



## North Tyneside Council

## Secure Sub-Committee Report

**Meeting:** Secure Sub-Committee

**Date:** 20<sup>th</sup> November 2023

**Title:** Tenancy and Financial Support Project 2023 – 2026

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### Purpose of Report

To provide members with an update on the support packages available to Council Tenants.

### Background

In response to the ongoing issues that are impacting on the financial circumstances of North Tyneside Council tenants, Cabinet agreed a financial support package (Tenants Support Fund) covering the three-year period 2023-24, 2024-25 And 2025-26.

The package totals £3.00m over the three-year period (£1.2m 1st year, £1.00m 2nd year & £0.77m 3rd year). This generous package recognises the impact that the current cost of living crisis is having on our tenants. The Housing Revenue Account (HRA) will be funding the package, so it is specifically for Housing tenants only.

There is a clear policy commitment in the Our North Tyneside Plan to tackle inequalities and the Equally Well strategy provides a framework for doing this in relation to providing a healthy standard of living for all.

A key factor in supporting tenants, and their families, to deal with the impacts of the cost-of-living crisis and in creating sustainable tenancies is to improve the financial capability and confidence of our tenants to enable them to live and flourish in their homes.

We know from experience that by taking the time to engage with and gain the trust of the customer, by having an honest discussion with them, we can identify the underlying issues that are impacting on their ability to sustain their tenancy and thrive in the current economic climate.

Once we do that, we can work with the to help improve their money management and budgeting skills, maximise their income and help them make the right decisions for their housing and financial circumstances.

This briefing note describes how we are going to use the Tenants Support Fund to help target those in most need.

## Existing Support

In addition to the help and support available to all residents that is detailed on the Council website: (<https://my.northtyneside.gov.uk/category/1652/cost-living-support>) our Tenancy Support Service work with housing tenants to help sustain their tenancies. Taking a whole Family approach, aimed at supporting families in hardship and at risk of homelessness, they provide an excellent person-centred support service to vulnerable customers. Helping them to improve their quality of life, live independently and successfully sustain their tenancy.

Working with customers on a one-to-one basis, they establish a trusting relationship which enables them to understand what their needs are and work with them to develop a support plan based on those needs. This includes support on employability, welfare benefits, energy efficiency, digital inclusion, and providing customers with budgeting and money advice.

The impacts of the pandemic, and the cost-of-living crisis, means the volume and complexity of cases referred to the service has increased significantly.

We need to do more. The current capacity of the service is not sufficient to meet the increasing level of need within our customer base and the additional complexity and diversity of needs that customers are presenting with is exasperating the situation. We are also finding that most customers who are referred for support have multiple issues. Therefore, we need to create more capacity to provide the help and support that is needed and to be able to respond more effectively to the more complex needs of customers.

## The Business Approach

The aim of providing additional help and support to our tenants is to help them to deal more effectively with the impacts of the current cost of living crisis. This in turn will enable them to feed and clothe their household, heat their homes and, crucially, sustain their tenancy by making sure that they maintain their rent payments and reduce any arrears previously accrued.

When tenants maintain their rent payments and start to reduce their arrears this positively impacts on the HRA.

To effectively target the increased resources we have available via the Tenants Support Fund, we need to make use of the knowledge we have available to us.

The diverse nature of our customer base and the multitude of social, economic, and financial issues that can impact on our tenants, means that the underlying causal reasons for the increasing levels of arrears, and other financial hardship indicators, are extremely complex and varied.

Analysis of our arrears cases shows us that the main influencing factors on the likelihood of being in arrears, and the levels of arrears, are age and economic activity group.

Tenants between 16 and 45 account for 68% of the overall arrears by value, as of October 2023 (£2.8m out of a total of £4.1m). However, there are 5063 tenants between the ages of 16 and 45.

We also know that tenants who are on tax credits or legacy benefits NOT currently in receipt of Universal Credit will be migrated to Universal Credit at some point in the next 2 years. We know there are over 2400 of our current tenants who are likely to be migrated to UC over that period many of whom will need support to deal with the transition.

Therefore, there are over 7500 tenants who may need help and support over the timescale of the Tenancy and Financial Support Project. Even with the additional resources we can bring in, we are not going to be able to engage with and provide support to all of them. So, we need to look at other contributory factors to be able to effectively target our resources in the most effective way.

Through analysis of the data, we hold we have identified the following groups who we will target directly:

1. Tenants under the age of forty-five in arrears who fall into the following categories:
  - a. Those in receipt of Universal Credit
  - b. Those NOT in receipt of any welfare benefit (referred to as 'self-payers')
2. Tenants currently in receipt of tax credits who will be migrated to Universal Credit within the next 2 years – these are invariably those working but on low incomes.
3. Tenants currently in receipt of legacy benefits (Income Support, Job Seekers Allowance, and Housing Benefit only) who will also be migrated to UC in the next 2 years.

We will also continue to accept referrals from colleagues across the Housing Services when they identify a tenant who may need additional help and support, including referrals for reduced water rates.

Using the data, we have available to us we can estimate the numbers of tenants in each of the above groups and have set targets for engagement as well as arrears reduction levels and financial gains for those who do engage with us. The following table shows the breakdown of the numbers in each group and the targets we have set for each group.

## Targets

We aim to meet the following targets over the two ½ years of the project:

Support Group	Number in group	Engagement Target	Overall Arrears reduction	Financial Gain for tenants	Total
UC claimants in arrears under 45 eligible for DHP	1175	490	£343,000	£98,000	£441,000
UC claimants in arrears under 45 not eligible for DHP	1682	703	£140,600	£140,600	£281,200
Self-Payers in arrears under 45 without children	360	150	£30,000	£45,000	£75,000
Self-Payers in arrears under 45 with children	361	153	£30,600	£45,900	£76,500
Tenants on Tax Credits to be migrated to UC	1015	433	£85,000	£85,000	£170,000
Tenants on IS, JSA and HB only to be migrated to UC	680	285	£79,800	£57,000	£136,800
Referrals from Income and Housing	624	520	£104,000	£104,000	£208,000
Water Rates referrals	1500	1250	£250,000		£250,000
<b>Total</b>	<b>10113</b>	<b>3976</b>	<b>£1,063,000</b>	<b>3575,500</b>	<b>£1,638,500</b>

Please see Appendices for further details on these groups, covering the numbers in each group, and targets:

Appendix 1 – The impact of Age

Appendix 2 – Economic Activity status

Appendix 3 – Self Payers

Appendix 4 – Managed Migration to Universal Credit

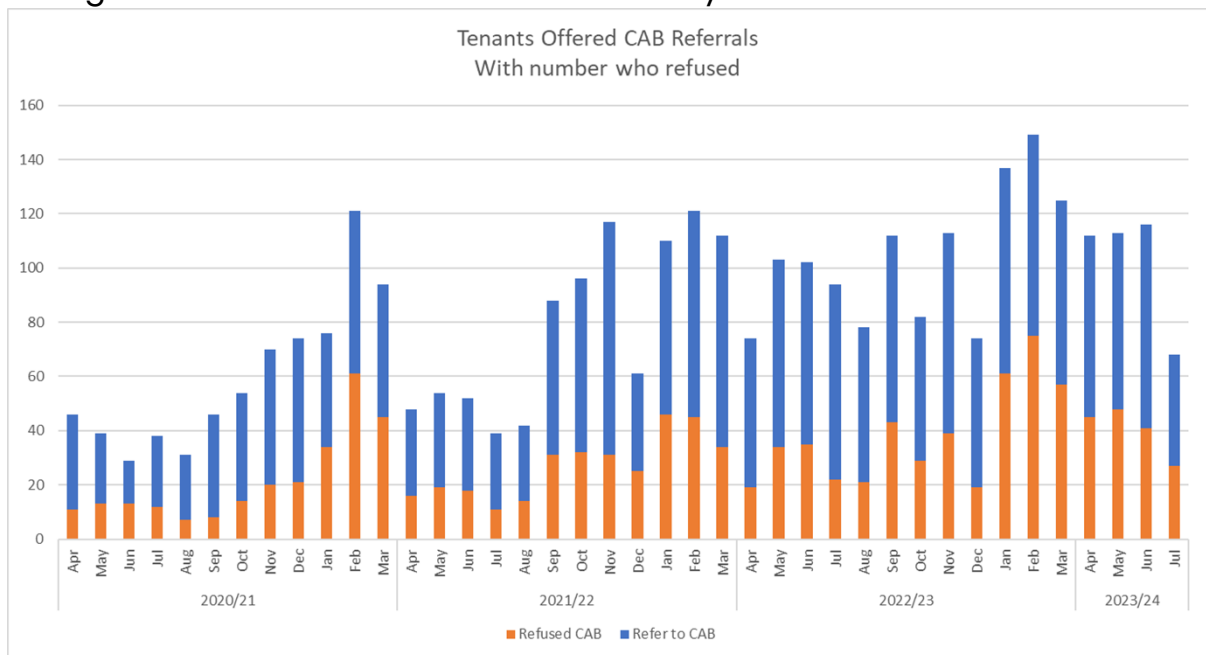
Appendix 5 – Referrals to the Service

## Debt Management

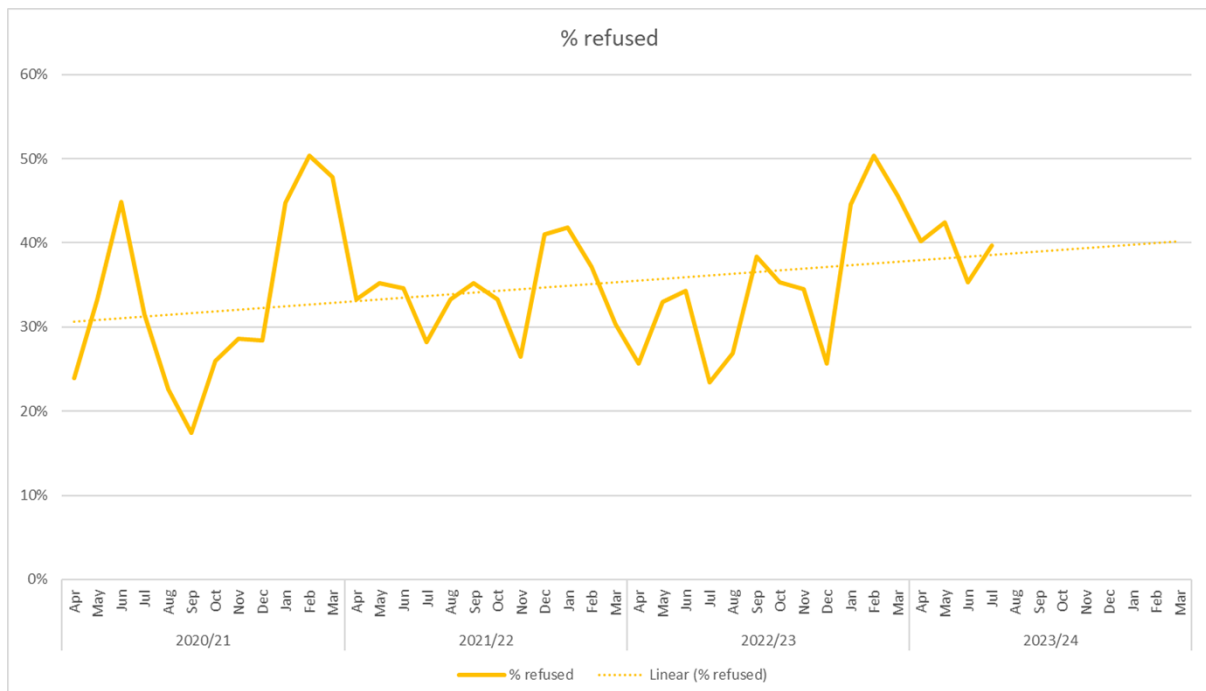
Debt Management services are not currently offered in house by the Housing Service. Independent Debt Management services are provided by CA and Step Change.

As a result of the ongoing cost of living crisis we are seeing an increase in the number of customers being offered a referral to the Citizens Advice (CA). The services provided by CA are impartial, qualified and of an exceptionally high standard. The CA is a national organisation that is highly trusted by millions of clients; in most cases referrals to CA are appropriate and we do not propose to change our procedures in such instances.

The following table shows the trend over the last 3 years.



However, for some tenants, who are positively engaging with Housing staff and have developed a level of trust and respect, being referred to another service is not in their best interests. We are also seeing an increase in the proportion of tenants offered a referral to CA who are refusing that offer.



We are now finding that 40% of those who staff assess as needing a referral to CA are refusing to be referred. Over the last 12 months 527 tenants have refused a referral to CA. Tenants who we assess as needing support are not accessing that support.

The next section covers how the service will be structured to deliver the aims and outcomes set out in this paper.

## **Tenancy and Financial Support Service**

To be able to deliver the above targets this briefing note outlines how we will use the Tenants Support Fund to provide the necessary services to deliver the overall aims of the Tenants Support Project.

The following services to deliver this project:

### **Tenancy Support, Financial Inclusion, Money, and Debt Management**

- Tenancy and Financial Support Officers
- Energy and Support Healthy Homes Officers
- Debt Management Officers

We will also fund the Development and Training of existing Tenancy Support Officers to enhance and develop their existing knowledge and skills to enable them to provide additional wrap around support to customers in need.

See Appendix 6 – The Role of Tenancy and Financial Support Officers for more information.

### **Additional Specialist Support**

#### **Energy Efficiency**

- Energy and Support Healthy Homes Officers to provide specialist advice and support to customers to help them to reduce their energy usage, minimise the increases in their energy bills and reduce the carbon footprint of council tenants.

#### **Specialist Debt Management**

- Specialist Debt Management Officers to provide Debt Advice and Counselling. This is a specialist service that will require more intensive support over a longer period per case than the traditional tenancy support activities that are delivered.