



Ongo Homes

Resident Scrutiny Panel

Investigation into

“Ongo Homes
Approach To
Welfare Reform”

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1 Introduction

1.1 This report details the findings of the Resident Scrutiny Panel (RSP) into how Ongo Homes approaches Welfare Reform and how they work with tenants.

1.2 The investigation was conducted from the January - June 2017

1.3 Throughout the duration of the investigation the RSP endeavoured to uphold the key principles relating to its scrutiny work, namely that the group:-

- Work on behalf of Ongo Homes and its tenants, ensuring that Ongo Homes keeps all informed of the latest updates on welfare reform
- Provides an independent check and critical challenge to drive up and influence improvements to working procedures
- Ensures that Ongo Homes is a well-managed and effective housing association that places residents at the heart of its business

1.4 The trigger that led to the RSPs decision to investigate Ongo Homes' approach to Welfare Reform was the changing financial climate of this and its effects on tenants and Ongo Homes.

1.5 Those that carried out the scrutiny review were:

Scrutiny Panel Members

Tony Sanderson (Chairperson)
Victoria Fernandez
Bill Drinkeld
Tim Mills
Harry Mortimer

Supported By

Karen Cowen
Wendy Wolfe

1.6 This report incorporates the methods used by the RSP and outlines the findings from investigatory work; which subsequently provided the evidence base used to inform recommendations for a better and improved service.

1.7 The RSP would like to extend their thanks and gratitude to Ongo Homes' staff for their support and advice throughout the duration of this investigation and for their willingness to participate and co-operate.

2 Scope of the investigation

2.1 As part of the investigation into Ongo Homes approach to Welfare Reform:

- A search was carried out nationally to assess who was actively working with tenants
- Identify where others were doing things differently and how from comparable Housing Associations
- Identify what RSP could consider as good practice

2.2 It was decided, after some discussion, that the following would be included in the investigation:

2.2.1 What welfare reform changes had already been implemented and what had Ongo Homes done in response to the changes?

2.2.2 What future welfare reform changes are proposed and what plans do Ongo Homes have to minimise the impact of these?

2.2.3 How does Ongo Homes communicate to residents at large on the overall welfare reform agenda?

2.2.4 How does Ongo Homes communicate with tenants that will be, or are, affected by welfare reform now?

2.2.5 How does Ongo Homes plan to, or how does it, already support tenants in relation to welfare reform?

2.2.6 How successful is the existing support that Ongo Homes provides to those affected by welfare reform?

2.2.7 How accessible and useful is the welfare reform information on the Ongo Homes website? Is it up to date, is anything missing?

2.2.8 What support is provided to new tenants in relation to rent payments and benefits and how effective is this?

2.2.9 What has the financial impact been to Ongo Homes of rent arrears?

2.2.10 What has the impact been on tenancy sustainability?

3 Background

- 3.1 Income stability is a key strategic risk for Ongo Homes and welfare reform is a significant influencing hazard against this risk.
- 3.2 A significant proportion of Ongo Homes income is derived from Housing Benefit. Thus any changes to the benefit system will have significant effect on revenue streams. It is therefore essential to ensure that tenants are informed that these changes may affect their ability to pay their rent.
- 3.3 Welfare reform comprises of Bedroom Tax and Universal Credit (currently being rolled out, with more than 60% of Ongo Homes' tenants being in receipt of some form of Housing Benefit or Housing Costs), Benefit Cap, Local Housing Allowance (LHA), Shared Room Rate and Under 21's. In addition to welfare reform, the enforced rent reduction also has an impact.
- 3.4 The RSP decided to review the impact of both actual and potential changes to the welfare benefit system on Ongo Homes and its tenants. It would also assess whether Ongo Homes had developed a coordinated response to mitigating the effects of any impact.

4 Methodology

- 4.1 The RSP agreed the following fact finding methods in order to identify the welfare reform implications, the variety of responses to them and the outcome of the different approaches:
- 4.1.1 Desktop consideration of -
- The Welfare Reform Act, with particular reference to The Housing Benefit (Amendment) regulations 2012
 - Bedroom Tax, Personal Independence Payments, Universal Credit, changes to Local Housing Allowances, the statutory decrease of 1% in social housing rent etc.
 - Public websites, leaflets & letters
 - Performance information & data
 - Complaints & compliments
- 4.1.2 A background presentation on welfare reform delivered by John Lawrence, Head of Housing Management & Gareth Roebuck, Income Collection Manager
- 4.1.3 Contact with other housing providers via websites and telephone to identify their approach to welfare reform and the outcomes realised (Together Housing – www.togetherhousing.co.uk, Equity Housing – www.equityhousing.co.uk, The Regenda Group – www.regenda.org.uk.)

- 4.1.4 A questionnaire was distributed to Ongo staff to prepare the for the face to face interviews
- 4.1.5 A focus group meeting with managers to establish Ongo Homes strategic approach
 - Gareth Roebuck – Income Collection Manager
 - Helen Wright – Support Services
 - Jane Crooks - Lettings Manager
 - Hayley Cullen – Operations Manager, Employment Support
- 4.1.6 A focus group meeting with operational staff to understand how things work in practice
 - Scott Taylor – Support Officer
 - Mark Green – Financial Inclusion Officer
 - Yasmin Lockhart - Income Collection Officer
 - Stephanie Nelson Smith – Lettings Officer
- 4.1.7 An informal meeting held with the Scrutiny Panel from Together Housing to share methodology of review and findings to date
- 4.2 Once information obtained:
 - 4.2.1 Consider findings and agree recommendations
 - 4.2.2 Produce draft report
 - 4.2.3 Present draft report to manager level for consultation
 - 4.2.4 If relevant, make any adjustments to draft report
 - 4.2.5 Submit final report to EMT for consultation
 - 4.2.6 Submit final report to Community Voice for decision

5 Findings

- 5.1 Throughout the investigation, the RSP identified areas where Ongo Homes are working well to identify and help vulnerable tenants
 - 5.2.1 Staff are working well together to share information and help tenants

5.2.2 Customer satisfaction is of a good level

5.2.3 Staff are focused, highly motivated, trained and skilled in their work

5.2.4 Staff are well aware of the financial impacts that welfare reform is having on Ongo Homes and its tenants

5.2 It was explained that there is a lot of support available to tenants, from the start of a tenancy, continuing all the way through it, if needed.

Prospective tenants are checked for their suitability, affordability and sustainability. Identity checks are also carried out. Lettings link into the support service if a tenant is under 35 years old and deemed vulnerable to financial issues. A support officer offers ongoing support from day one. They help the tenant to access any funding available and will organise any support required, e.g. home skills course.

The Department of Work & Pensions (DWP) insists on tenants applying for Universal Credit (UC) themselves. Ongo Homes will help with the application process where necessary. However staff are not made aware of the ongoing status of the individual during the application. The tenant is responsible to provide proof of receipt of Universal Credit to the lettings team before being provided with a home (if applicable).

The tenant is also responsible for claiming their Housing Benefit.

At the time of this report, there are 93 UC claimants. Because of the backlog in claims (approximately 8 weeks) there is a current rent deficit of approximately £47,000 for these UC claimants. This is expected to rise as more people move towards UC.

Vulnerable adults get extra support. The support officer works with external agencies, social workers and other support workers to ensure those who are responsible for support are giving it.

During the meeting, it was noted of cases where external agencies and support workers were not properly trained in this sort of financial support for vulnerable adults, thus they were signposting onto Ongo Homes' staff (increasing the workload for staff). It was generally acknowledged that external agency and support workers should be given more training in this field.

There is no waiting list for vulnerable tenants getting support due to a pro-active approach from staff.

If a tenant is not paying their rent then alternate methods of payment can be arranged with the DWP, who can pay it direct. However, this is only claimed after talking with, and supporting, the tenant. It was noted that the majority of tenants are still on housing benefit and Ongo Homes get direct payment.

An application can be submitted to the Council for Discretionary Housing Payments.

Rent arrears are dealt with at an earlier stage now. A new computer system is in place to help identify prospective problems.

If a tenant is in arrears then various methods are used to contact them, including visits. Personal details are captured using income and expenditure forms and include the full financial details of anyone living in the home. Staff offer debt advice and signpost to other agencies.

It was noted that due to the changes in payment, other “temptations” may offer themselves to tenants other than paying their rent. For example, Christmas and Birthdays. Also, high interest debts may play a factor. Staff consider these factors.

It is important to see what a tenant is paying out in bills as well as their income. So, tenants are asked for all financial details, including bank payments and loans.

If a tenant does not pay their rent then notice is given and court action is taken. Cases are reviewed on an individual basis, but once taken to court it becomes the judge’s decision.

All the departments work together and share information only to support and benefit the tenant.

However, it is always stressed as part of verbal conversations between staff and tenants that it is their responsibility to pay their rent.

Other similar sized housing associations (Equity Housing and the Regena Group) were looked at to determine their approach to welfare reform and the impacts on their organisations. It was noted that their approach to rental income was very proactive, clearly placing the onus of responsibility for rent payments with the tenants. This approach had reduced their rent arrears.

At the time of the investigation the Ongo Homes website was being upgraded and therefore was unreliable as a source of information.

The Ongo Homes leaflets are available but provide limited information regarding rent arrears and the outcome.

Currently some tenants are waiting for staff to provide information and support, rather than being proactive and taking responsibility for this themselves.

6. Conclusions

- 6.1 Overall the current service is working well, although it is clear that Ongo Homes does provide a disproportionate amount of support to tenants in terms of arranging rent payments. This support is considered to be paternalistic.
- 6.2 It would be better value for money for Ongo Homes, if it were to be made clearer to tenants that they are the responsible body and that they **must** pay their rent.
- 6.2 Overall the current approach taken by Ongo Homes has been assessed as Good. Please see matrix below.

Poor Service	There are serious weaknesses in the service which could threaten customer satisfaction. Significant changes are required.
Fair Service	Generally a fair service. However, there are some issues and gaps affecting customer service.
Good Service	An overall good service with minor recommendations required.

7 Recommendations

Number	Recommendation	Anticipated Outcome / Comments	Priority
1.	<p>Change the style of external communications to ensure tenants are clear (in Plain Language), that they must pay their rent, detailing the consequences should they choose not to, e.g. could result in eviction/loss of home. Also include the sentence, "rent is legally recognised as a priority payment"</p> <ul style="list-style-type: none"> • Tenancy Agreement • Tenants Handbook • Website • Tenant Portal • Key news 	<p>Clear and consistent information and emphasis on tenant responsibilities</p> <p>All tenants are clear that rent is a priority payment</p>	High

	<ul style="list-style-type: none"> • Information leaflets • Letters 		
2.	Make budgeting advice available to residents at large via an E-learning module and ensure positive promotion of this facility	<p>Increase the number of tenants that can access self help</p> <p>Empowerment of tenants to take ownership of their financial responsibilities</p>	Medium
3.	Change processes and the way Ongo Homes works with tenants regarding rent payments, e.g. messages about rent payments to be stronger and reduce the 'parenting' kind of support. More emphasis to be made on tenants responsibilities to pay their rent. Assume all can pay their rent	<p>Better VFM for organisation</p> <p>Ensuring tenants understand implications and take full responsibility to pay their rent</p>	High
4.	Only tenants identified as being vulnerable should be provided with intensive financial budgeting advice and support from Ongo	<p>Better VFM as staffing resource can be directed to those that need the help</p> <p>Ensure tenants at large that are not vulnerable, take full responsibility to pay their rent</p>	High
5.	Vulnerable tenants who have an external outside agency support worker in place should be reminded that their support worker should be providing them with help with Benefit claims	Better VFM as staffing resources can be directed to those that need the help	High
6.	External outside agency support workers funded via Council contracts should be reminded about their responsibilities to provide financial assistance. If they don't	Better VFM as staffing resources can be directed to those that need	High

	provide the necessary support to tenants in need then Ongo Homes should feed this failing back to the Council contract commissioning team	the help	
7.	New tenants should be required to pay their rent 4 weeks in advance to help minimise rent arrears	<p>All tenants are clear that rent is a priority payment</p> <p>Prevention of court action and subsequent evictions</p> <p>Help to sustain tenancies</p> <p>Minimise future debt & maximise income</p> <p>Surplus rent can be used for recharge purposes if necessary</p> <p>Clear rent accounts enable tenants to transfer or mutual exchange should they wish to do so</p>	High
8.	Existing tenants should be encouraged to pay a little extra rent each week so they can build up a 4 week rent cushion that can be utilised should circumstances require it	<p>All tenants clear that rent is a priority payment</p> <p>Prevention of court action and subsequent evictions</p> <p>Help to sustain tenancies</p>	Medium

		<p>Minimise future debt and maximise income</p> <p>Surplus rent can be used for recharge purposes if necessary</p> <p>Clear rent accounts enable tenants to transfer or mutual exchange should they wish to do so</p>	
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APPENDICES

Appendix 1 – presentation Q&A

Appendix 2 – managers Q&A

Appendix 3 – staff (operational Q&A)