

Impact of Welfare Reform and Mitigation Plan

Updated Version May 2015

CASSILTOUN HOUSING ASSOCIATION

2015

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1. Introduction

1.1 The Welfare Reform Act of 2012 brought in the '*most radical reform of the Welfare State since it first began*'. It has significant implications both for benefit claimants and social landlords. This is due to:

- Changes to the way people make and maintain claims (claims online)
- Changes to the ways people are paid benefits (all benefits monthly direct to claimants)
- Changes to the assessment process (changes to entitlement/removal of premiums)
- Abolition of some benefits

2. Why Mitigation is important

2.1 Cassiltoun believe that a mitigation strategy is important for two reasons:

1. **A business case**

It is vital that tenants are able to pay their rent as this revenue is required for the successful operation of the business

2. **A social welfare case**

Ensuring that benefit incomes are maximised and that debt is minimized is vital to the sustainment of the local community and assists with the alleviation of poverty and other elements of exclusion.

3. Cassiltoun Strategy

- 3.1 Since 2011 the organisation has been preparing for Welfare Reform. This has been through responding to consultations on the Regulations, feeding into industry wide preparations and reviewing internal business and operation plans.

As the reforms have been subject to change through case law challenges, the DWP's policy of 'test and learn' in terms of roll out and other political changes (potential independence/Smith Commission and the general election) Cassiltoun's Board has taken the decision to prepare 'as far as reasonably practicable'. This has been by making provisions in our business planning to ensure that we are preparing for any potential performance and financial implications, ensuring that we have informed and competent staff and finally having strategies in place to change our business practices that we can implement swiftly once we are confident a reform is being put into place.

4. Analysis of Potential Impact

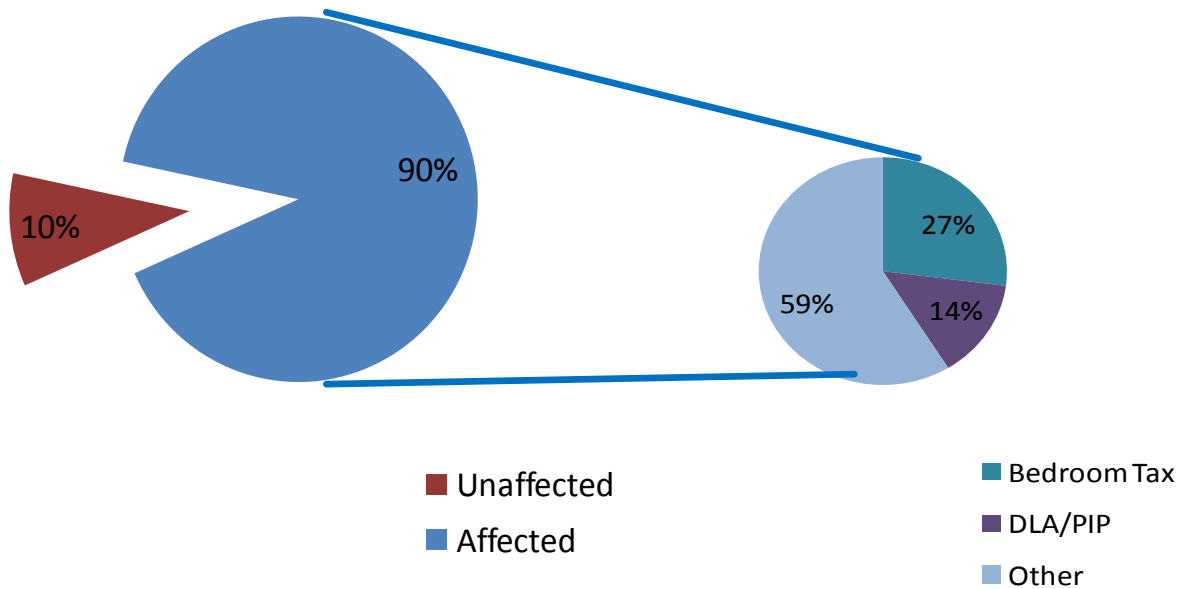
- 4.1 By analysing Cassiltoun's tenant profiles we were able to establish that 90% of our tenants would be impacted by the proposed measures in the Welfare Reform Bill. This was due to measures such as the bedroom tax and Universal Credit but also the impact of measures such as changes to Disability Living Allowance, potential changes to pensioner benefits and the change or freeze in the way that increases in benefits were calculated.

We assessed that the only groups that were likely to be untouched by Welfare Reform (in 2011) were:

People in employment with no children and not reliant on any benefits

Retired people with no reliance on housing benefit or pension credit

Analysis of Cassiltoun tenants affected by proposed welfare changes (2011)



5. Time Line

2011

- Welfare reform bill announced
- Input into consultations
- Inform Board and staff
- Keep a 'watching brief'

2012

- Welfare Reform Act passed
- Update business planning
- Educate and inform tenants and staff
- Tenant Profiling
- Benefit uptake campaign

2013

- Bedroom Tax introduced
- Bedroom tax mitigations
 - DHP's
 - Overnight Care exemptions
- Property redevelopment
- Update business planning
- Lottery bid submitted
- Partnership with Food bank

2014

- Lottery award
- New Advice team created
- New partnerships created
- Continue to inform and educate staff, tenants and Board

2015

- Review of policies, procedures and processes to prepare for UC rollout in Glasgow
- First year of new Advice team - £750k income raised for tenants
- 20 Bank accounts set up
- Increase in financial capability
- Continue to develop new partnerships to create opportunities for:
 - Increased IT skills
 - Increased Employability
 - Increased Financial Capability

6. Ongoing mitigation

6.1 Information

Cassiltoun has ensured that there is information available to tenants with the details of the changes. Welfare reform has featured in the newsletter, on the organisations website and there has been information available at tenant events (such as the AGM).

6.2 Training

Both the staff team and the Board receive training and updates about Welfare Reform from our Regeneration Manager who is an expert in the field of Welfare Law.

6.3 Responding to call for evidence/consultations

Cassiltoun have responded to numerous calls for evidence and have replied to formal consultations from a range of organisations including: **Scottish Federation of Housing Associations, Glasgow West of Scotland Forum of Housing Associations, Chartered Institute of Housing, Department of Work and Pensions and the Scottish Government.**

6.4 Ongoing business planning

The organisation takes cognizance of all the relevant information and makes ongoing provision in its business planning process on any potential impact on:

- Arrears
- Void loss
- Transactional costs
- Staffing

6.5 Managing Risks

Cassiltoun have highlighted Welfare Reform as a high level risk on its Risk Register since 2011. This has ensured that the organisation treat this as a high priority in terms of its planning since that date.

6.6 Business as Usual – Strong performance

Ensuring that the business is operating and performing well ensures that the organisation is robust and can effectively manage any external changes or pressures.

Cassiltoun has a strong track record in terms of performance. It has robust operational plans that ensure there are controls over rent collection and allocation of houses. It has achieved (and exceeded) its key performance targets since 2011. An example of this is arrears performance:-

	<u>Target</u>	<u>Performance as at 31st March</u>
2011	2.20%	1.75%
2012	2.00%	1.97%
2013	2.90%	3.32%
2014	4.70%	4.37%

It also benchmarks well with its peers in terms of:

- Rent levels
- Void loss
- Staff retention and sickness levels

7. Intensive mitigation

7.1 Informing tenants and tenant profiling

This process began in 2012 with staff visiting all Cassiltoun's tenants in their homes to explain how the Welfare Reform Act may affect them either at that time or if their circumstances change this included people over pension age.

The exercise was successful in terms of getting the message out to tenants. It also allowed us to identify:

- who was going to be affected by the Bedroom Tax and who will need a Discretionary Housing Payment application (DHP)
- who required a claim for Disability Living Allowance (DLA) or Attendance Allowance(AA)

It also allowed us to update our tenant profiling:

- Update tenancy records
- Collect information relating to digital and financial inclusion
- Collect information about tenant satisfaction
- Collect information useful to the Tenants Charter
- Collect information relating to Equal Opportunities
- Collect information about people who have disabilities/carers
- Collect information about people that have adapted properties/require adaptations

7.2 Re-allocating and training staff

In 2013 Cassiltoun took the decision to re-allocate staffing resources into tenant profiling, welfare rights and bedroom tax mitigation. This included a part time assistant and an administrative resource.

7.3 Bedroom Tax Mitigation

In 2013 The Association took the following action to alleviate hardships caused by the Bedroom Tax.

This included:

- Ensuring that people who qualified for a bedroom for an overnight carer received this exemption
- Ensuring that anyone with 'bedroom tax' completed a Discretionary Housing Payment application
- Re-developing property to provide one-bedroom properties

7.4 Partnership with S/E Food Bank

In 2013 the Association formed a partnership with the Trussell Trust, the local Foodbank. This ensured that the Housing Associations held a stock of food parcels that could be given out to those who were suffering financial hardship

7.5 Lottery Bid to establish an Advice Team

In 2013 the Association took the strategic decision to apply for 5 years of funding for an Advice Team. In 2014 this process led to a successful award and the creation of three posts; a full time Welfare Rights Officer, a full time Financial Inclusion Officer and an Advice Assistant. This was in partnership with another local Housing Provider (Craigdale). The role of the team is not just to assist with benefits and debts but also to educate and increase people's confidence and capability. In their first year they assisted 20 people to set up bank accounts, increased incomes by £750 000 and enabled 60 people to increase their confidence with dealing with the benefits system and in organising their own budgets (figures from year 2014/2015)

7.6 Plans for 2015 onwards

With the introduction of Universal Credit to Glasgow in June 2015 and the current Administration in Westminster who propose to reduce the benefit bill by a further £12 billion the Association is aware that many of our tenants on benefits will continue to have financial challenges. It has focused on the following areas:

Creation of new partnerships with organisations who will assist people to sustain their tenancies – for example furniture recycling programmes and starter packs.

Continue with the work of the Advice Team – delivering an excellent service to their clients.

Delivery of programs focusing on employability and improving the chances of young and unemployed people to gain new skills and employment.

Potentially creating new partnerships with the DWP and Jobs and Business Glasgow to expand the range of information and opportunities that we can provide local people.

7.7 Change to Business processes

With the introduction of Universal Credit the organisation has also begun to look closely at aspects of its business process to ensure that they are 'fit for purpose'

This includes:

- Arrears monitoring
- Allocations and terminations of tenancy
- Payment methods
- IT systems

This will be an ongoing process with individuals in the organisation championing each aspect and ensuring that it is reviewed as lessons are learnt from practical experience.

8. Conclusions

The organisation needs to continue to be flexible and proactive to ensure that the needs of the business and the needs of their tenants are being met. The impact of the Smith Commission and the further changes (yet to be detailed) by the Westminster Government will need to be analysed and planned for.