstruct the Council or any of the contractors or agents that have been employed to carry out the works.

## 2.3.5 Variation and revocation of a licence

We will vary a licence where it considers that there has been a change of circumstances since the licence was granted. A licence will be revoked following a change in ownership; death of the licence holder or by agreement with the licence holder if the property is no longer licensable.

We will revoke a licence if the licence holder or manager is no longer deemed to be a fit and proper person.

## 2.3.6 Simple Caution

Officers may use Simple Cautions where someone has committed a less serious crime. Simple Cautions warn people that their behaviour has been unacceptable and makes them aware of the legal consequences should they commit further offences. Simple cautions can only be issued where:

- there is evidence an offender is guilty
- the offender is eighteen years of age or over
- the offender admits they committed the crime
- the offender agrees to be given a caution

If the offender does not agree to receive a caution, then they are likely to be prosecuted instead.

Simple cautions will not be used where there is history of offending within the last 2 years or where the same type of offence has been committed before.

Cases will be presented by the case officer to **the Head of Legal Services /Private Sector Enforcement Panel for authority to issue a Simple Caution. The Cautioning Officer will be the Solicitor to the Council, who is the Head of Legal Services and the cautioning procedure in the Ministry of Justice guidance will be followed.**

**Where appropriate the issue of a simple caution will be notified to a home authority, originating authority, lead authority or primary authority.**

**If an offender refuses to accept a formal caution, the delegated officer will refer the matter to the Head of Legal who may pursue a prosecution, taking into account the relevant guidance and the Council's Constitution.**

## 2.3.7 Management orders

Under Part 4 of the Housing Act 2004 we will take over the management of privately rented property through a management order in certain circumstances (where a privately rented property is unlicensed/no suitable licence holder can be found).

Section 26 and Schedule 3 of the Housing and Planning Act 2016 allows us to also make a management order in circumstances where a banning order has been made and where a privately rented property is being let in breach of a banning order (see section 2.3.9)

## 2.3.8 Civil Penalties

Civil Penalties are a financial penalty we can impose under the Housing Act 2004 and the Housing and Planning Act 2016 (section 23, 126 and schedule 9), as an alternative to prosecution. In Dacorum, Civil Penalties will be used for the following:

- Failure to comply with an Improvement Notice (section 30 of the Housing Act 2004);
- Offences in relation to licensing of Houses in Multiple Occupation (section 72 of the Housing Act 2004);
- Offences in relation to licensing of houses under Part 3 of the Act (section 95 of the Housing Act 2004);
- Offences of contravention of an overcrowding notice (section 139 of the Housing Act 2004); and

# 2.0 Private rented sector enforcement policy detail

- Failure to comply with management regulations in respect of Houses in Multiple Occupation (section 234 of the Housing Act 2004).

The Private Sector Housing Management Team will work with the dedicated Environmental Health Officer to review cases and determine the level of Civil Penalty. The amount decided can range up to a maximum of £30,000.

Factors that will contribute to the level of Civil Penalty imposed include:

- The severity of the case and the harm caused to the tenant or others as a result of the property;
- Any previous enforcement action taken against the landlord or managing agent, including evidence of previously failing to comply;
- The level of punishment required to deter the landlord or managing agent from failing to take responsibility for their tenants and properties in the future; and
- Any financial gain acquired by the landlord or managing agent as a result of their failings.

We will also use powers to assess a landlord's assets and any income they receive (not just rental income) when determining an appropriate penalty.

Landlords cannot be prosecuted for the same offence if we have already issued a Civil Penalty. Additionally, we cannot issue a Civil Penalty if we are already in the process of prosecuting a landlord.

We will issue a Civil Penalty for each individual breach of the management regulations for Houses in Multiple Occupation.

## 2.3.9 Banning orders

A banning order is an order by the First-tier Tribunal that bans a landlord from:

- Letting houses in England; and
- Engaging in letting agency or property management work in England.

We will use banning orders in cases where we believe an individual is high risk as a practicing landlord (based on evidence that has occurred after April 2018).

A banning order will be issued for a minimum of 12 months, but there is currently no maximum amount of time a banning order can be in place for. When applying for a banning order we will consider the level of harm or risk created by the landlord's actions and use this to make a recommendation to the first tier tribunal for the length of time a banning order should be in place.

## 2.3.10 Rent repayment orders

Under the Housing Act 2004 rent repayment orders can be utilised when the landlord of a property has failed to obtain a licence for a property that was required to be licensed, specifically offences in relation to licensing of Houses in Multiple Occupation (section 72(1)) and offences in relation to licensing of houses under Part 3 of the Act (section 95(1)).

Section 41 of the Housing and Planning Act 2016 extended the use of rent repayment orders meaning we can now also apply for a rent repayment order for the following:

- Failure to comply with an Improvement Notice under section 30 of the Housing Act 2004;
- Failure to comply with a Prohibition Order under section 32 of the Housing Act 2004;
- Breach of a banning order made under section 21 of the Housing and Planning Act 2016;
- Using violence to secure entry to a property under section 6 of the Criminal Law Act 1977; and
- Illegal eviction or harassment of the occupiers of a property under section 1 of the Protection from Eviction Act 1977.

It is important to note that tenants also have the right to apply for a rent repayment order.

Any rent paid following a rent repayment order will be returned to either the tenant (if rent was paid directly by them) or the council, (if rent was covered by Housing Benefit / Universal Credit). Where there is a split of benefit payment and personal income this will be split accordingly.

# 2.0 Private rented sector enforcement policy detail

When pursuing a rent repayment order, we will do this on behalf of both the council and the tenants rather than tenants being required to use this power and make a separate application.

When a landlord commits the following:

- Failure to comply with an Improvement Notice (section 30);
- Offences in relation to licensing of Houses in Multiple Occupation (section 72(1));
- Offences in relation to licensing of houses under Part 3 of the Act (section 95 (1))

We can also issue a civil penalty notice (see section 2.3.8).

When applying for a rent repayment order we will:

- Inform the landlord that the local housing authority is proposing to apply for a rent repayment order and explain why;
- State the amount that the local housing authority is seeking to recover;
- Invite the landlord to make representations within a period specified in the notice which must be at least 28 days.

## 2.3.11 Prosecution

Where a local housing authority decides to prosecute when a landlord has committed breaches in more than one local housing authority area, it should consider the scope for working together with other local housing authorities.

A prosecution will only take place where it is in the public interest and where there is sufficient evidence to support that course of action. In a case where there is sufficient evidence to warrant a prosecution but the public interest would not benefit from such a course of action, then a Simple Caution may be used as an alternative (see section 2.3.6).

Any decision to prosecute will initially be considered by the Private Sector Enforcement Panel. The panel will consider any mitigating reasons to not pursue prosecution, such as;

- Any reasonable explanation provided by the individual or company.
- Evidence that the individual or company intends to prevent a recurrence of the problem
- An individual's age and state of health
- The offender's attitude to the offence

If prosecution is deemed appropriate, then the case will be fully prepared and referred to the Legal Team for consideration. All prosecutions will be brought without unavoidable delay and generally there is a requirement to lay information with the Courts within six months of the identified date that the offence was committed.

## 2.3.12 Injunction

We may ask to issue an injunction against a landlord to prevent certain actions, activities or threats being carried out.

## 2.4 Community Safety and Landlord Responsibility

Landlords in Dacorum may be asked to attend a multi-agency meeting with service such as the police or social care if we consider there to be a risk to their tenants. Meetings will be requested in writing by the Private Sector Housing Team on behalf of the community safety partnership.

## 2.5 Rogue Landlord Database

From 01 April 2018, the Housing and Planning Act 2016 requires us to input the details of any landlord or managing agent that we issue a banning order against onto a national database. This database can be accessed by all Local Housing Authorities.

Under section 30 of the Housing and Planning Act 2016, we can also input the details of landlords or managing agents who receive two civil penalties within a 12-month period. While this is discretionary, we are committed to tackling rogue landlords and believe that where two civil penalties have been issued within 12 months, it is appropriate to use this power.

# 2.0 Private rented sector enforcement policy detail

## 2.6 Owner Occupiers

There may be occasions we are required to intervene and use powers on owner occupiers. This will be administered largely through Hazard Awareness Notices.

However, the use of Improvement Notices, Prohibition Notices and their emergency equivalents will be considered in cases involving:

- Vulnerable elderly people who are judged incapable of making informed decisions about their own welfare
- Vulnerable individuals who require the intervention of the Council to ensure their welfare is best protected
- Hazards that might reasonably affect persons other than the occupants
- Serious risk of life-threatening harm such as electrocution or fire

## 2.7 Registered Providers

We expect Registered Providers (RP) to ensure their homes are the required standard. If these are not completed tenants will be advised to use the in house complaints process or contact the Housing Ombudsman Service.

If the RP does not take appropriate action or we have concerns for the safety of the tenant, we can intervene and take action.

## 2.8 Staff competency

This policy is administered by a dedicated Private Sector Housing Team. All officers in the team are authorized to enforce delegated powers on behalf of the Council.

The competency of officers to regulate the private rented sector through investigation and enforcement is maintained by completion of mandatory training and any relevant qualifications.

## 2.9 Exceptions to policy

While we are committed to working with tenants and landlords, the following situations may impact our involvement and ability to use enforcement powers:

- where the tenant(s) unreasonably refuses access to the landlord, managing agent or landlord's builder, to arrange or carry out works

- where the tenant(s) have, in the opinion of the Council, clearly caused the damage to the property they are complaining about, and there are no other items of disrepair
- where the tenant(s) have requested a service and then failed to keep an appointment and not responded to a follow up letter or appointment card
- where the tenant(s) have been aggressive, threatening, verbally or physically abusive towards officers
- where the complaint is found to be trivial or has no reasonable justification on visiting the property
- where the tenant unreasonably refuses to provide the Council with relevant documentation

## 2.10 Appeals

Where a statutory notice/order is served, or a licensing decision is made, the method of appealing the decision will be included within the documentation provided. This will include the full postal address and contact information for the relevant appeal body and the relevant time period to submit an appeal.

To reduce the potential for unnecessary appeals, clear reasons will be given, wherever possible, to a person against whom enforcement action is being taken.

## 2.0 Private rented sector enforcement policy detail

### 2.11 Publicising Outcomes

Verdicts and sentences in criminal cases are given out in open court and are a matter of public record. Evidence suggests that the public wants to know about the outcomes of local court cases. This information is also a legitimate way of engaging communities and making criminal justice services more transparent and accountable.

We may publicise the outcomes of criminal cases and basic personal information about the convicted offender, in accordance with guidance issued by the Criminal Justice System (Publicising Sentencing Outcome, CJS, 2011).

We will publicise action taken with the aim to:

- Reassure the public;
- Increase trust and confidence in the criminal justice system;
- Improve the effectiveness of the criminal justice system, and
- Discourage offending and/or re-offending.

### 3.0 Links to other corporate documents

This policy links to and should be read in conjunction with the following policies and strategies:

- 

### 4.0 Legislation

The legislation listed below will be taken into consideration when implementing this policy:

- Housing Act 2004
- The Human Rights Act 1998
- The Equality Act 2010
- The Regulation of Investigatory Powers Act 2000
- The Police and Criminal Evidence Act 1984 – Codes of Practice
- Enforcement Guidance issued under section 9 of the Housing Act 2004
- The Criminal Procedures and Investigations Act 1996
- The Legislative and Regulatory Reform Act 2006
- The Code for Crown Prosecutors
- The Enforcement Concordat



# Houses in Multiple Occupation Policy

Last reviewed April 2018

# 1.0 Houses in Multiple Occupation policy overview

This policy is managed and adhered to by the housing service. This policy will be reviewed on a regular basis.

## Contents

### Policy overview

- 1.1 Introduction
- 1.2 Aim(s) of the policy
- 1.3 Links to the Council's corporate aims
- 1.4 Equality and diversity
- 1.5 Policy statement

### 2.0 HMO Policy detail

- 2.1 Identifying HMO's
- 2.2 Licensing HMO's
- 2.3 Maintaining standards
- 2.4 Promoting standards
- 2.5 Action against HMO landlords
- 2.6 Action against HMO tenants

### 3.0 Links to other corporate strategies and policies

### 4.0 Legislation

## 1.1 Introduction

Dacorum Borough Council (DBC) is committed to working with landlords and private tenants so Houses in Multiple Occupation (HMO) are safe places to live. This policy sets out the council's approach to enforcing HMO standards.

From October 2018, the law around HMO licensing is changing. Local authorities will be required to licence any HMO housing five people or more covering two or more households, regardless of number of storeys in the property (DBC have previously only licensed HMO's of three storeys or more).

People who are not related to each other by blood, marriage or in an equivalent relationship (in the case of persons of the same sex) will be considered as separate households.

DBC will be adopting the new licensing requirements early in order to support the council and landlords to effectively prepare for October 2018.

## 1.2 Aim(s) of the policy:

The aims of this policy are to;

- Reinforce the expected standards of all HMO's operating in Dacorum
- Outline our approach to regulating HMO's, including enforcement action

## 1.3 Links to Council's corporate aims:

This policy supports the council's corporate priorities which are set out in ['Delivering for Dacorum – Corporate Plan 2015-2020'](#).

## 1.4 Equality and diversity

The council is committed to promoting equality of opportunity in housing services and has procedures in place to ensure that all Applicants and Tenants are treated fairly and without unlawful discrimination.

## 1.5 Policy Statement(s)

We will be proactive in our use of delegated powers to identify HMO's.

Ensure all HMO's are appropriately licenced and managed by a person that is considered to be fit and proper to fulfil the duties of a landlord.

Work with landlords and managing agents to maintain the required standards for HMO's so that properties prioritise the health and safety of tenants.

Take appropriate and proportionate action against tenants and landlords to maintain these standards.

# 2.0 HMO Policy Detail

## 2.1 Identifying HMO's

Dacorum currently licences approximately 40 HMO's. Under the new requirements, we expect this to rise to over 400.

We will take a proactive approach to identifying HMO's in Dacorum, using a range of methods so that we can ensure appropriate licences are in place.

Other DBC teams, such as: homelessness prevention, the housing register, council tax and electoral registration collect and hold information which allow us to identify the number of people living in a property. This can then be used as an indicator for the Private Rented Sector (PRS) Team to identify suspected HMO's.

As a local authority, we require our partners, local letting agents and voluntary sector organizations to report suspected HMO's so that we can investigate and ensure licences are in place where appropriate.

Tenants living in a property of five or more people are encouraged to contact the Private Sector Housing Team if there is no visible licence displayed in their home. Although we understand that some tenants may not want to report their landlord, either through fear of a revenge eviction or because they are able to pay lower rents as a result of compromised conditions, it is essential that all HMO's are licenced in order to ensure the safety of people living in or visiting the property. The PRS Team will investigate any suspected HMO's operating in the Dacorum area, and will undertake a variety of actions,

such as door-knocking, desktop reviews and contacting the landlord in order to obtain further information. All details of activity and communication with landlords is recorded. Where an unlicenced HMO is identified, action will be taken to ensure the landlord applies for and adheres to the requirements set out within the license.

## 2.2 Licensing HMO's

Licensing a HMO is the landlord's responsibility. Most landlords seek to maintain homes for their tenants that are safe and will proactively apply for or renew their HMO license. There is, however, a minority group of 'rogue landlords' who may try and avoid applying for a licence.

Where a rogue landlord and/or unlicenced HMO is identified, we maintain statutory powers to intervene. This means that we can ensure all operating HMO's are licenced and meet the required standards.

Landlords will be subject to a fit and proper person check. Any landlord that has received a banning order will not be granted a licence. In these cases, landlords cannot transfer the responsibility for the HMO to a 'prohibited person'.

A prohibited person is:

- a person associated with the landlord (including family members, spouses and civil partners)<sup>12</sup>;
- a business partner of the landlord<sup>13</sup>;
- a person associated with the business partner of the landlord;
- a business partner of a person associated with the landlord;

- a body corporate of which the landlord or a person mentioned above is an officer;
- a body corporate in which the landlord has a shareholding or other financial interest; or
- in the case where a landlord is a body corporate, anybody corporate that has an officer in common with the landlord.

A HMO licence lasts for a maximum of five years. We are required to ensure that any fees set are reasonable and proportionate. To ensure this, we undertake an annual benchmarking exercise against 12 local authorities across Hertfordshire and Bedfordshire. Dacorum fees are then set up to the average amount charged across these local authorities. The list of fees charged by Dacorum Borough Council can be found on our [website](#).

Landlords who apply for a licence as a result of action undertaken by the Private Sector Housing Team will be required to pay a higher fee.

As part of the application process, the landlord is required to provide a Fire Risk Assessment and Floor Plan of the property (this service can be provided at a charge by DBC's Environmental Health Officer). Conditions will be placed on licences without these documents or if:

- the HMO is considered unsuitable for the number of occupiers;
- the number of facilities do not meet the requirements such as toilets, bathrooms and cooking facilities; or
- the landlord or managing agent is not deemed suitable under the 'fit and proper test'.

In cases where work needs to be undertaken to the property, licenses may be granted with conditions and an associated time frame allocated for completion.

## 2.0 HMO Policy detail continued

### 2.3 Maintaining standards

Maintaining the right standards in HMO's is essential to reducing the risk of fire and avoiding people living in overcrowded and/or unsafe conditions. We are responsible for taking action against landlords or managing agents who do not meet the requirements set out in the Housing (Management of Houses in Multiple Occupation) regulations 2006.

As set out in these requirements, we expect all landlords to clearly display their license along with their name and contact information.

All fire escape routes must be kept clear. It is essential that all tenants in a HMO can get out of the property without coming into contact with high risk areas such as the kitchen. Fire safety measures (e.g. fire doors, smoke alarms and heat detectors) must be installed and maintained regularly.

It is the landlord's responsibility to ensure tenants can access a clean water supply at all times. Drainage must be able to sustain and adequately dispose of water waste.

All HMO's must have a safe and consistent supply of electricity and gas. Tenants are encouraged to report any issues with their gas or electricity to their landlord as soon as possible.

In the event of an emergency or where clean water, electricity or gas is not available for 24 hours or longer, the landlord is required to find alternative accommodation for all effected tenants whilst repairs are undertaken. If a landlord cannot be contacted, we will support the tenant to ensure they have alternative temporary accommodation. In this event, landlords can be charged for any associated costs.

Maintenance of communal areas such as hallways, staircases and kitchens are also the responsibility of the landlord. These areas should be kept in good condition. This includes any furniture supplied by the landlord. Action can be taken by the landlord if communal facilities or furniture is damaged by tenants. The landlord is also within their rights to ask tenants to remove any personal items if they are obstructing escape routes.

Irrespective of any ongoing issues with tenants in a property, any necessary repairs must be carried out when required to

- the structure and exterior of the property e.g. drains, guttering and external pipes, windows and external doors;
- basins, sinks, baths, toilets and pipework; and
- water and gas pipes, electrical wiring, water tanks, boilers /all forms of heating.

If repairs to these areas are not completed, this would be considered a breach of license.

Although not considered essential for rooms individually let within a HMO, a valid energy performance certificate (EPC) does need to be provided to each tenant in order for landlords to serve a valid section 21 notice

Our Home Energy Conservation Officer can provide support and advice to all landlords on improving the energy rating of their property. Investment in insulation helps landlords to protect their property and keep bills down for tenants.

### 2.4 Promoting standards

We will work with landlords, management companies and local letting agents to promote the required standards for HMO's.

Through our partnership with the National Landlords Association we support local landlords to become accredited and complete training so they are able to make informed decisions regarding their property.

We make sure to communicate key messages such as legislative changes that can impact private tenants and their landlords widely, alongside any support the council is able to offer.

The Private Sector Housing Team can offer advice and guidance on issues HMO landlords are experiencing and, where required, signpost to further services that can help

## 2.0 HMO Policy detail continued

In this instance, any notices served will carry an additional charge to the landlord for the cost of the inspection and service of the notice. This is in addition to the cost of the repairs required. If the fees are not recovered within the allocated time frame, then the cost of these additional charges will be registered as a local land charge against your property until the full amount has been repaid.

Charges will be made for the following actions:

- serving an improvement notice under section 11 or 12 of the Housing Act 2004
- making a prohibition order under section 20 or 21 of the Housing Act 2004
- serving a hazard awareness notice under section 28 or 29 of the Housing Act 2004
- taking emergency remedial action under section 40 of the Housing Act 2004
- making an emergency prohibition order under section 43 or
- making a demolition order under section 265 of the Housing Act 1985
- carrying out a review under section 17 (review of suspended improvement notices) or
- section 26 (review of suspended prohibition orders) or
- serving copies of the Council's decision on such a review

Where the council is concerned for the welfare of tenants living in a HMO and the landlord is not being responsive, we will use powers granted by the Housing Act 2004 to issue either an interim or final management order. Additionally, any illegal evictions or harassment towards tenants will also be dealt with by the council (see the Private Rented Sector Enforcement Policy for more

## 5.2 Action against tenants

Due to the type of housing officered by a HMO, there is an increased risk that issues may arise between tenants from different households living in the same property. Landlords are responsible for ensuring that the behaviour of their tenants does not impact neighbours or the wider community.

When this happens it is often a breach in the tenancy agreement and the landlord can choose to evict the tenant. There are, however, circumstances where the council can support landlords to reach an effective solution or take action on their behalf.

Examples include:

- Noise complaints;
- Hoarding;
- Rooms that have become filthy and verminous; and/or
- Anti-Social Behaviour.

In the event of these cases, landlords should contact the Private Sector Housing Team in the first instance. Where there is welfare or safeguarding concerns for a tenant, we are required to contact other professionals e.g. adult social care.

When reports are from a neighbour or other tenant, the team will contact the landlord to agree actions that need to be taken to resolve any issues.

The landlord is able to serve a valid section 21 notice to evict tenants who are causing issues or breaching their tenancy agreement.

## 2.5 Action against HMO landlords

In order to ensure HMO's are a safe place for Dacorum residents to live the council, with powers granted by the Housing Act 2004, will undertake enforcement action against landlords where necessary

Unless it is an emergency (e.g. electrical hazard, raw sewage etc.) landlords will receive a minimum notice of 24 hours prior to any visits undertaken by the council and can choose whether or not to attend.

Where conditions do not meet the necessary standards, we will utilise the Housing Health and Safety Rating System (HHSRS) to identify issues and assess the level of risk to the tenants.

Landlords will be notified of any hazards identified and given the opportunity to rectify them. Where work is not undertaken within the agreed timeframe, we will serve an improvement notice or a prohibition order to ensure works are completed in the required time frame.

### 3.0

## Links to other corporate documents

### 4.0

## Legislation

This policy links to and should be read in conjunction with the following policies and strategies:

- 

The legislation listed below will be taken into consideration when implementing this policy:

- Housing Act 2004

Breakdown of Enforcement Action taken by DBC

**Dacorum**

The number of complaints received per year for House of Multiple Occupancy (HMO) in the Private Rented Housing sector.

2012/13	13
2013/14	31
2014/15	23
2015/16	23
2016/17	14
2017/18	28

The number of HHSRS inspections carried out per year for HMOs.

2012/13	2
2013/14	1
2014/15	2
2015/16	3
2016/17	0
2017/18	2

The number of formal enforcement notices served for HMOs: Hazard Awareness Notices.

2012/13	0
2013/14	0
2014/15	0
2015/16	0
2016/17	0
2017/18	0

The number of formal enforcement notices served for HMOs: Improvement Notices (Category 1 and 2 Hazards).

2012/13	1
2013/14	0
2014/15	1
2015/16	0
2016/17	0
2017/18	1

The number of formal enforcement notices served for HMOs: Prohibition Orders.

2012/13	0
2013/14	0
2014/15	0
2015/16	0
2016/17	0
2017/18	0

Breakdown of Enforcement Action taken by DBC

RH NOTE – No codes in system for (housing) emergency remedial action notices – unable to report

The number of formal enforcement notices served HMOs: Emergency Remedial Action.	
2012/13	
2013/14	
2014/15	
2015/16	
2016/17	
2017/18	

The number of prosecutions commenced on formal notices served for HMOs per year.	
2012/13	0
2013/14	0
2014/15	1
2015/16	0
2016/17	0
2017/18	0

Breakdown of Enforcement Action taken by DBC

**Dacorum**

(RH NOTE – FIGURES FOR HMO’s ABOVE NOT INCLUDED IN FIGURES BELOW)

The number of complaints received per year for Private Rented Housing.	
2012/13	157
2013/14	180
2014/15	131
2015/16	137
2016/17	165
2017/18	128

The number of HHSRS inspections carried out per year.	
2012/13	21
2013/14	13
2014/15	3
2015/16	0
2016/17	3
2017/18	16

The number of formal enforcement notices served: Hazard Awareness Notices.	
2012/13	1
2013/14	0
2014/15	1
2015/16	1
2016/17	0
2017/18	1

The number of formal enforcement notices served: Improvement Notices (Category 1 and 2 Hazards).	
2012/13	1
2013/14	4
2014/15	1
2015/16	2
2016/17	0
2017/18	0

The number of formal enforcement notices served: Prohibition Orders.	
2012/13	0
2013/14	0
2014/15	0
2015/16	0
2016/17	0
2017/18	0

Breakdown of Enforcement Action taken by DBC

**RH NOTE – No codes in system for (housing) emergency remedial action notices – unable to report**

The number of formal enforcement notices served: Emergency Remedial Action.	
2012/13	
2013/14	
2014/15	
2015/16	
2016/17	
2017/18	

The number of prosecutions commenced on formal notices per year.	
2012/13	0
2013/14	0
2014/15	0
2015/16	0
2016/17	0
2017/18	0



# Private Rented Sector Enforcement Panel Terms of Reference

**Working in partnership, to create a Borough which enables the communities of Dacorum to thrive and prosper**

• A clean, safe and enjoyable environment • Building strong and vibrant communities • Ensuring economic growth and prosperity • Providing good quality affordable homes in particular for those in need • Delivering an efficient and modern council

## **Contents**

- 1.0 Scope and representation
- 2.0 Membership
- 3.0 Frequency
- 4.0 Remit of the panel
- 5.0 Decisions beyond the remit of the housing panel
- 6.0 Referring cases to the panel
- 7.0 PRS Enforcement panel process
- 8.0 Factors when considering harm
- 9.0 Aggravating factors
- 10.0 Multiple Offences
- 11.0 Factors when considering culpability
- 12.0 Record of decisions
- 13.0 Right to appeal
- 14.0 Confidentiality

## Appendices

Appendix A Panel referral form

Appendix B Financial Penalty Matrix

## **1.0 Scope and representation**

1.1 Dacorum Borough Council's housing service seeks to provide a fair and consistent service to all. On occasions the service will be required to make important decisions in line with statutory legislation and our policies, the housing service recognises the importance of considering proportionality in respect of such decisions.

1.2 The purpose of the enforcement panel is to ensure all decisions where the council is seeking to take enforcement action, which will impact on an individual and local residents are made in line with legislative requirements, council policy and are proportionate to the circumstances of the case.

1.3 The panel may decide to postpone action pending further information or suggest further action is taken. Where a case has been postponed the panel will then review the decision at a later date.

## **2.0 Membership**

2.1 The Dacorum Borough Council housing panel will consist of the Group Manager, Strategic Housing, Strategy, Improvement and Engagement Team Leader, Lead Officer Private Sector Housing, Corporate Safeguarding Officer, local Police Community Safety Officer and a representative for the Legal Department. Additional invites will be sent requesting other specialist input for complex cases as and when required, this may include (but is not limited to); Corporate Anti-Fraud, Planning Department and Regulatory Services.

2.2 The Council's Portfolio Holder and Assistant Director, Housing may attend meetings in a monitoring role, but are not members of the Panel.

2.3 The Group Manager for Strategic Housing is primarily responsible for the Housing Panel.

2.4 Meetings are chaired by the Group Manager for Strategic Housing.

## **3.0 Frequency of meetings**

3.1 Housing panel meetings will take place on a monthly basis. Additional meetings can be arranged for urgent cases.

## **4.0 Remit of the Panel**

4.1 Consider requests to implement Civil Penalties and agree level of fine up to £30,000.

4.2 Consideration of requests to impose Banning and Rent Repayment Orders.

4.3 Consider steps taken and agree further actions required to bring empty properties back into use.

4.4 Review cases in advance of prosecution, to review remedial steps taken and consider any further action proportionate to the case prior to further enforcement.

## **5.0 Decisions beyond the remit of the Panel**

5.1 Standard day to day enforcement action and approval of notices.

5.2 Granting or refusal of Houses in Multiple Occupation (HMO) licences.

5.2 Approval of applicants to obtain warrant to gain entry

## **6.0 Referring cases to the panel**

6.1 Prior to referring to panel Officers will ensure that an interview under caution (IUC) has been undertaken. This is to ensure that a robust case has been compiled and all mitigating circumstances have been considered, prior to requesting further enforcement action.

6.2 The panel will consider written and/or photographic evidence, submitted on the standard referral forms (see appendices).

6.2 The dedicated Environmental Health Officer (EHO) from the Private Sector Housing Team can refer a case to the panel for consideration.

6.3 The EHO officer referring the case may be asked to present it if required.

6.4 In the case of referral to panel the Officer presenting the case will need to complete Appendix A 'Enforcement Panel request' form and indicate the request being made.

## **7.0 Private Rented Sector Enforcement panel process**

7.1 The EHO or Private Sector Lead Officer will provide the detail of the case, including any evidence or other opinions to be considered to the rest of the panel.

7.2 The Enforcement Panel should ensure that decisions made at panel are considered in line with the Private Rented Sector Enforcement policy, have regard to the Code for Crown Prosecutors and refer to and associated guidance when deciding how to proceed, the panel has to be satisfied that they have sufficient evidence to prove that an offence has been committed and this needs to be to the criminal burden i.e. beyond reasonable doubt.

7.3 Panel will be required to determine whether to issue a civil penalty as opposed to prosecution, each case will be considered individually and will take into consideration factors including the seriousness of the offence; the culpability of the offender; the harm, or potential harm to tenants; and the impact on the wider community.

7.4 Due regard must also be given to any potential defences and it may be appropriate to undertake an interview under caution in accordance with the Police and Criminal Evidence Act 1984 (PACE) to explore this. When the panel is satisfied that a relevant offence has been committed and that it is in the Public interest to proceed formally it must decide whether to prosecute or issue a civil penalty.

7.5 Panel members are then required to consider the following factors such as:

- Other occupants within the household
- Vulnerability or safeguarding concerns
- Consideration of factors such as risk of harm, culpability and multiple offences
- Any actions that have been taken prior to the case being referred to the housing panel
- Previous enforcement action for similar Housing Act offences

7.6 In the first instance the Panel will seek a decision by consensus. In the cases where consensus cannot be reached a majority opinion will be sought.

7.7 Panel reserve the right to reject consideration of a case on the basis of incomplete or inconsistent information.

## **8.0 Factors when considering harm**

8.1 In determining the level of harm the panel will have regard to;

- The persons affected in terms of physical injury, negative impacts on their health, and any psychological distress;
- Any vulnerability of the persons affected
- The number of persons affected
- The community in terms of economic loss and the effects on public health, public complaints and the effects of poor housing condition on the neighbourhood.

8.2 The degree of harm will depend on the personal characteristics and circumstances of the person affected, normally the tenant. Where no actual harm has resulted from the commission of the offence the panel will consider the relative danger and the potential of harm that could have resulted as a result of the offences.

## **9.0 Aggravating Factors**

9.1 The amount of penalty can be increased if there are any relevant aggravating factors. Furthermore, the amount of penalty can be reduced if any relevant mitigating factors are disclosed by the offender.

## **10.0 Multiple Offences**

10.1 Where the panel are satisfied that more than one offence has been committed a multiple Civil Penalty Notice can be issued, for example multiple breaches of the Management regulations in a House in Multiple Occupation. However, the panel will consider whether the issuing of multiple penalties would result in an excessive cumulative amount and this policy gives discretion in this situation. For instance, the panel could decide that it is appropriate to issue a penalty for the most significant offences and warn the offender that continuation or repeating of the other offences may result in further formal enforcement action being taken.

## **11.0 Factors when considering culpability**

11.1 In determining the level of culpability the panel will have regard to the following;

- Whether there was the intention to commit the offence
- Whether the offence has resulted from reckless behaviour for example where the offender had some appreciation of the effects their actions would have but proceeded regardless.
- Whether the offender had knowledge of the risks of harm that their actions could cause
- Whether the offender's actions are considered to be negligent.

## **12.0 Record of Decisions**

12.1 The panel will record all decisions made.

12.2 Outcomes of decisions will be communicated by the referring Officer to the relevant party, advising of actions to be taken.

12.3 The Enforcement Panel will keep a record of the cases considered and their outcome.

## **13.0 Right to review**

13.1 Any appeal to a decision made by the Enforcement Panel would need to be referred to the Tribunal process.

## **14.0 Confidentiality**

14.1 The Council may also seek information from other parties when necessary to provide verification of, for example, allegations of anti-social behaviour, violence or harassment, for the provision of support services, to prevent crime or detect fraud.



<b>Report for:</b>	Housing and Communities Overview and Scrutiny Committee
<b>Date of meeting:</b>	<b>4th July 2018</b>
<b>Part:</b>	<b>1</b>
If Part II, reason:	

Title of report:	Sustainable Tenancies Strategy
Contact:	Cllr Margaret Griffiths – Portfolio Holder for Housing Mandy Peters – Tenancy Sustainment Team Leader
Purpose of report:	For members to be informed about the development of the Sustainable Tenancies Strategy and the key commitments.
Recommendations	<ol style="list-style-type: none"> <li>1. For members to review and approve the proposed strategy</li> <li>2. To review the commitments set out within the strategy to ensure they cover the service</li> <li>3. To offer feedback on the proposed approach to sustainment across the service</li> <li>4. To accept a yearly update to the committee on outcomes of the Tenancy Sustainment Team and suggest any other particular areas of scrutiny</li> </ol>
Corporate objectives:	<p>Sustaining tenancies contributes to the following corporate objectives:</p> <ul style="list-style-type: none"> <li>• Working in partnership to create a borough that enables Dacorum’s communities to thrive and prosper</li> <li>• A clean, safe and enjoyable environment</li> <li>• Building strong and vibrant communities</li> </ul>
Implications:	<p><u>Financial</u></p> <p>This report will offer an overview of the financial implications related to the sustainment of tenancies, such as universal credit and the costs associated with taking enforcement action.</p>
‘Value for money’ implications	<p><u>Value for money</u></p> <p>By working closely with households and ensuring that the service has effective early intervention strategies in place, this will have a positive impact on the service in terms of reducing the debit on the rent roll, preventing enforcement action and homelessness.</p>
Risk implications	Housing Risk Assessment is presented to the committee on a quarterly basis.

Health and safety Implications	There are no direct Health and Safety implications arising from the strategy.
Consultees:	Cllr Margaret Griffiths – Portfolio Holder for Housing Fiona Williamson – Assistant Director Housing Layna Warden – Group Manager, Tenants & Leaseholders Emily-Rae Maxwell – Strategy Improvement & Engagement Team Leader  Tenant & Leaseholder Committee (TLC)
Background papers:	<ul style="list-style-type: none"> <li>• Vulnerable Person Strategy</li> </ul>
Glossary of acronyms and any other abbreviations used in this report:	DBC – Dacorum Borough Council TST – The Tenancy Sustainment Team

## **1. Introduction**

- 1.1. The Sustainable Tenancies Strategy is a four year strategy that has provided an opportunity for tenants, staff and members to review the Councils approach to tenancy management. It replaces the current Vulnerable Person Strategy and has been developed in response to the changing needs and challenges faced in social housing.
- 1.2. This report outlines the key elements of the strategy and gives members an overview of the approach taken by the tenancy team when managing tenancies within our general needs stock.

## **2. Background**

- 2.1. Through working with families in rent arrears it was recognised that some of the households that were struggling very often had issues in other areas that were impacting on their ability to sustain their tenancies. It is important to recognise that each and every case is different and being able to adapt the support we provide has been key to our success. Moving on, it has been further recognised that sustainment is the responsibility of the entire Housing service which form this overarching strategy and its commitments.
- 2.2. Tenancy Sustainment is a golden thread that runs through the service. It is important that tenants succeed in their tenancies, both for their health and wellbeing but also from a business perspective in terms of value of money, rent collection and timely reporting of repairs. In the last financial year, of the 79 cases closed by the Tenants Sustainment Team, 76 have gone on to sustain their tenancies and avoid eviction. Using very conservative figures of £5,000 each, this has saved the housing service £380,000 this year alone.
- 2.3. The vision for delivering a great housing service is to 'empower our tenants to maintain a good standard of living and make informed choices on their lifestyle so they can fulfil their tenancy agreement and have a positive impact within their home and community'.
- 2.4. This strategy supports the councils corporate vision and commitments and works to provide good quality and affordable homes, particularly to those most in need. Promoting independence through employment contributes to the economic growth and prosperity of our borough. As a landlord we will also work with our tenants to achieve efficient and modern services.

## **3. The Local Context**

- 3.1. The Housing Service manage 10,400 homes, with a further 1700 leasehold properties managed by Dacorum Borough Council (DBC). With a growing number of applicants joining the housing register for social housing the demand is by fair outweighing supply.
- 3.2. There have been changes in demand locally and this had meant a higher need for accommodation for an aging population, a rise in homelessness, it's never been more important to manage the balance between under occupancy and overcrowding.

#### **4. The National Context**

4.1. Social Housing Nationally is facing some challenges, with changes in legislation and Welfare Reforms. This strategy has been developed so our services minimise the impact as much as possible. Universal Credit is being rolled out across the country and will be replacing six means tested benefits. The main impact is the change to monthly payments made in arrears along with the risk of sanctions causing stress especially to our more vulnerable tenants.

#### **5. Commitment 1: Every tenant has the best possible start**

5.1. In partnership with a number of departments a key focus has been on developing a Pre-Tenancy Assessment Project. This involves analysing our start of tenancy process, looking at the customer journey to see what this looks like and what changes can be made to give applicants more information at an earlier stage in the application process, this manages expectations and enable applicants to make a more informed decision about their housing situation getting the right person in the right home.

5.2. Tenancy Sustainment Information Sessions are available to housing applicants. These sessions enable applicants to learn more about holding a tenancy with Dacorum Borough Council, it is interactive, attendees are encouraged to get involved in conversation and exercises relating to holding a tenancy, considering subjects like affordability, responsibilities and what is involved in setting up home and avoiding debt.

#### **6. Commitment 2: We have the right support in place for people that need it**

6.1. As a housing service it is recognised that all of our tenant's needs can't be met by the council but it is important to know what is locally available and how to access it. Many of the Councils tenants have greater needs than can be provided by the Housing Service and the ability to access re that the tenant is able to access statutory services and support services outside of the housing service. This could be the Community Mental Health team or an advisory service like Citizens Advice Dacorum.

6.2. Hoarding is a particular issue in relation to the condition of a property, we have recently secured £10,000 funding from Public Health to pilot a project in partnership with MIND in Dacorum. Practical support with a Sustainment Officer in the home and up to 12 counselling sessions to explore the triggers or core reasons for hoarding/collecting items. These will enable the tenant to address and work through these to prevent the problems reoccurring. The Housing Service has also led on developing a multi-agency hoarding protocol alongside the fire service and environmental protection as well as a number of statutory agencies. With a grant of £2,500 from Herts County Council, this has been match funded by the Housing Service and so £5,000 can be used to fund the removal of items from properties as part of a support plan.

6.3. Each case that is referred to the Tenancy Sustainment Team is carefully assessed and a Needs and Risk assessment is carried out. A personalised plan is put in place for the tenant to focus on key areas of managing their tenancy including paying rent, maintaining the condition of the home and garden, improving relationships with neighbours and accessing volunteering, employment and training.

## **7. Commitment 3: Our tenants take responsibility for themselves and their tenancy**

7.1. At the heart of the service provided is tenants taking responsibility. This is encouraged by providing help, support and guidance. Along with the tenant Officers work hard to identify the areas of support needed and put together a plan of action to enable the tenant to work on the skills needed to not only sustain their tenancy but attain life skills that could also help them back into employment or contribute to their community.

7.2. A number of courses have been introduced through the Tenant Academy to access skills for tenants on a number of different subjects. These include training on areas in the home that tenants are responsible for such as unblocking sinks, putting up shelves and decorating, digital technology sessions, money advice sessions and wellbeing coaching into volunteering and employment.

7.3. The Tenancy team are proactive with tenancy audits to identify issues at an earlier stage and work is being undertaken in the area of tenancy management to identify situations where neighbours can be encouraged to communicate with each other over disputes to prevent them escalating.

7.4. Tenants are encouraged to get involved, to have their voices heard and influence change in the service. The Get Involved Strategy enables tenants and leaseholders to take ownership and feel that they can make a difference.

## **8. Commitment 4: We take an informed approach to manage tenancies**

8.1. Knowledge, skills and experience of our officers are combined with data to make informed decisions. At all times the Council is working towards the new GDPR regulations and only collecting information that are genuinely need for specific purposes that are relevant.

8.2. Tenant consultation groups support the council to review and improve the service, developing a better understanding of why some properties need more repairs than others and ensure the approach to health and safety, compliance and safeguarding is at the forefront of decisions made.

8.3. Evaluating current ways of working to investing in improvements and building our knowledge can streamline our approach to managing tenancies and provide better value for money. Improvements have already been seen by moving the team that work with those in Temporary Accommodation underneath the Team Leader for Tenancy Sustainment. This has allowed a consistent approach from pre to post tenancy and going forward will allow us to share resources if workloads differ across the two teams.

## **9. Commitment 5 - Our tenants make positive choices for themselves and their homes**

9.1. Introduction of new service standards and a campaign to raise awareness of expectations of tenants will instil the understanding of tenants and housing staff members to embed this approach. Support will be given to tenants to encourage them to downsize or move to more suitable accommodation and where they are making positive decisions.

## **10. Conclusion**

10.1. If approved the Sustainable Tenancies Strategy 2018 – 2022 will work in conjunction with the Older Persons Strategy 2018 – 2022 and replace the current Vulnerable Persons Strategy.

10.2. Through consultation with tenants and partners this strategy sets out five commitments that focus on the housing service approach to providing a service to tenants, promoting independence, responsibility, choice and knowledge. A service to meet individual needs. It will ensure that vulnerable tenants will be identified and supported at all stages throughout the Housing Service and enable more tenants to succeed in sustaining their tenancy.

## **11. Recommendations**

11.1. For members to review and agree the proposed strategy

11.2. To review the commitments set out within the strategy to ensure they cover the service

11.3. To offer feedback on the proposed approach to sustainment across the service

11.4. To accept a yearly update to the committee on outcomes of the Tenancy Sustainment Team and suggest any other particular areas of scrutiny

## Community Impact Assessment

Name and description of project, policy or service	
Sustainable Tenancies Strategy 2018 – 2022 – The Strategy sets out the housing service approach to providing services to tenants within council accommodation until 2022	
Identifying the impact of this project, policy or service on the community and environment	
	<p><b>Questions to explore:</b></p> <p>What positive impact will your project, policy or service have?</p> <p>What negative impact will your project policy or service have?</p> <p>How will you ensure any negative impact is limited?</p> <p>What is the impact of doing nothing?</p>
<p><b>On the community in general</b> e.g. social or economic benefits, negative impacts</p>	<p>The introduction of this strategy will have a positive impact on DBC tenants, their families and the wider community. It highlights how the housing service will identify households that are struggling to sustain their tenancies and how with early intervention and action planning tenants are able to take back control and responsibility for their own situations and solutions. Working with the most vulnerable households to put measures in place to enable them to succeed.</p> <p>Working to maximise income, ensuring that tenants are accessing benefits they could be entitled to and looking at ways to minimise outgoings.</p>
<p><b>On the council as an organisation</b> e.g. on staff, services or assets</p>	<p>This strategy will give the officers the framework. It is a reference to use when working with a family/household and it enables to officer to manage expectation of the service they will receive. It will reduce Eviction rates and reduce homelessness across the borough and will enable tenants to report required repairs at an earlier stage therefore keeping the housing stock in better condition reducing costs. A key theme within the strategy is partnership working with a range of organisations, this enhances the service provided from an operational perspective as it will allow officers to managers to utilise these links.</p>

## Community Impact Assessment

<p><b>On the protected characteristics</b> Age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation (Specify where impacts are different for different characteristics)</p>	<p>The strategy is inclusive and puts the tenant and their family/household at the centre of the service provided. Each case is completely bespoke with an emphasis on the needs of the tenant.</p>
<p><b>On the environment</b> e.g. effects on the climate, trees, amenity space, biodiversity, water, energy, waste, material use, air quality</p>	<p>In respect of hoarding for example, the impact on the immediate neighbours/area can be significant. The strategy highlights how these households will be supported to improve not only their own environment but also that of the immediate area. Encouraging better care of outside areas and communal spaces.</p>
<p><b>On the specific target community / location</b> e.g. if the project is based in a specific area or targeted community group</p>	<p>The strategy targets those struggling to manage their tenants, action plans can be put in place to enable more complex households to succeed in not only sustaining their tenancy but also enhancing employment opportunities and contributing to the wider communities.</p>
<p><b>Outline the approach you took to identify the need for this project, policy or service. Please include use of research, data and consultation with residents and/or staff.</b></p>	
<p>A range of sources were considered when identifying the need for this strategy. It has been recognised with the changes in the allocations policy that needs and vulnerabilities have increased within the housing applicants being offered accommodation. This signalled a change was needed in terms of how DBC managed tenancies. A consultation was carried out with a group of applicants that had attended the Tenancy Sustainment Information Sessions and another consultation was carried out with a group of tenants that had received support through the Tenancy Sustainment Team. Their feedback has resulted in a number of changes to the service provided and is demonstrated in the Strategy. A draft of the Strategy was taken to the Tenant &amp; Leaseholder Committee to gain the views of people who are not actively involved, or in receipt of the services offered.</p>	

## Community Impact Assessment

<b>Which commitment(s) does this policy, project or service support from the Equality and Diversity CIH Charter Housing Framework? <a href="#">Link to PDF CIH Commitments on intranet</a></b>		
<p>Equality and Diversity is driven from the top</p> <p>Equality and Diversity is supported through staff training, development and engagement.</p> <p>We know who our customers are</p> <p>We involve our customers in shaping and scrutinising services</p> <p>We represent the communities we serve.</p>		
<b>How will you review the impact, positive or negative once the project, policy or service is implemented?</b>		
Action	By when	By who
Regular reviews of action planning	ongoing	Tenancy Sustainment Team
Annual consultation with applicants that have attended the pre tenancy training	April 19	Mandy Peters – Team Leader Tenancy Sustainment Team
Monthly KPI's	Ongoing	Tenant & Leaseholder Team
Year end review of Eviction and Sustainment case outcomes	April 19	Mandy Peters – Team Leader Tenancy Sustainment Team

**Completed by:**

Name:

Role:

**Reviewed and signed off by relevant Group Manager:**

Name:

Role:

Reviewed June 2016

# Community Impact Assessment

Date:

Date:



# Sustainable Tenancies Strategy

2018 - 2022

# Introduction

Dacorum Borough Council is committed to delivering a great housing service to those living in council owned homes.

This strategy sets out how we as a housing service will work in partnership with our tenants and focus our services so they have successful tenancies. We know that our role as a social landlord is more than giving someone a home at an affordable rent. It is about enabling our tenants to develop their skills and aspirations, advocating on their behalf in times of change and recognising when they themselves need a helping hand This strategy explains how we will support tenants to combat issues threatening their tenancies and how our approach to enforcement is based on being fair and proportionate.

Page 48

For the purpose of this strategy, the term tenant refers to all household members living in a Dacorum Borough Council owned home.

<h2>Contents</h2>	
The Housing Vision for Sustainable Tenancies	3
National and local context	4
Delivering a Great Service	5
The commitments	6
Putting commitments into action	12



I'm pleased to introduce our Sustainable Tenancies strategy. Throughout this strategy, we outline how our service will support tenants to maintain a good standard of living and reach their optimum level of independence

**Councillor Margaret Griffiths**



## The Housing Vision for Sustainable Tenancies

To deliver a great housing service our vision is to *'empower our tenants to maintain a good standard of living and make informed choices on their lifestyle so they can fulfil their tenancy agreement and have a positive impact within their home and community.'*

**P** This strategy supports the councils corporate vision of *'...working in partnership to create a borough that enables Dacorum's communities to thrive and prosper'.*

By empowering tenants to sustain their tenancies, we are able to support them to live in safe and clean environments and build strong and vibrant communities. This also supports our commitment to continuing to provide good quality and affordable homes, particularly to those most in need. Promoting independence through employment contributes to the economic growth and prosperity of our borough. As a landlord we will also work with our tenants to achieve efficient and modern services.



## The National Context

There have been a number of changes in legislation that have a direct impact on our tenants and their tenancies. This strategy has been developed so our services minimise the impact of these changes to our tenants.

### Universal Credit

Universal Credit is replacing most means tested benefits, including Housing Benefit, Job Seekers Allowance and Working Tax Credits. This means our tenants will instead receive a single monthly payment. This change places more pressure on tenants to have the right budgeting skills to cover their bill and day to day needs. We already know this is increasing the likelihood of rent arrears. Delays to applications or the risk of sanctions can also cause further stress to tenants, especially tenants dealing with issues such as addiction.

### Household Trends

Trends in living arrangements have changed significantly which has impacted on the types of households living in social housing. Factors such as a breakdown of relationship, second families, merging households and cultural expectations can lead to issues such as overcrowding, illegal subletting and under occupancy. This strategy takes into consideration the importance of tenancy audits and knowing who is living in our homes.





Continued...

## The Local Context

In Dacorum, there are approximately 60,000 properties housing over 147,000 people. Dacorum Borough Council owns over approximately 10,000 of these properties and is responsible for 1,700 leaseholds.

With 5,700 people actively bidding on the housing register at the time this strategy was written and a further 24,000 people living in our homes the demand for social housing is significant.

The purpose of social housing is to ensure people on low incomes or receipt of benefits can afford a place to come home. However increasingly, we as the housing landlord are working with tenants that have a higher support need. With less homes available at social rent, homes are being allocated to those considered most vulnerable. This is having a knock on effect on the role of the housing landlord.



# Delivering a Great Service

## Equality and Diversity

As a Housing Service, we believe anyone facing issues that affects their ability to sustain their tenants should have access to the right support regardless of; age, disability, gender, race, religion or belief and sexual orientation (Equality and Diversity Act 2010). We do however recognise that some tenants are more likely to need support.

## Value for Money

It is important that we deliver value for money for our tenants. Increased demand for social housing as well as increasing complex need requires us to explore new ways to create sustainable tenancies. Through effective housing management and targeted interventions, we will work alongside our tenants to achieve positive outcomes.



## The Commitments

To develop this strategy, current tenants and people on the housing register as well as, staff and stakeholders. Through focus group we were able to identify how our service can allow our tenants to have successful tenancies.

From this we have developed five outcome based commitments:

**Commitment 1:** Every tenant has the best possible start

**Commitment 2:** We have the right support in place for people that need it

**Commitment 3:** Our tenants take responsibility for themselves and their tenancy

**Commitment 4:** We take an informed approach to managing tenancies

**Commitment 5:** Our tenants make positive choices for themselves and their homes

These commitments will underpin this strategy and ultimately enable us to deliver our vision of tenants and leaseholders feel listened to, empowered to influence decisions and have the opportunity to challenge us.



## Commitment 1: Every tenant has the best possible start

How a tenancy starts can play a big part in the relationship we have with our tenant. We want to make sure our tenants have the best possible start to their tenancy. This includes working with them to outline not only our expectations of them as a tenant, but their rights and what support we can offer.

Through this commitment we will explore how our service can give tenants the best experience when they move into one of our homes and get them up so they can enjoy their home.

To achieve this, we will:

- Review our sign up process with the aim to improve new tenants experience
- Identify what information our tenants need when they start their tenancy and how they would like to receive it
- Review how we can identify any support needs at the earliest point and ensure we have this support in place
- Be proactive as a landlord in building relationships with support agencies
- Develop a new set of standards called 'Our House – Your Home' to facilitate a good working relationship with our tenants

## Commitment 2: We have the right support in place for people who need it

As a landlord our main job is to provide a safe and secure home for our tenants. We recognise that some of our tenants will need extra support. This support can range from a short intervention aimed at helping them through a specific issue or on-going.

The housing service's priority when providing support is centred around equipping tenants with the tools and skills they need to resolve issues for themselves. It is also about working with them to identify how their choices or behaviour can influence their ability to maintain their tenancy.

To achieve this, we will:

- Continue to develop the services use of support plans and help tenants to track their progress
- Use Tenant Academy as a way of building life skills for our tenants and explore their aspirations beyond their home e.g. budgeting, DIY and decorating
- Establish a service dedicated to helping tenants with hoarding disorder
- Use our Tenancy Sustainment team to help tenants struggling to maintain their tenancy
- Use our internal Housing Panel to review cases in detail and make decisions where exceptions to policy are needed

## Commitment 3: Our tenants take responsibility for themselves and their tenancy

Being a responsible tenant is about getting the basics right. Its understanding not paying rent, engaging in anti-social behavior, not keeping a home or garden clean and tidy impacts not just the tenant but the wider community and housing service.

It's also about establishing a relationship with tenants where they feel confident to act on our advice.

Page 55

To achieve this, we will:

- Explore how we can recognise and encourage 'responsible tenants'
- Be proactive in our approach to tenancy audits to identify issues and work with tenants to solve them
- Ensure our approach to enforcement is proportionate but sets out clear consequences
- Review our approach to managing anti-social behaviour so we can help tenants resolve issues between themselves
- Identify tenants that create high levels of demand on the service and work with them to understand the cause

## Commitment 4: We take an informed approach to managing tenancies

With our commitment to continuously improving our service we can use the knowledge, skills and experience of our officers combined with data to make informed decisions.

We recognise it is important to invest in getting the basics right so we as a landlord are meeting our responsibilities while still investing in opportunities to do things differently. We are committed to working with our tenants and partners to get this balance right.

By investing in improvements and building our knowledge we can streamline our approach to managing tenancies and provide better value for money.

To achieve this, we will:

- Build up the information we hold on our tenants and use it to tailor our services based on changes in need or demographics
- Ensure our approach to health and safety, compliance and safeguarding is at the forefront of decision making
- Develop a better understanding of why some houses need more repairs and maintenance than others
- Continue to work with tenants to review our performance and find areas for improvement
- Review demand across the service to ensure all tenants receive a good service not just those who 'shout the loudest'

## Commitment 5: Our tenants make positive choices for themselves and their homes

A home is about feeling safe, secure and having a space that allows a good quality of life. We want our tenants to make positive choices that supports this.

This includes considering whether their home is the right fit for them. It is also about understanding that we as the landlord prioritise safety and this plays a big part in shaping the policies we put in place.

To achieve this, we will:

- Use the Our House – Your Home initiative to raise tenant’s awareness of their responsibilities and help officers manage expectation
- Explore how we can better support older tenants to move to a smaller home
- Ensure all tenants are aware of where permission needs to be granted e.g. home alterations, keeping a pet
- Promote the importance of health and safety in the home and communal areas e.g. clear landings
- Publish key policies so tenants understand what is required of them e.g. safety in communal areas, fire safety

## Conclusion

Within this strategy we have set out how Dacorum Borough Council housing service will work with key stakeholders, partners and older residents to fulfil our role as a housing landlord and ensure our tenants have sustainable tenancies.

This strategy is centred on empowering tenants so they can enjoy their homes and feel safe and secure.

As the demand for social housing increases, we will continue to see people living with complex needs. This means we as a landlord must do everything possible to help tenants. We also recognise that most of our tenants are ‘responsible tenants’. Where tenants do cause pressure on the service through high demands or expectations, it is important we understand the causes and have open conversations so we as a service meet and consider the needs of all not just those who shout the loudest.

This strategy will be monitored by the Tenant and Leaseholder Committee, Supported Housing Forum and the Housing and Communities Overview and Scrutiny Committee will receive an annual update.



<b>Report for:</b>	<b>Housing and Community Overview and Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>4<sup>th</sup> July 2018</b>
<b>Part:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Income Management Strategy</b>
<b>Contact:</b>	Responsible Officers: Councillor Margaret Griffiths, Portfolio Holder for Housing  Authors: Katie Kiely, Housing Income Team Leader; Emily-Rae Maxwell, Strategy, Improvement and Engagement Team Leader
<b>Purpose of report:</b>	To provide the Committee with an overview of the draft Income Management Strategy and an update on the Income Team and its performance
<b>Recommendations</b>	That Members: <ul style="list-style-type: none"> <li>• Review the proposed strategy</li> <li>• Review the commitments set out within the strategy to ensure they cover the service</li> <li>• Offer any further feedback on the proposed approach to income management</li> <li>• Members note the challenges faced by the Income Team</li> </ul>
<b>Period for post policy/project review</b>	Will be reviewed under Income Team Plan in March 2019
<b>Corporate objectives:</b>	The Income Management Strategy is vital in supporting the Housing Revenue Account and ensures a secure income stream; as such it supports all of the corporate objectives: <ul style="list-style-type: none"> <li>• A clean safe and enjoyable environment</li> <li>• Building strong and vibrant communities</li> <li>• Ensuring economic growth and prosperity</li> <li>• Providing good quality affordable homes, in particular for those most in need</li> <li>• Delivering an efficient and modern council.</li> </ul>
<b>Implications:</b>	<u>Financial</u> The strategy supports collection of all Housing Revenue Account (HRA) income sources and is vital in ensuring a healthy income stream. It should be viewed together with the income procedures and policies as an operational document. The renewed focus on collection of recharges and former tenant debts as well as current tenant arrears should act as a counter-balance to some of the difficulties introduced by Welfare Reform, in particular the roll-out of Universal Credit.
<b>'Value for money' implications</b>	<u>Value for money</u> An efficient Income Management strategy contributes to value for money and ensures that the Council collects debts owed to the

	Housing Revenue Account
Risk implications	Housing Risk Assessment is presented on a quarterly basis
Community Impact Assessment	Attached
Health and safety Implications	N/A
Consultees:	Fiona Williamson, Assistant Director, Housing; Layna Warden, Group Manager Tenants and Leaseholders; Tenant & Leaseholder Committee DBC Housing Tenants Chartered Institute of Housing
Background papers:	Housing Revenue Account Business Plan
Glossary of acronyms and any other abbreviations used in this report:	TLC: Tenant and Leaseholder Committee DWP: Department for Work and Pensions HRA: Housing Revenue Account UC: Universal Credit HB: Housing Benefit

## 1. Introduction

1.1. The Income Management strategy is specifically focussed on all HRA income sources including rents, service charges, recharges, former tenant debts and leaseholder charges. It sets out how we will manage the collection of these with the aim of maximising income whilst supporting tenants to manage the financial aspects of their tenancies. Securing the income stream is essential in ensuring that we are able to provide high quality services to our tenants.

1.2. The vision for the Income Management strategy is to develop a culture of financial responsibility and one where we work with our tenants and leaseholders to tackle barriers. This report outlines the key elements of the strategy and gives members an oversight of the approach taken by the Income team.

1.3. Due to delays and uncertainty around Welfare Reform, and in particular around the implementation of Universal Credit (UC) it was judged appropriate to wait before finalising the strategy which has been in development for over a year and a half, and has been developed against a background of national and local factors which have impacted on the HRA Business Plan

- Self-financing: In April 2012 the HRA subsidy system for council housing came to an end following changes introduced in the Localism Act 2011 which gave councils the power to keep their rental income and thereby generate growth capital to finance investment in their housing stock (self-financing). This required Dacorum Borough Council to take on a debt of £354 million as a 'debt settlement' although the move to self-financing also enabled us to develop a robust 30-year business plan for building new homes and investing in our existing stock.
- Rent Reduction: In 2015 the Government announced a 1% cut in rents for general needs social tenants for the year 2016/17 with further 1% rent reductions for each of the following three years. This has had a significant effect on the HRA Business Plan and has meant that we have had to find new ways of creating efficiencies
- Welfare Reform: The Government's Welfare Reform agenda has already had a significant effect on many tenants' ability to pay their rent. The introduction of the social sector size criteria and the benefit cap has meant that the Housing service has had to develop strategies to support these tenants and mitigate the effects. The

introduction of UC is expected to have a further significant effect on rent collection. UC claimants are generally expected to be responsible for making their own rent payments and UC is normally paid monthly in arrears. This means that when a tenant first makes a claim for UC there is often a period during which they are unable to pay their rent. Whilst we currently have relatively low numbers of UC claimants in Dacorum we have seen that these tenants take up a disproportionate amount of officer time and have significantly higher arrears than tenants claiming Housing Benefit (HB) or those who do not receive any help with the rent.

When UC is introduced more widely across the Borough we anticipate a spike in arrears which should reduce over time, though still remaining higher than before.

## 2. Proposed Strategy

### 2.1. Commitment One: We empower tenants to manage their finances and prevent unaffordable debt

We know that the majority of our tenants and leaseholders pay their rent and service charges. It is important that we continue to review our service to make this even easier for those who do so, whilst investing time and effort into supporting those that have fallen behind with their payments.

Our ability to maintain tenant debt at manageable levels has a direct impact on our capacity to deliver the commitments in our Business Plan. Factors such as education, life skills, changes in circumstance, knowledge of the welfare benefit system or lack of access to financial services all impact on tenants' ability to pay their rent regularly, in full and on time. Providing a supportive and accessible housing service that takes a holistic approach to tackling issues is therefore an important factor in maximising our ability to collect income.

To achieve this commitment, we will:

- Continue to work in partnership with the voluntary sector and continue to fund money advice services to ensure that tenants can access free and impartial money and debt advice quickly when they are in debt.
- Use our Tenant Academy as an opportunity to run informal courses or workshops on budgeting, Welfare Reform and managing household finances.
- Work with households moving to UC to reduce the number of tenants falling into arrears.
- Raise awareness of scams, loan sharks and high interest lending so that tenants do not become victims of unaffordable debt.
- Provide regular information on account balances, charges and payments using a variety of methods.

### 2.2. Commitment Two: We take action to recover money owed to the service.

Where tenants, leaseholders and others owe money to the service we will take action to make sure that the debts are recovered. To ensure that all those accessing the housing service understand the importance of paying the rent and other charges we run regular campaigns to raise awareness. The Income team provides targeted information for tenants who fall into arrears or fail to pay their rent regularly, in full and on time.

We work closely with tenants in rent arrears to help them manage their household budget and agree an affordable plan to repay their debts, offering one-to-one support from our dedicated Income officers. We accept that arrears may build up quickly whilst benefit claims are processed, so we take a consistent but fair approach to commencing legal action, which we regard as a last resort.

Whilst all action taken is proportionate it is essential that we consider the impact that failure to pay will have on the services that we are able to provide to tenants and leaseholders. We will develop a range of support and enforcement to enable us to better recover debts owed to us.

To achieve this commitment, we will:

- Take a new approach to collecting debt by creating specialist officers dedicated to collecting recharges and former tenant debt and to undertake court action
- Continue to use recharges to tackle tenancy breaches and offset debts to the council, ensuring that the tenant or leaseholder responsible is held to account
- Continue to use support plans for tenants in debt
- Keep in regular contact with those tenants who are in arrears, helping to ensure that they keep on track with arrangements and payment plans.
- Work with our homeless prevention team when arrears seems likely to result in eviction.

### 2.3. Commitment Three: We work with others to increase resources, expertise and service delivery.

Whilst it is important that we are able to focus on delivering our core responsibilities as a landlord we appreciate that tenants and leaseholders need a range of support and services. We believe that by investing in relationships we can provide better value for money, increase the range of services and explore new opportunities for income generation.

To achieve this commitment, we will:

- Review contracts and agreements to identify opportunities for improving services and increasing value for money for our tenants and leaseholders.
- Use Tenant Academy to increase access to local community services that as a landlord we are unable to deliver to our tenants and leaseholders.
- Identify joint priorities and pool resources with other social housing providers to address issues that affect both the individual tenant's wellbeing and that of the wider community.
- Use alternative funding to enable us to develop new ways of working without impacting service delivery.
- Continue to build our network of community and voluntary sector partners so that we know what services are available in the local area and can signpost tenants towards the most appropriate sources of support

### 2.4. Commitment Four: We are proactive and manage our income to meet current and future housing need

Data allows us to identify where there are high levels of demand or pressures within our service. Using this data we can develop an informed approach to allocating resources or identifying appropriate solutions. We also take pride in using our income to invest in the standard of our current homes as well as building new ones. Where possible, we will explore how to maximise income generation without creating unnecessary costs to tenants and leaseholders.

To achieve this commitment, we will:

- Use our understanding of new and emerging policy to review the HRA Business Plan and mitigate risks to our income.
- Continue to invest in building new homes and in new approaches to generating income to invest back into the housing service.
- Use data to analyse areas such as anti-social behaviour, rent arrears and repairs to reduce cost pressures on our service
- Explore opportunities to put more information online or allow tenants and leaseholders to resolve their own issues.

### 3. Performance of the Team

- 3.1. Despite the difficult financial climate faced by many of our tenants and leaseholders, the Income team is rising to the challenge. Performance in the last financial year was above target with a collection rate of 99.8%, rising to 100.3% collection of support charges. The Recharge Officer, which is a new post, collected in excess of £67,000 of rechargeable debt with instalment arrangements for much more. A further restructure has meant that additional focus is on former tenant and other static debt and we are seeing increasing successes in this area.
- 3.2. We have already started to put in place changes and restructure the Income team in order to better meet the challenges of Welfare Reform. We are proposing further changes to the team and hope to appoint an officer to focus on tenants claiming UC in order to support those moving onto this benefit and to minimise arrears which arise as a result of the difficulties many are experiencing with their claims.
- 3.3. We have refocussed the roles of the two Lead officers within the team, who no longer have their own patches to manage. One Lead officer is now for all of the patch-based Income officers, whilst the other deals with the specialist officers within the team, and the Debit Control Officers. This allows them to provide additional support with more difficult cases as well as given them the opportunity to monitor specific cases more closely, carry out targeted and general training and, together with the Team Leader and the Strategy, Improvement and Engagement Team, to review procedures.
- 3.4. Specialist officers deal with Introductory tenants, with Court applications and procedures and with recharges and former tenant debts. This approach enables a more detailed knowledge of legislation and procedures to be developed and it is hoped that this will bear more fruit in terms of income collection. Court officials and Judges have praised Dacorum's efficiency and the clear information that we provide to them when taking cases before the Courts
- 3.5. The introduction of the Recharge officer post has not only been a notable success in terms of the amount of debt collected but is also proving successful in promoting a culture change amongst tenants, ensuring that they take responsibility for such things as rubbish left in communal areas and unauthorised alterations which have previously meant significant costs for the Council.
- 3.6. We have recently completed a project, working with local water companies, to pass collection of water charges back to the providers. This involved a number of 'Roadshows' across the Borough, which were generally well received by tenants and which contributed to the smooth implementation of the project. This should substantially reduce the number of low level debts owed to the Housing service and should free up officer time to deal with tenants with more significant levels of debt.
- 3.7. We have run a number of campaigns, for example 'Pay Your Rent'. This encouraged tenants in arrears to continue to pay their rent during the 'free weeks' when many would otherwise treat these as a 'payment holiday'. We are currently running a joint campaign with the Council Tax team encouraging tenants to pay by Direct Debit, which is both cheaper and generally more reliable. We have also run our 'Don't Get Ripped Off' campaign warning tenants (and others) of the risks and costs of high-interest credit
- 3.8. We work to enable tenants to better manage their tenancies, particularly with regard to improving their financial wellbeing through education and by providing a range of information about benefits, income maximisation advice and debt management support. We do this in partnership, not only with our colleagues in Housing, particularly the Tenancy Sustainment team, but also with a range of voluntary and statutory organisations including Social Services, Citizens Advice Dacorum and Turning Point/Housing Link. We are working on building these relationships further.

- 3.9. There are undeniably further challenges ahead, particularly in relation to the roll-out of UC, as the timetable beyond the initial introduction of full-service UC in December is unclear. We are working on improving communication with the Department for Work and Pensions (DWP) as this is causing some problems at present. The proposed appointment of an officer to deal specifically with tenants in receipt of UC should help with this and should also speed up receipt of housing costs owed to us. It is vital that we support tenants through these changes.
- 3.10. The closure of some local Courts has meant substantially increased travel times, particularly for our Court officer, and causes problems for many of our tenants who are simply unable to attend hearings or who can only do so with great difficulty
4. Conclusion
- 4.1. The Income Management strategy sets out four commitments that focus on the underlying principles of maximisation of income whilst supporting tenants and leaseholders to manage their financial situation and promoting financial independence and responsibility. There are continued challenges posed by the wider financial landscape and in light of Welfare Benefit changes but taking steps to re-organise our resources will help meet these challenges.
- 4.2. A coordinated approach has been adopted working with colleagues across Housing and other Council services, partner organisations in the statutory, community and voluntary sectors and with tenants and leaseholders themselves. This supports and educates tenants to better manage their own financial circumstances whilst taking a firm but fair approach to those who fail to comply with the terms of their tenancy and pay their rent or other charges.
- 4.3. The new Recharge officer post has been instrumental in increasing income collected by the Council and driving a change of culture amongst tenants and leaseholders. We are intending to build on this and continue with the excellent performance by the Income Team in the collection of rent other debts owed to the Housing service.
5. Recommendations
- 5.1. For members to review the proposed strategy
- 5.2. To review the commitments set out within the strategy to ensure they cover the service
- 5.3. To offer any further feedback on the proposed approach to income management
- 5.4. That Members note the challenges faced by the Income Team

## Community Impact Assessment

Name and description of project, policy or service	
Sustainable Tenancies Strategy 2018 – 2022 – The Strategy sets out the housing service approach to providing services to tenants within council accommodation until 2022	
Identifying the impact of this project, policy or service on the community and environment	
	<p><b>Questions to explore:</b>            What positive impact will your project, policy or service have?            What negative impact will your project policy or service have?            How will you ensure any negative impact is limited?            What is the impact of doing nothing?</p>
<p><b>On the community in general</b>            e.g. social or economic benefits,            negative impacts</p>	<p>The introduction of this strategy will have a positive impact on DBC tenants, their families and the wider community. It highlights how the housing service will identify households that are struggling to sustain their tenancies and how with early intervention and action planning tenants are able to take back control and responsibility for their own situations and solutions. Working with the most vulnerable households to put measures in place to enable them to succeed. Working to maximise income, ensuring that tenants are accessing benefits they could be entitled to and looking at ways to minimise outgoings.</p>
<p><b>On the council as an organisation</b>            e.g. on staff, services or assets</p>	<p>This strategy will give the officers the framework. It is a reference to use when working with a family/household and it enables to officer to manage expectation of the service they will receive. It will reduce Eviction rates and reduce homelessness across the borough and will enable tenants to report required repairs at an earlier stage therefore keeping the housing stock in better condition reducing costs. A key theme within the strategy is partnership working with a range of organisations, this enhances the service provided from an operational perspective as it will allow officers to managers to utilise these links.</p>

## Community Impact Assessment

<p><b>On the protected characteristics</b> Age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation (Specify where impacts are different for different characteristics)</p>	<p>The strategy is inclusive and puts the tenant and their family/household at the centre of the service provided. Each case is completely bespoke with an emphasis on the needs of the tenant.</p>
<p><b>On the environment</b> e.g. effects on the climate, trees, amenity space, biodiversity, water, energy, waste, material use, air quality</p>	<p>In respect of hoarding for example, the impact on the immediate neighbours/area can be significant. The strategy highlights how these households will be supported to improve not only their own environment but also that of the immediate area. Encouraging better care of outside areas and communal spaces.</p>
<p><b>On the specific target community / location</b> e.g. if the project is based in a specific area or targeted community group</p>	<p>The strategy targets those struggling to manage their tenants, action plans can be put in place to enable more complex households to succeed in not only sustaining their tenancy but also enhancing employment opportunities and contributing to the wider communities.</p>
<p><b>Outline the approach you took to identify the need for this project, policy or service. Please include use of research, data and consultation with residents and/or staff.</b></p>	
<p>A range of sources were considered when identifying the need for this strategy. It has been recognised with the changes in the allocations policy that needs and vulnerabilities have increased within the housing applicants being offered accommodation. This signalled a change was needed in terms of how DBC managed tenancies. A consultation was carried out with a group of applicants that had attended the Tenancy Sustainment Information Sessions and another consultation was carried out with a group of tenants that had received support through the Tenancy Sustainment Team. Their feedback has resulted in a number of changes to the service provided and is demonstrated in the Strategy. A draft of the Strategy was taken to the Tenant &amp; Leaseholder Committee to gain the views of people who are not actively involved, or in receipt of the services offered.</p>	

## Community Impact Assessment

<b>Which commitment(s) does this policy, project or service support from the Equality and Diversity CIH Charter Housing Framework? <a href="#">Link to PDF CIH Commitments on intranet</a></b>		
<p>Equality and Diversity is driven from the top</p> <p>Equality and Diversity is supported through staff training, development and engagement.</p> <p>We know who our customers are</p> <p>We involve our customers in shaping and scrutinising services</p> <p>We represent the communities we serve.</p>		
<b>How will you review the impact, positive or negative once the project, policy or service is implemented?</b>		
Action	By when	By who
Regular reviews of action planning	ongoing	Tenancy Sustainment Team
Annual consultation with applicants that have attended the pre tenancy training	April 19	Mandy Peters – Team Leader Tenancy Sustainment Team
Monthly KPI's	Ongoing	Tenant & Leaseholder Team
Year end review of Eviction and Sustainment case outcomes	April 19	Mandy Peters – Team Leader Tenancy Sustainment Team

**Completed by:**

Name:

Role:

**Reviewed and signed off by relevant Group Manager:**

Name:

Role:

Reviewed June 2016

# Community Impact Assessment

Date:

Date:



# Income Management Strategy

2018 - 2022

# Introduction

Dacorum Borough Council’s housing service owns around 10,000 rented properties as well as the freehold of approximately 1,700 leasehold flats. As a social landlord, it is important that we have a fair and robust approach to managing our income to ensure we can continue to deliver a great housing service.

This strategy is specifically focused on the Housing Revenue Account (HRA) income sources, which include but are not limited to: rent collection, service charges, leaseholder charges, recharges and temporary accommodation fees.

It sets out how we will effectively manage our income, with the aim of maximizing collection whilst supporting our more vulnerable tenants so that we can continue to provide high quality services that meet the needs of all those who access the housing service. Efficient and effective income management is essential to achieve these aims.

## Contents

Our vision	3
National and local considerations	4
Delivering a great service	6
The Commitments	7
Conclusion	12



I’m pleased to introduce our Income Management Strategy 2017-2021. This strategy sets out our approach to ensuring value for money for all our tenants and leaseholders. This is achieved by being proactive towards income collection and partnership working.

Councillor Margaret Griffiths



## Our vision

Dacorum Borough Council's housing service must take a robust approach to income management in order to ensure that we can deliver efficient and modern services that offer best value for money.

Our vision is to develop a culture where we work with our tenants, leaseholders to tackle barriers that stop them from managing their money and paying their rent on time so we can provide the housing service they need.

This strategy supports the council's corporate vision of '*...working in partnership to create a borough that enables Dacorum's communities to thrive and prosper*'.

By promoting financial inclusion, we as a landlord can support our tenants and leaseholders to live in safe, clean and enjoyable environments that build strong and vibrant communities.

We can also use our income to continue to provide good quality homes, particularly to those in greatest need and ensure the economic growth and prosperity of our borough.

A robust and fair approach to income management supports the housing service and the council to deliver efficient and modern services that offer best value for money.



## National and local considerations

This strategy has been developed to align with all relevant statutory legislation and best practice guidance. Including an understanding of the changes to legislation made at a national level enables the housing service to adapt its approach to collecting and managing income in order to navigate any challenges specifically for Dacorum. The following national and local considerations have also gone on to inform and renew the [HRA Business Plan](#).

### Self-Financing

In April 2012, central government ended the HRA subsidy system for council housing. The Localism Act 2011 introduced new powers for councils to keep their rental income and thereby generate growth capital to fund investment in their housing stock (called 'self-financing'). One-off payments to or from each council were used to adjust housing debt to reflect the value of a council's stock. Dacorum Borough Council's settlement meant that we took on a debt of £354 million. Our move to self-financing in 2012 enabled us to develop a robust 30-year business plan that empowered us to borrow money with the aim of investing in our existing stock and developing new homes.

### 1% Rent Reduction

In 2015 the Government announced a 1% cut in rent for the financial year 2016-2017 for all 'general needs' tenants, with a further 1% decrease over each of the following three years until 2020. This decision significantly affected the [HRA Business Plan](#) and as a result meant that Dacorum's Housing Service had to explore new ways of creating efficiencies.



## Continued...

### Universal Credit

The introduction of Universal Credit (UC) is expected to have a significant effect on rent collection. UC claimants are generally expected to be responsible for their own rent payments, and UC is normally paid monthly in arrears. This means that when a tenant claims UC there is often a period during which they are unable to pay their rent.

We have relatively low numbers of UC claimants in Dacorum at present but we have seen that these tenants take up a disproportionate amount of officer time and have significantly higher arrears on average than tenants claiming other benefits or tenants who do not receive help with the rent.

When UC is more widely introduced across the Borough we expect to see a spike in arrears which should reduce over a period though remaining higher than before.

We have already started to put in place changes in the structure of the Income Team in order to better meet the challenges Welfare Reform will bring.



# Delivering a great service

## **Equality and Diversity**

As a Housing Service we believe all council tenants should receive a good standard of service *regardless of*; age, disability, gender (including gender reassignment), race, religion or belief and sexual orientation (Equality and Diversity Act 2010). We are committed to being inclusive with our approach and determined to make sure that our approach to managing our income and allocating resources supports this.

## **Value for Money**

It is important to us that our tenants feel they are getting good value for money. The council, along with involved tenants and leaseholders, monitors the housing service's approach to managing income and seeks to ensure that we have the resources to deliver excellent services at reasonable cost.

## **Working in Partnership**

Our strong relationships with our partners and many other public sector and voluntary organizations enables us to deliver an excellent level of service whilst maximizing resources and avoiding duplication of effort. Working with other agencies, tenants' issues are identified and dealt with at an early stage, which can help to avoid problems with tenancy problems including unaffordable debt. Our continued investment in local partnerships is essential to assist our more vulnerable clients to maintain their tenancies, access services and make the most of living in Dacorum.



## The Commitments

To develop this strategy, the council considered the views of a range of stakeholders, including a tenant-led focus group on financial inclusion and an analysis of tenants with rent arrears.

Through the 2018 Housing Satisfaction Survey, we were able to shape this further by using feedback from tenants and leaseholders. This included asking tenants and leaseholders whether they were satisfied that their rent provides value for money. Using this feedback, along with relevant legislation and requirements, we have set out our four commitments for income management. These are:

**Commitment One:** We empower tenants to manage their finances and prevent unaffordable debt

**Commitment Two:** We take action to recover money owed to the service

**Commitment Three:** We work with others to increase resources, expertise and service delivery

**Commitment Four:** We are proactive and manage our income to meet current and future housing need



## Commitment 1: We empower tenants to manage their finances and prevent unaffordable debt

Collecting rent is at the core of all the services we provide as a landlord and our ability to build new homes. While the majority of tenants pay their rent on time, it is important we understand the reasons why tenants fall into rent arrears and where possible help them to manage their money and prioritise. Factors such as life-skills, changes in circumstance, knowledge of the welfare benefit system or lack of access to financial services all impact on tenants' ability to pay their rent regularly, in full and on time.

To achieve this, we will:

- Continue to fund money advice services in the voluntary sector so tenants can quickly access support when they are in debt
- Use our Tenant Academy as an opportunity to run informal courses or workshops on budgeting, Welfare Reform and managing household finances
- Work with households moving to Universal Credit to reduce the number of people falling into arrears
- Raise awareness of local scams, loan sharks and high interest lending so tenants do not become victims of unaffordable debt
- Provide regular information on account balances, charges and payments using a variety of methods

## Commitment 2: We take action to recover money owed to the service

Where tenants and leaseholders owe money to the service either through arrears, recharges we will take action to make sure payments are recovered.

Whilst action taken will be proportionate, it is essential that we also consider the wider impact to other tenants and leaseholders as well as the service when tenants fail to pay. By developing a range of support and enforcement we can recover the money owed to the service.

To achieve this, we will:

- Take a new approach to collecting money owned by creating specialist officers dedicated to recharges, collecting old arrears and undertaking court action
- Continue to use recharges to tackle tenancy breaches to recover costs to the service so the tenant or leaseholder responsible is held to account
- Continue to use support plans for tenants in debt
- Keep in regular contact with tenants in arrears helping them to stay on track with repayment plans
- Work with our homelessness prevention team if a tenant's arrears are likely to result in an eviction

## Commitment 3: We work with others to increase resources, expertise and service delivery

It is important our officers time can be spent concentrated on delivering our core responsibilities as a landlord. We do however understand that our tenants and leaseholders need a wide range of support and services. We believe by investing in relationships both from a shared interested and commercial perspective we can provide better value for money, an increased service and explore new opportunities for income generation.

To achieve this, we will:

- Review all our contracts and agreements to identify opportunities for improving services and increasing value for our tenants and leaseholders
- Use Tenant Academy to increase tenants and leaseholder access to local community services we as a landlord cannot deliver
- Identify joint priorities and pool resources with other social housing providers and service providers to address social issues that affect both the individual tenant's wellbeing and that of the wider community e.g. hoarding
- Use alternative funding e.g. grants to enable us to develop new ways of working without impacting current service delivery

## Commitment 4: We are proactive and manage our income to meet current and future housing need

Data allows us identify where high levels of demand or pressures are within our service. Using this we can develop an informed approach to allocating resources or identifying appropriate solutions. We also take pride in using our income to invest in the standard of our current homes as well as building new ones. Where possible, we will explore how to maximise income generation without creating unnecessary costs to tenants and leaseholders.

To achieve this, we will:

- Use our understanding of new and emerging policy to review the HRA business plan and mitigate against risks to our income
- Continue to invest in building new homes and new approaches to generating income to invest back into the housing service
- Use data to analyse areas such as Anti-Social Behaviour, rent arrears and repairs to reduce demand and pressure on our service
- Explore opportunities to put more information online or allow tenants and leaseholders to resolve their own issues

## Conclusion

To conclude, this strategy demonstrates Dacorum Borough Councils commitment developing a culture where we work with our tenants, leaseholders to tackle barriers that stop them from managing their money and paying their rent on time so we can provide the housing service they need.

Throughout the four commitments we outline how this will be achieved by helping tenants to pay their rent and ask for help when they need it. Recognising how our ability to collect rent and service charges impacts on the services that we can provide it is essential we have a robust and proportionate approach to taking action when money is owed. We will continue to invest in administering recharges to tackle tenancy breaches so individuals are accountable.

We understand that working with others helps us to maximise what services and enlisting the help of different sectors allows us to focus on our responsibilities' as a landlord.

Finally, we acknowledge that to be successful we have to be adaptable. That why we have also committed to continuously improving what services we have and taking an informed approach to investment and income generation so we can continue to meet housing need in the future.

This strategy will be monitored in conjunction with annual service plans and the HRA Business plan. The Housing and Communities Overview and Scrutiny Committee will receive an annual update.



<b>Report for:</b>	<b>Housing and Community Overview and Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>4 July 2018</b>
<b>Part:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Universal Credit</b>
<b>Contact:</b>	Responsible Officer - Cllr Margaret Griffith, Portfolio Holder for Housing  Authors Layna Warden – Group Manager (Tenants and Leaseholders) Chris Baker – Group Manager (Revenues, Benefits and Fraud)
<b>Purpose of report:</b>	<ol style="list-style-type: none"> <li>1. To inform Members of the current status of Universal Credit in Dacorum</li> <li>2. To highlight the potential impact to residents and tenants considering evidence from current Dacorum cases, neighbouring authorities and partner organisations</li> <li>3. To set out Dacorum Borough Councils approach so far and going forward</li> </ol>
<b>Recommendations</b>	That Members consider the report and make comments as felt appropriate.
<b>Period for post policy/project review</b>	12 months from date of report
<b>Corporate objectives:</b>	Affordable Housing Building Community Capacity
<b>Implications:</b>	<p><u>Financial</u></p> <p>Universal credit is a significant financial risk for a number of departments within the council, specifically Housing. With welfare benefits going directly to tenants instead of being paid directly to the housing service, it is predicted that rent arrears will rise. Based on the limited number of existing cases this rise could be up to £1.78 million by 2023.</p> <p>As the roll out continues, there will eventually be a reduction in the workload of the benefits team, although the details of the roll out plan have not yet been decided. There will also be a reduction in the administration grant provided to Dacorum by the Department for Work and Pensions (DWP). DWP has stated that it will contribute to redundancy costs linked to the introduction of Universal Credit if certain conditions are met.</p>

	<p><u>Value for money</u></p> <p>From evidence drawn from pilot areas and where Universal Credit roll out is further advanced it is unlikely that the aims of increasing employment and promoting responsibility will outweigh the financial cost to the Council in increased expenditure and loss of income through unpaid rent and charges.</p>
Risk implications	<p>Risk assessment completed/reviewed</p> <p>There will be a significant risk to the Council's ability to collect rent from its own tenants and an increase in pressure on the homeless and advice teams due to refusal of private landlords to accept Universal Credit claimants and additional evictions from existing tenants who move on to Universal Credit. There will be increased pressure on the community and voluntary sector for services offered by the Citizens Advice Dacorum and the Foodbank.</p>
Community Impact Assessment	Community Impact Assessment carried out
Health and safety Implications	There are no health and safety implications
Consultees:	<p>Mark Gaynor – Direction (Housing and Regeneration)</p> <p>Fiona Williamson - Assistant Director (Housing)</p> <p>Nigel Howcutt – Assistant Director (Finance and Resources)</p> <p>Katie Kiely – Team Leader (Income)</p>
Background papers:	Report to CMT – 30.01.18
Glossary of acronyms and any other abbreviations used in this report:	<p>DBC – Dacorum Borough Council</p> <p>DWP – Department for Work and Pensions</p> <p>HRA – Housing Revenue Account</p> <p>UC – Universal Credit</p>

## 1. Introduction

1.1. This report sets out the current situation of Universal Credit (UC) on a national basis and more specifically for Dacorum. It highlights some of the concerns of the system and what this means for residents, for other agencies and partners and for DBC as a stock retaining Local Authority. It finally sets

out the approach being taken by the Council to reduce the risk of UC implementation on our residents, voluntary sector partners and ability to provide a quality service.

## **2. Universal Credit – how it works**

2.1. Universal Credit is a key part of the Government’s welfare reform programme. When the concept was introduced in 2010 it received cross party support with its aim to simplify the benefits system for those of working age and incentivise employment. It signifies a considerable change to the benefit system, to combine six existing means-tested benefits into a single monthly payment. The benefits being replaced (“legacy benefits”) are:

- Income support
- Jobseekers allowance
- Employment & support allowance
- Working tax credit
- Child tax credit
- Housing benefit (HB)

2.2. This change intends to reduce complications of the benefit system for applicants and smooth the transition into employment. It was also intended to reduce the Department for Work and Pensions’ (DWP) costs of administering all the above benefits and increasing employment. The DWP’s most recent estimate is that an additional 200,000 people will enter work under UC.

2.3. There have been considerable concerns about its ability to achieve this. With the programme re-set in 2013, it was intended to be rolled out to all working age people by 2017. This was revised again last month to a target date of March 2023. Whilst the intentions of UC are generally supported, the actual implementation has proved damaging both for recipients and local authorities. A recent report by the National Audit Office showed that despite recent improvements, one-fifth of new claimants in March 2018 did not receive their full entitlement on time.

2.4. The roll out is designed in two main phases. First “natural migration”, followed by “managed migration”. We are currently in the natural migration phase, which only affects those who have a change of circumstances, live in an area where UC can be claimed, and would need to make a new claim for one of the legacy benefits. This phase is due to be completed in December 2018.

2.5. Starting in 2019, and currently planned to last until 2023, DWP will start the managed migration process, moving people to UC even if they don’t have a change in their circumstances. No information has yet been provided about how this will be undertaken.

2.6. As it combines six legacy benefits, it is difficult to predict the numbers that will arise, but it is estimated that around 1,000 households in Dacorum will be receiving UC by April 2019.

## **3. Current National Situation**

- 3.1. There are currently almost 1 Million residents in receipt of UC. Depending on their post code and personal circumstances, residents could be either under “Live Service” or “Full service”. The main rules and claiming processes differ between the two services as below:
- 3.2. *If living in a Universal Credit Live Service postcode*
- Only single applicants or couples without children who were jobseekers would have to apply for UC live service.
  - Anyone not meeting those conditions would still have to apply for the six legacy benefits
  - Those in receipt of UC live service have to manage their UC account over the phone
- 3.3. From 1<sup>st</sup> January 2018, new claims have been suspended for all claimants in a live service area. These claimants are now directed to the legacy benefit system.
- 3.4. *If living in a Universal Credit Full Service postcode*
- Anyone who would need to make a new claim for any of the six legacy benefits would have to apply for UC full service whatever their personal circumstances.
  - Applicants have an online UC account to manage their claim.
- 3.5. Families with 3 or more children will not be able to make a claim for UC in either area until 1<sup>st</sup> January 2019 at the earliest.
- 3.6. DWP’s current plan is for there to be a five year period of bulk migration from all of the existing benefits between 2019 and 2023. No announcements about how this will be organised have been made yet and the transition programme to date has been plagued by delays.

#### **4. Recent Changes**

- 4.1. In his Autumn budget the Chancellor of the Exchequer introduced a package of measures designed to address some of the criticisms of UC
- From 1<sup>st</sup> January 2018 applicants can receive an advance of 100% of their likely award, to be paid back over 12 months (rather than 50% to be repaid over 6 months)
  - From February 2018 the 7 waiting days will be scrapped – this means that applicants will need to wait only 5 weeks to receive their first payment rather than the previous 6 weeks.
  - From April 2018 tenants in receipt of Housing Benefit at the time they make a claim for UC will be entitled to a 2 week ‘run on’. HB will continue to be paid for temporary accommodation
  - From the end of November 2017 a new Freephone helpline replaced the premium 55p a minute phone line
- 4.2. While these concessions will certainly mitigate some of the problems experienced by new UC claimants, there is still considerable concern that these did not go far enough to reduce the impact of UC on child poverty, unemployment and debt. One particular problem remains in the five week

wait for the first payment. For example if the tenant is renting from within the private sector there are mandatory grounds for eviction after only eight weeks of arrears accruing.

## 5. Dacorum Claimants

5.1. Dacorum is predominantly currently covered by the UC Live service. With the roll out linked to Jobcentres there are a few residents in specific post codes which have recently started to receive the full service. As of 14<sup>th</sup> December 2017 it is believe this is 560 claimants linked to the Hemel Hempstead Jobcentre with another 65 for the St Albans area.

5.2. The current timetable for the roll out to full service is:

Full service date	Areas	Postcode sectors	Jobcentre
1 November 2017 (already rolled out)	Markyate, Flamstead	AL3 7, AL3 8	St Albans
24 January 2018 (no change)	Kings Langley, Chipperfield	WD4 8, WD4 9	Watford
5 September 2018	Berkhamsted, Northchurch, Tring		Aylesbury
3 October 2018	Ashridge, Little Gaddesden		Luton
5 December 2018	Hemel Hempstead, Nash Mills, Leverstock Green, Bovingdon, Holtsmere End		Hemel Hempstead

5.3. The exact post codes that will be included in the areas from August 2018 onwards are still unknown but these are to shortly be provided by the DWP. This may mean that Berkhamsted goes live in December along with Hemel Hempstead which demonstrates the difficulty in predicting the impact over this coming year. Overall the council are preparing for all new claimants to be expected to apply for UC from 5<sup>th</sup> December 2018.

5.4. The DWP have recently announced further changes, which mean that severely disabled people will not have to claim UC until they are picked up within the managed migration phase.

5.5. After December it is expected that there will be a gradual increase in the number of UC claims as and when residents' circumstances change. While it is difficult to identify the numbers of new claims we estimate a minimum of additional 750 residents in private and housing association accommodation and approximately 260 DBC tenants to move to UC by April 2019.

## 6. Risks of Universal Credit to Dacorum

- 6.1. A significant challenge is being able to accurately identify the impact on the Council. Regular changes and delays to implementation of UC have affected the ability to predict the impact of UC on local residents and services. The Council can learn from other authorities and complete modelling to get an estimate of the impact but this doesn't give an accurate assessment of the financial risks.
- 6.2. Areas where it can be reliably predicted are: increased rent arrears within the HRA and greater need for tenancy sustainment work; a likely increase in homelessness where landlords cease to let to UC tenants and any additional evictions through arrears – this at the same time that the Homeless Reduction Act is live with additional responsibilities for the Council; increased pressure on the voluntary sector.

### 6.3. Risks to the Housing Service – HRA

- 6.3.1. One of the biggest risks is that Social Housing tenants will directly receive the housing element of UC. For 4800 council tenants this will replace Housing Benefit and they will be responsible for paying the Council directly. A recent phone survey on claimants conducted by GSR on behalf of the DWP, identified that just over a third were experiencing housing payment arrears and for 44 per cent, the situation had deteriorated between the two surveys.
- 6.3.2. Rent arrears for DBC tenants will significantly increase. Alongside the 1% rent reduction which continues until April 2020, this adds further pressure to the HRA Business Plan and ability to invest in both new homes and improvements to existing stock, as well as the ability to provide a quality housing service.
- 6.3.3. The Housing team do not know exactly which tenants are in receipt of UC unless they or the DWP notify them directly. The exact figure of those on UC is unknown but it is believed to currently be 66 tenants.
- 6.3.4. As of May 2018, the impact on arrears for each tenant currently on UC is significant with over 88% of these tenants in rent arrears. This is slightly higher than other housing providers who have reported an average of 67%.

Average rent balance of all tenants in receipt of some Housing Benefit	£41.18
Average rent balance for tenants on Universal Credit	- £737.42

- 6.3.5. Based on the above it is predicted that at the point of full roll out in 2023, the amount owed in rent payment by those on benefits will have increased from £209,000 to £1,98 million.
- 6.3.6. Peers such as St Albans and Welwyn and Hatfield have already had a larger roll out of UC in their areas and both have increased their rent collection targets in line with this. It is likely that the DBC Housing service

will do the same in April 2019. If there is an increase of 0.5% of the total rent roll rent arrears would increase by £270,000.

- 6.3.7. Experiences by wider Social Housing Providers supported this concern with some reporting rent arrears increasing from 2.76% for those on HB to 13.96% for those on UC. The general trend experienced is that arrears will hit a peak after 6-10 weeks but they will lower slightly as tenants get used to this method of payment, however they will never return to the original level due to the 5-week delay in payment.
- 6.3.8. There will also be an increase in irrecoverable bad debt and evictions which is a concern for further homelessness. We have already had Debt Relief Orders for 2 tenants causing their arrears to be written off. We have increased the bad debt provision to £750,000 to manage this change.
- 6.3.9. It is very clear from the initial cases that UC claimants require more support, advice and time from Housing staff than those claiming HB. This increases the workload and pressure for Officers in this team. To manage this risk an additional resource is being considered on a spend to save basis to work solely with UC claimants and ensure swift payments. An upgrade to the Rent Accounting module of the Orchard Housing IT system will also enable higher risk accounts, such as those tenants in receipt of UC, to be flagged first ensuring higher risk tenants are targeted.

#### **6.4. Impacts to Corporate Services - General Fund**

##### **6.4.1. Revenues and Benefits**

- 6.4.2. The Council's Revenue and Benefits team currently pays HB to approximately 5,800 working age tenants (in council, other social and private sector housing). It also pays HB to about 2,800 tenants of pension age. The transfer to UC will gradually reduce the working age caseload, but the short term impact of the ending of new UC live service claims has been an increase in claims from January 2018. The Council remains responsible for awarding Council Tax Support (CTS) to those with low incomes, whether or not they receive UC.

It has been difficult to manage staff resources with continuous delays in full UC roll out. When experienced officers have left the service it was initially difficult to replace them as the available pool of employees shrunk due to the uncertain future. The DWP now recommend that councils fill gaps using fixed term contracts or temporary resource in order not to mitigate the potential costs of redundancy. This has an impact on the amount of capacity within the service, due to the requirement to pay a premium for temporary resource and yet stay within the planned budget.

- 6.4.3. The Council will be reviewing how Discretionary Housing Payments (DHP) are processed due to the administrative changes between UC and HB. Where a tenant receiving HB asks for additional help, there is already a lot of information available as part of the HB claim. There is a

lot less information available when the tenant receives UC. However, if a tenant is waiting for a UC decision, we are not able to pay DHP to them.

#### **6.4.4. Universal Support**

6.4.5. The Council has agreed with DWP to provide support for those who find digital communication difficult and have other 'complex' needs. The support falls into two categories: helping people set up an online UC account; and personal budgeting support. The Support Protocol Framework sets out what the Council has to ensure is provided. The payment is based on a DWP estimate of the number who will need to receive this help, and with no expectation of any support being required until the Full service is put into Hemel Hempstead Jobcentre. Approximately £8,000 has been granted to DBC but without dedicated resources internally and a large responsibility on reporting the full details of those who access these services the intention is for these two services to be outsourced. The Personal Budgeting Support will be provided by Citizens Advice Dacorum however so far no organisation has been found to support claimants with making new digital claims.

#### **6.4.6. Homelessness**

6.4.7. Those living in temporary accommodation will continue to receive legacy benefits and not be forced to receive UC however the numbers of those approaching the Council because they are homeless will increase. If you replicate the rent arrears for other Social Housing providers and the Private rented sector this is a significant concern especially with tenants having less security.

6.4.8. The Housing Reduction Act will increase the Councils responsibility for those at risk of homelessness. Coupled with increased evictions due to rent arrears and the refusal of some private landlords to accept those on UC, there will be more pressure on our ability to provide temporary accommodation.

6.4.9. Private landlords also reacted to the problems by refusing to accept tenants in receipt of UC with one provider serving S.21 notices on all private tenants in expectation to end tenancies because of rent arrears.

6.4.10. Rising private sector rents and changes to the Local Housing Allowance (LHA) rate, without a corresponding increase in housing support, means that the number of households that turn to local government for support will increase.

#### **6.4.11. Other services**

6.4.12. The above will have a knock on effect on contact through the Customer Service Unit. The number of general enquiries and requests for advice is likely to increase to the services described above as well as contact through the website and social media putting pressure on all services that deal with such enquiries.

6.4.13. The Community Partnerships Team currently contributes to a number of contracts with partners who are going to be significantly affected by

UC. It is likely the current arrangements might need to be reviewed in light of changing priorities and focus as more residents move to UC.

6.4.14. There is considerable evidence of the impact of UC on resident's health and wellbeing. Many reports have highlighted the increase in suicide threats and reliance on families and friends to provide financial support putting pressure on relationships. This is something that should be acknowledged as part of this corporate working group.

6.4.15. Any delay in receiving UC along with reduction in award will mean that residents will struggle to pay for services provided by the Council. Council Tax arrears and repayment of any fines and charges may also increase.

## **7. Additional concerns about Universal Credit**

7.1. The online forms to apply for Universal Credit are long with many questions ambiguous and confusing and very difficult to complete on a mobile phone or tablet. You need a lot of information to apply and there have been issues with the system crashing mid application. Additionally, Council Tax Support still needs to be claimed separately from the Council.

7.2. There is little incentive to increase hours of employment. While the option to undertake some employment is more attractive under this scheme, the taper that reduces the amount of UC as employment increases has been reviewed since the initial implementation and is unlikely to provide an incentive to increase hours of work.

7.3. Two people in a household claiming UC will only have one joint claim and one monthly payment into one bank account. This is a serious concern for safeguarding and domestic abuse. Encouraging financial independence is important in supporting victims of abuse. This policy can remove the opportunity to manage benefits like Child tax credit or income support which are more often claimed by women in a household. It can take away experiences of managing income and make them reliant on a partner in potentially violent and controlling relationships.

7.4. There have been a number of errors and there are a number of problems in communicating with the DWP. There have been numerous examples of claims being incorrectly assessed. Forms and procedures for obtaining information or for applying for APAs (Alternative Payment Arrangements) may change without notice delaying claims and creating confusion for tenants. There have also been considerable delays before the Housing Team are aware that a claim has been made as the primary link with the DWP goes through the Revenue and Benefits Team however an improved relationship is working to improve this.

## **8. Impacts on the wider community in Dacorum**

8.1. Analysis shows that certain vulnerable groups are disproportionately affected by the introduction of UC. Independent research for the LGA found that the cumulative impact of welfare reforms will lead to falls in real income for many

households. The Council can play an important role in managing the impacts of UC in our communities and ensuring the needs of residents are clearly highlighted to the DWP and the Government. Alongside the clear impact to our revenue and resources, the impact on the community and voluntary sector and other external partners is significant.

- 8.2. A formal inquiry was launched last year following receipt of “compelling evidence” of problems with the roll-out of the Universal Credit Full Service. Issues highlighted that claimants were experiencing significant hardship and relying on support services like the Citizens Advice and local Foodbanks with four in ten claimants experiencing difficulties keeping up with bills approximately eight to nine months into their claim.
- 8.3. Nationally Citizens Advice identified that 30% of people they had supported had made 10 or more phone calls to the helpline to sort out their claim. Additionally, 40% of people were not aware they could access an advanced payment and over half had to borrow money before they received their first payment.
- 8.4. Citizens Advice Dacorum have already noticed an increase in complex enquiries for tenants in receipt of or applying for UC. More time is needed to deal with these cases and issues more serious. If a tenant misses a job centre appointment they can lose all 6 benefits instead of just the Job Seekers Allowance under the old system. The impact of this on a family is huge.
- 8.5. Support agencies such as Drug Link and Turning point are very concerned about the impact receiving a monthly lump sum including Housing costs will have on those who have drug or alcohol dependencies. This will also impact demand for services from organisations like DENS
- 8.6. With a 5 week delay in receiving the first UC payment, the Food bank and Credit unions have already seen an increase in demand on their services. This has also been evidenced in full service areas and will put additional pressure on these organisations which are already experiencing pressure because of other Welfare Reforms.
- 8.7. Where UC is effective in incentivising work and increasing income from employment it can have a significant benefit to our residents and work towards many of our corporate objectives. As the Local Authority we can use our position to co-ordinate a clear approach to work together to mitigate some of the negative impacts of UC.

## **9. Our current approach**

9.1. The corporate approach to UC within the Council has been reviewed and an internal working group is led by the Assistant Director for Finance and Resources demonstrating our concern of the financial impact of this on the Council. Efforts will focus on 3 key work streams:

- Finance, information and performance.
- Communication strategy/Partnership delivery.

- Operational/Implementation delivery

Representatives from all relevant departments will contribute to these areas to ensure a robust and effective project plan for implementation.

- 9.2. A dedicated page has been created on the DBC intranet site to enable current information to be shared between front line officers already dealing with residents on UC.
- 9.3. A member briefing session will clarify the current situation and approach at DBC and encourage a two-way process to understand the direct impact on any constituents and reassure of the approach taken across Dacorum.
- 9.4. A positive relationship has been built with Hemel Hempstead Jobcentre and since the new DWP partnership manager started in Dacorum a number of meetings have taken place between DBC departments and relevant DWP representatives. There is regular attendance at the Dacorum Strategic Network and a monthly meeting between housing, Revenue Benefits and the DWP partnership manager has been set up to discuss operational issues. Training for DBC staff will take place by the DWP in September and co-location of staff at The Forum or Job centre is currently being considered.
- 9.5. With a number of different job centres in the Dacorum Borough it has been difficult to get information about the numbers of claimants in Dacorum not solely in Hemel Hempstead. Additionally, details about the postcodes linked to each job centre and information about the full migration and where Dacorum is likely to sit on this time scale has not been forthcoming. This has been raised with the partnership manager and discussions with other Housing Providers confirm that decisions bigger than a local level are difficult to obtain.
- 9.6. Building effective external partnerships is crucial and UC has been discussed at the Dacorum Strategic Network (DSN) and the impact this could have on employment, homelessness, drugs and alcohol use and mental health which are key areas of focus. Members from Community Action Dacorum, Citizens Advice, Dacorum Community Trust and High town Housing Association have met with DBC representatives to look at partnership working and specific actions around sharing training, resources and information about service impact in the lead up to full service roll out.
- 9.7. The Council will work with other Housing Providers and groups like the Chartered Institute of Housing and National Housing Federation the share the impact and failings of the system to influence changes that meet the wider aims of UC to reduce dependence of the Welfare system and incentivise employment.
- 9.8. A key task will be to ensure that there is a sensible approach to data sharing (specifically clarifying how information can be shared without breaching Data Protection and avoiding a narrower approach which will not help residents impacted). This will allow quick identification of circumstances that warrant an early intervention with UC recipients.
- 9.9. The internal working group will ensure appropriate provision of access to information and advice for residents using online services. It is recognised that the Councils role should be a signposting function due to the changing

nature of information. The Councils website will ensure that tenants and residents who go to our pages can be linked to those by DWP plus key support agencies such as Step Change and the Money Advice Service.

## 10. Conclusion

- 10.1. The roll out of UC will have a significant financial impact on all households moving onto this welfare benefit. There will be an increase in need for advice and support during the process, and will have a significant effect on the Council and voluntary organisations in the Borough. Over 1000 residents will be impacted by April 2019 with multiple thousands at the point of full migration in 2023.
- 10.2. Experience from the Housing service has shown that rent arrears of those on UC are significantly higher than those on HB with a potential increase of rent arrears in April 2019 of £270,000 rising by 2023 to £1.78 million. Overall evidence from full service areas show there is an increased reluctance for private landlords to accept UC claimants and the level of arrears have increased the pressure on the Councils Homeless and advice teams.
- 10.3. While evidence from the DWP suggestions claimants have increased the total hours they are in employment, there is an increased reliance on the community and voluntary sector for support and advice, food parcels and grants.
- 10.4. A coordinated approach involving a number of departments across the Council aims to reduce this risk through focusing resources to target areas of greatest impact. Implementing task and finish groups will enable outcomes in areas such as delivery of an internal and external communications brief and building effective partnerships with the DWP and the Community and Voluntary sector.
- 10.5. There has been considerable attention on UC at a local and national level causing concern about the impact this will have on the Council and its residents. While steps can be taken to reduce the risk, it should be expected that this will put significant pressure on communities, finance and resources. With limited information at this time best guess judgements will continue to be reviewed in partnership with neighbouring authorities.