



North Tyneside
Council

Briefing Notes

Appendices:

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

Appendix 6 – Role of the Tenancy and Financial Support Officer

Appendix 1 – The impact of Age

Age is the most important factor with regards to the likelihood of being in arrears; the proportion of tenants in arrears increases as the age of tenant reduces. Basically, the younger the tenant the more likely they are to be in arrears; with those under 35 years of age being 33% more likely to be in arrears than those aged between 36 and 65 years of age, and 81% more likely than those aged over 65 years of age.

Age has always been a significant contributory factor. Twenty years ago Social housing providers targeted those under 25 for additional help and support. As the housing markets changed the average age and vulnerability of new tenants increased meaning that those under 35 invariably required more help and support to sustain their tenancies.

Following the pandemic and the cost of living crisis we are finding that the number of tenants up to the age of 45 who are showing signs of financial stress is increasing.

Currently in North Tyneside the 36 to 45 age group is the one with the highest proportion of tenants; this group account for 17.9% of all tenants. The fact that they appear to be adversely impacted by the social and economic factors currently prevailing is a concern. This group, as a result, now account for 23% of all those in arrears and 34% of the arrears by value.

Overall, tenants between 16 and 45 account for 68% of the overall arrears by value (£2.8m out of a total of £4.1m).

However, there are 5063 tenants between the ages of 16 and 45. 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 (see below).

Appendix 2 – Economic Activity Status

When we factor in economic activity status we find that those most likely to be in arrears are younger tenants on Universal Credit.

Tenants on Universal Credit, aged between 16 and 45, account for 25% of all tenants, yet this group account for 36.5% of all those in arrears. These tenants are also more likely to be in higher levels of arrears, with this group accounting for 57% of the overall value of arrears amongst council tenants.

Being in receipt of Universal Credit is therefore the biggest indicator of higher levels of arrears across all economic activity groups. Overall, those on Universal Credit make up 40% of all tenants, 54% of all those in arrears but 77% of the value of the arrears overall.

However, we know that those in receipt of Universal Credit and other welfare benefits are able to access help and support from a variety of organisations, grants and funding streams by virtue of the fact that they are in receipt of those benefits for example, Discretionary Housing Payments, free school meals, Fuel Vouchers, free prescriptions etc.

We need to make sure that these tenants are accessing all financial and practical support that they are entitled to and crucially that they are receiving the correct Universal Credit elements at the right level. There are 4286 tenants on UC in arrears, with 2857 of them in the younger age groups (less than 45 years of age).

Ideally we would want to target those that are not receiving the correct UC elements and/or those who are not receiving the correct amount of housing element, as well as those who are not receiving the correct level of other elements, e.g. are all eligible children included.

Unfortunately, we cannot get aggregated data to help us to identify the number of tenants who are not receiving all that they are entitled to. We would also want to target those on UC who might qualify for DHP, i.e. those who are not receiving their full entitlement to Housing Costs Support, either because they are under occupying their home, due to their income or as a result of sanctions.

However, as we are not informed by the DWP what level of housing support each UC claimant receives we don't know how many tenants would be eligible for DHP. But, we can assume that the eligibility level will be similar to that amongst Housing Benefit recipients. Currently, 41% of HB recipients are in receipt of less than 100% of their full entitlement of HB and so may be eligible for DHP. If we use the same percentage we can assume that approximately 1,175 of the 2857 UC recipients under the age of 45 may be eligible for DHP.

Even with increased resources in the Tenants Support Service we will not be able to contact and support all of these tenants. Therefore, for this cohort of customers we need to look at ways to improve their understanding of ways

to access the additional support they are entitled to. Whilst also continuing to identify those amongst this group who are the most vulnerable and therefore unable to self serve.

It is therefore recommended that we continue to work closely with colleagues in the Housing Income and Estates teams to proactively identify those on UC who are in need of help and support.

Target:

We aim to engage with and support 1194 UC claimants under 45 in need of support.

240 during 2023/24, 477 during 2024/25 and 477 during 2025/26

We also aim to engage with and support 520 tenants with a variety of support needs who are referred to the support service by colleagues in other service areas, such as Housing Income, Housing Neighbourhoods, Housing Needs, Early Help and Prevention and Adult Social Care.

Outcomes:

We aim to reduce arrears for this cohort by 20% over the 3 year period - £483,000

We aim to increase the income of this cohort by £238k over that time.

Appendix 3 – Self Payers

The economic activity group who are next most likely to be in arrears are those that are not in receipt of Welfare Benefits, i.e. those who receive no support towards their rent payments.

We refer to this group as the 'Self Payers'; they account for 26% of all tenants. 24% of those in arrears and 18% of the value of arrears.

However, a large proportion of this group are pensioners, many of whom do have access to other forms of help and support or who have adequate income from private pensions and/or savings. There are always exceptions but traditionally, pensioners are not a group who struggle to pay their rent or make ends meet. We do need to be mindful of the impact of increasing fuel costs on our pensioners.

When we look at working age self payers separately we can see that they are feeling the impact of the cost of living crisis. Working aged tenants in the group, aged 16 to 65, account for 18% of our tenants, 19% of those in arrears and 16% of the value of arrears.

But, those aged 16 to 45 are the ones that are more affected in this group. They account for 7.7% of all tenants, 9.2% of those in arrears and 9.5% of the overall value of arrears. This group are also unlikely to be eligible for any other forms of help, support or grant funding simply because they are not in receipt of welfare benefits.

As this is a fairly small group of tenants, 721 of them, for whom indicators suggest they are adversely impacted by the cost of living crisis but have no access to other forms of support we can use the additional resources we are putting in place to proactively contact and target this group for support.

We can further split this group into two separate groups; those with children and those without children. Those with children are more likely to be in arrears, and the average level of arrears is £580 for 'self payers' with children compared to £406 for all self payers and £350 for those without children.

We aim to target this group of 721 tenants, but we will prioritise those with children in the household. There are 439 tenants in this group.

Target:

We aim to engage with and support 303 'self payers' under 45 in need of support.

61 during 2023/24, 121 during 2024/25 and 121 during 2025/26

Outcomes:

We aim to reduce arrears for this cohort by 15% over the 3 year period - £60,600

We aim to increase the income of this cohort by £91k over that time.

Appendix 4 – Managed Migration to Universal Credit

There are currently 1767 working age tenants who are still in receipt of legacy benefits. i.e. they have not yet moved onto Universal Credit. There are also 644 tenants with children who are not on HB (or UC) but who are likely to be in receipt of Child Tax Credits. Therefore, an additional 2,411 tenants are likely to move onto Universal Credit in future.

We know that the DWP intend to manage the migration of these tenants onto UC over the next 6 years. The first phase of this migration will be for those currently in receipt of tax credits (Child Tax Credits and Working Tax C) and this is intended to be completed by the end of 2024/25. The second phase will concentrate on the remaining Income Support (IS), Job Seekers Allowance (JSA) and Housing Benefit (HB) only claimants. Again, these will be completed by the end of 2024/25.

We do not know exactly which of our tenants fall into these categories but we can estimate that 371 of those on Housing Benefit, who have children living with them, and the 644 not on HB with children are likely to be in the Tax Credits category.

That's a total of 1,015 tenants with children who are likely to be migrated to UC over the next 12 to 18 months. Without the appropriate help and support these tenants may struggle to sustain their tenancy after the move to UC.

We know that tenants with children who are on UC are 31% more likely to be in arrears than those with children NOT on UC. The average arrears for those with children on UC is currently £779 compared to £442 for those with children NOT on UC. There is a potential additional arrears impact of £342,055 over the next 12 to 18 months as a result of this group migrating onto UC.

The remaining 1,394 working age tenants still on legacy benefits will be a mix of claimants on Income Support, Job Seekers Allowance, Housing Benefit (only) and Employment and Support Allowance. These will be migrated to UC after the Tax Credits claimants.

DWP will have completed the moves of all legacy cases with Tax Credits (including those on both ESA and Tax Credits), all cases on Income Support (IS) and Jobseeker's Allowance (JSA) and all Housing Benefit (HB) only cases by the end of 2024/25.

The migration of the remaining ESA cases and ESA/Housing Benefit cases, who don't have any other change in circumstances in the meantime, will be completed by the end of 2028/29.

We do not know for sure which benefits these remaining 1,394 tenants are in receipt of so we cannot say when each tenant will be migrating to UC. However, using the demographic data we hold we can estimate.

714 of them have told us that they have a disability or long term limiting illness. We cannot know for certain but these tenants may be in receipt of ESA so they will be in the last phase of those to be migrated to UC (by the end of 2028/29).

This means that there are 680 tenants who are likely to be in receipt of Income Support, Job Seekers Allowance or Housing Benefit only. These will be migrated to UC before the end of 2024/25.

Currently, these tenants are coping better, less of them are on arrears compared to those on UC and the average level of arrears is much less. We know from our experience to date that the impact on rent arrears for tenants who move from housing benefit to UC is significant. Working age tenants on UC are 32% more likely to be in arrears than those on HB and the average arrears level for working age tenants on UC is £706 compared to £152 for those on HB; this is £574 more per case.

Overall, the potential impact of the managed migration to UC between now and the end of 2024/25 has the potential to adversely impact the arrears as follows:

	Number	Average per case	Estimated increase
Tenants on Tax Credits	1,015	£337	£342,055
Tenants on IS, JSA and HB only	680	£574	£390,320
Total	1,695	£432	£732,375

Target:

We aim to engage with and support 425 Tax Credits recipients who will be migrated to UC and may need of support.

85 during 2023/24, 170 during 2024/25 and 170 during 2025/26

We aim to engage with and support 285 IS, JSA and HB only recipients who will be migrated to UC and may need of support.

57 during 2023/24, 114 during 2024/25 and 114 during 2025/26

Outcomes:

We aim to reduce arrears for Tax Credit recipients migrated to UC by 29% over the 3 year period – £85,000

We aim to increase the income of this cohort by £85k over that time.

We aim to reduce in negative impact of the transition from IS, JSA and HB only to UC by 20% over the 3 year period – £79,800

We aim to increase the income of this cohort by £57k over that time.

Appendix 5 – Referrals to the Service

As covered above, in addition to the proactive analysis and targeting approach we will be taking we will continue to encourage and accept referrals into the support service from colleagues across housing and other service within the Authority.

We envisage that the increased resources in the team will mean increased capacity to deal with more referrals. We estimate that the number of referrals for support into the service will increase from 104 per annum currently (not including water rates referrals) to 208 per annum for the duration of the project.

Therefore, we aim to engage with and support 520 additional tenants with a variety of support needs who are referred to the support service by colleagues in other service areas, such as Housing Income, Housing Neighbourhoods, Housing Needs, Early Help and Prevention and Adult Social Care.

Water Rates – Income based reduction

The service will also continue to accept and process referrals for Water Rates Income Based reductions.

We estimate that we will continue to deal with an average of 10 per week, a total of 1250 additional cases over the 3 year period.

Outcomes:

We aim to reduce arrears for those referred to the service for support by 20% over the 3 year period – £104,000

We aim to increase the income of this cohort by £104k over that time.

We aim to reduce the arrears for those referred to the service for Water Rates reductions by 20% over the 3 year period – £250,000

Overall Aims and Targets

- Improve information and support for Universal Credit recipients in arrears
- Proactively identify and target those Universal Credit recipients who are most vulnerable
- Identify and contact those legacy benefit customers who will be migrating to Universal Credit in the next 2 years
- Identify, contact, assess and support self payers who are struggling to cope with the impacts of the cost of living crisis.

Appendix 6 – Role of the Tenancy and Financial Support Officer

Tenancy and Financial Support Officers will work in partnership with colleagues in DWP Job Centres, DWP UC Centre, CAB, Employability and Support, Public Health, and Community and Voluntary Sector Organisations across the Borough.

They will also work closely with colleagues in other services such as Early Help and Prevention, Social Inclusion Team, Participation, Advocacy and Engagement Service, Welfare Assistance, Community Protection and Neighbourhood Housing Services.

The Tenancy and Financial Support Officers will provide the following support to tenants:

- Early Help Assessments and processes
- Help and support to understand Universal Credit
- Apply for Water Rates discounts
- Apply for Keep it Local Pre Loved Furniture & other furniture re-use projects
- Referrals for Food Parcels / Food Pantry's / Cedarwood Trust / Bread and Butter Thing
- Supporting tenants to make DHP applications
- Supporting tenants to apply for Council Tax support / Housing Benefit where applicable
- Applying for support grants such as via Greggs Foundation, Christians Against Poverty etc.
- Money Management and Budgeting Advice – prioritisation of spending / budgeting
- Welfare Benefit Advice including supporting them to identify additional benefits they may be entitled to and helping them to make claims for those benefits
- Support with Welfare Benefit appeals processes
- School Uniform Recycling scheme referrals
- Referrals for pre-loved clothing projects

They will also support tenants to access more specialist support where applicable for example:

- Employment and Skills
- Energy efficiency
- Digital capability and capacity
- Drug and alcohol misuse support
- Mental Health support
- Domestic Abuse
- Hoarding
- Dementia Care
- Menopause support
- Parenting skills
- Cooking and housekeeping
- Care and Connect
- Community Integration

- Tackling Isolation and loneliness
- Downsizing schemes and support with associated moving costs –
- Tenants who are under occupying their home, for example, may be better off downsizing.

The Tenancy and Financial Support Officers will also provide ongoing support to tenants identified as needing additional and ongoing support:

- New Tenants
- Tenants under 35
- Learning difficulties
- Leaving Care
- Mental Health issues
- Substance abuse and misuse issues
- Leaving TA

Officers within the service will have the skills and knowledge to provide the full range of services outlined above. However, in practice it is anticipated that officers will concentrate on or specialise in different cohorts, for example, under 35 year olds or those with substance misuse issues, mental health or learning difficulties. The exact numbers supporting each cohort will be dependent on the referrals and case load.