

# Y Pwyllgor Cyfrifon Cyhoeddus

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Lleoliad:  
**Ystafell Bwyllgora 3 – Senedd**

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Dyddiad:  
**Dydd Mawrth, 19 Mai 2015**

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Amser:  
**09.00**

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



I gael rhagor o wybodaeth, cysylltwch â:

**Michael Kay**

Clerc y Pwyllgor

0300 200 6565

[SeneddArchwilio@Cynulliad.Cymru](mailto:SeneddArchwilio@Cynulliad.Cymru)

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## Agenda

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### 1 Cyflwyniadau, ymddiheuriadau a dirprwyon (09:00)

### 2 Papurau i'w nodi (09:00) (Tudalennau 1 – 3)

Rheoli sefyllfaoedd lle mae pobl yn gadael eu: PAC(4)-14-15 PTN1 – Llythyr gan Jeremy Patterson, PW Cyngor Sir Powys (7 Mai 2015) (Tudalennau 4 – 6)

Rheoli sefyllfaoedd lle mae pobl yn gadael eu: PAC(4)-14015 PTN2 – Gwybodaeth ychwanegol gan RCT Rheoli Ymadawiadau Cynnar (Tudalen 7)

Cydnherthedd ariannol cyngorau yng nghymru: Llythyr gan June Milligan, Cyfarwyddwr Cyffredinol Llywodraeth Leol a Chymunedau (14 Mai 2015) (Tudalennau 8 – 9)

### 3 Diwygiad Lles: Sesiwn Dystiolaeth 3 (09:05–09:50) (Tudalennau 10 – 30) PAC(4)-14-15 papur 1 – TPAS Cymru

Papur briffio gan y Gwasanaeth Ymchwil

Steve Clarke, Rheolwr Gyfarwyddwr, Tenantiaid Cymru

David Lloyd – Cyfarwyddwr, TPAS Cymru

#### **4 Diwygiad Lles: Sesiwn dystiolaeth 4 (09:50–10:45) (Tudalennau 31 – 36)**

PAC(4)-14-15 papur 2 – Cartrefi NPT

PAC(4)-14-15 papur 3 – Tai Wales & West

Papur briffio gan y Gwasanaeth Ymchwil

Jim McKirdle – Swyddog Polisi Tai, Cymdeithas Llywodraeth Leol Cymru

Linda Whittaker – Prif Weithredwr, Cartrefi NPT

Claire Maimone – Cyfarwyddwr Tai ac Adfywio, Cartrefi NPT

Steve Porter – Cyfarwyddwr Gweithrediadau, Tai Wales & West

Mike Hallorian – Rheolwr Tai, Tai Wales & West

#### **5 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer y busnes canlynol: (10:45)**

Eitemau 6 & 7

#### **6 Diwygiad Lles: Ystyried y dystiolaeth a ddaeth i law (10:45–10:50)**

#### **7 Trefniadau Cyflenwi ar gyfer Absenoldeb Athrawon (10:50–11:00)**

(Tudalennau 37 – 41)

Nodyn Cyngor Cyfreithiol

PAC(4)-14-15 papur 4

## Y Pwyllgor Cyfrifon Cyhoeddus

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Lleoliad: **Ystafell Bwyllgora 3 – y Senedd**

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Dyddiad: **Dydd Mawrth, 12 Mai 2015**

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Amser: **09.01 – 10.59**

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Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



Gellir gwyllo'r cyfarfod ar [Senedd TV](http://senedd.tv) yn:

<http://senedd.tv/cy/3195>

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### Cofnodion Cryno:

#### Aelodau'r Cynulliad:

**Darren Millar AC (Cadeirydd)**  
**Jocelyn Davies AC**  
**William Graham AC**  
**Mike Hedges AC**  
**Sandy Mewies AC**  
**Julie Morgan AC**  
**Jenny Rathbone AC**  
**Aled Roberts AC**

#### Tystion:

**Sandra Alexander, Cyngor Bro Morgannwg**  
**Jennie Bibbings, Shelter Cymru**  
**Sioned Hughes, Cartrefi Cymunedol Cymru**  
**Lindsey Kearton, Cyngor ar Bopeth Cymru**  
**Paul Langley, Cartrefi Cymunedol Cymru**  
**Elle McNeil, Cyngor ar Bopeth Cymru**  
**Helen Northmore, Chartered Institute of Housing**  
**John Puzey, Shelter Cymru**

#### Staff y Pwyllgor:

**Michael Kay (Clerc)**  
**Claire Griffiths (Dirprwy Glerc)**  
**Hannah Johnson (Ymchwilydd)**  
**Alan Morris (Swyddfa Archwilio Cymru)**

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## TRAWSGRIFIAD

Gweld [trawsgrifiad o'r cyfarfod](#).

### 1 Cyflwyniadau, ymddiheuriadau a dirprwyon

1.1 Croesawodd y Cadeirydd yr Aelodau i'r cyfarfod.

1.2 Ni chafwyd ymddiheuriadau.

1.3 Datganodd Sandy Mewies fuddiant fel aelod o Gomisiwn y Cynulliad (eitem 2.4) a dywedodd Julie Morgan fod ei merch yn gweithio i Shelter Cymru (Eitem 4).

### 2 Papurau i'w nodi

2.1 Nodwyd y papurau. Cytunodd y Pwyllgor y dylai'r Cadeirydd ymateb i Gomisiwn y Cynulliad (Eitem 2.4) yn gofyn am eglurhad pellach ar y tanwariant targed o 1% o'r gyllideb weithredol.

2.1 Trefniadau cyflenwi ar gyfer absenoldeb athrawon: Llythyr gan Archwilydd Cyffredinol Cymru ynglŷn â threfniadau cyflenwi ar gyfer absenoldeb athrawon (30 Ebrill 2015)

2.2 Ymchwiliad i werth am arian Buddsoddi mewn Traffyrdd a Chefnffyrdd: Llythyr gan James Price, Llywodraeth Cymru (29 Ebrill 2015)

2.3 Pobl ifanc nad ydynt mewn addysg, cyflogaeth na hyfforddiant: Llythyr gan William Graham AC, Cadeirydd y Pwyllgor Menter a Busnes (1 Mai 2015)

2.4 Craffu ar Gyfrifon y Comisiynwyr ar gyfer 2013–14: Llythyr gan David Melding AC, Y Dirprwy Lywydd (7 Mai 2015)

### 3 Diwygiad Lles: Sesiwn dystiolaeth 1

3.1 Clywodd y Pwyllgor dystiolaeth gan Sioned Hughes, Cyfarwyddydd Polisi ac Adfywio, a Paul Langley, Uwch-gynghorydd yn Cartrefi Cymunedol Cymru; Helen Northmore, Cyfarwyddwr, Sefydliad Tai Siartredig Cymru (CIHC) a Sandra Alexander, Rheolwr Incwm Tai, Cyngor Bro Morgannwg ar ei ymchwiliad i ddiwygio lles.

3.2 Cytunodd Sioned Hughes i anfon rhagor o wybodaeth am:

- yr ymagwedd wahanol a gymerwyd yn Lloegr tuag at apeliadau
- nifer y cartrefi yn y sector rhentu sydd wedi eu hisosod yng Nghymru
- nifer y bobl ag anabledau sy'n cael eu heffeithio gan y cymhorthdal ystafell sbâr

- tystiolaeth o'r ffordd y mae cymdeithasau tai yn parhau i fod heb ddiweddarau eu polisiâu trosglwyddo i sicrhau nad yw ôl-ddyledion yn ymwneud â diwygio lles yn rhwystr i symud i gartrefi llai o faint.

## **4 Diwygiad Lles: Sesiwn dystiolaeth 2**

4.1 Clywodd y Pwyllgor dystiolaeth gan John Puzey, Cyfarwyddwr a Jennie Bibbings, Rheolwr Polisi ac Ymchwil, Shelter Cymru; a Lindsey Kearton, Swyddog Polisi ac Elle McNeil, Swyddog Polisi, Cyngor ar Bopeth Cymru ar ei ymchwiliad i ddiwygio lles.

## **5 Cynnig o dan Reol Sefydlog 17.42 i benderfynu gwahardd y cyhoedd o'r cyfarfod ar gyfer y busnes canlynol:**

5.1 Derbyniwyd y cynnig.

## **6 Diwygiad Lles: Ystyried y dystiolaeth a ddaeth i law**

6.1 Trafododd y Pwyllgor y dystiolaeth a ddaeth i law.

## **7 Cydnerthedd Ariannol Cyngorau yng Nghymru: Sesiwn friffio gan Swyddfa Archwilio Cymru**

7.1 Tynnodd Alan Morris sylw at y llythyr gan Archwilydd Cyffredinol Cymru ynghylch Cydnerthedd Ariannol Cyngorau yng Nghymru.

7.2 Nododd Aelodau y byddai llythyr drafft gan y Cadeirydd at June Milligan, Cyfarwyddwr Cyffredinol, Llywodraeth Leol a Chymunedau, Llywodraeth Cymru yn cael ei ddsbarthu er mwyn cael eu sylwadau a chytundeb yn nes ymlaen heddiw.

# Eitem 2.1

Y Pwyllgor Cyfrifon Cyhoeddus / Public Accounts Committee  
PAC(4)-14-15 PTN1

**Jeremy Patterson,**  
**Prif Weithredwr**  
**Chief Executive**

County Hall / Neuadd y Sir,  
Llandrindod Wells,  
Powys  
LD1 5LG

*If calling please ask for / Os yn galw gofynnwch am*

FAO Ms. Claire Griffiths, Deputy Clerk  
Public Accounts Committee, Finance Committee  
National Assembly for Wales  
Cardiff Bay  
CARDIFF  
CF99 1NA

*Tel / Ffôn:*

Mr. J.R. Patterson

01597 - 826082

*Email / Llythyru electronig:*

[juliesh@powys.gov.uk](mailto:juliesh@powys.gov.uk)

*Our ref / Ein cyf:*

JRP/CE.014

*Date / Dyddiad:*

11 May 2015

Dear Ms. Griffiths,

Further to the Public Accounts Committee Evidence Session attended by myself and Mr. Paul Griffiths on the 21<sup>st</sup> April 2015, please find attached Powys County Council's response to the question raised.

Yours sincerely,

Jeremy Patterson  
**Chief Executive**

**Q.1) Details of the total numbers of departures since the Auditor General for Wales' report, with average costs and which departments have been affected.**

The total number of departures through reasons of voluntary redundancy/early retirement, compulsory redundancies, and those that left under the voluntary severance scheme is 476. The total cost for early exits during this period is £5,739m. The average cost per early exit for this period is £12,057.

This figure is broken down as follows:

Voluntary redundancy/early retirement	=	117
Voluntary Severance Scheme	=	313
Compulsory redundancy	=	46

**Voluntary redundancy/Early retirement**

Service area	Number of redundancies	
	2014	2015
Adult Services	3	7
Business Services	4	2
Catering Services	4	1
Cleaning Services	2	0
Customer Services	22	0
Facilities Management	3	0
Information Services	3	1
Leisure Services	1	2
Local Environment	1	0
Powys Training	1	0
Regeneration & Development	2	1
Schools	47	5
Schools Services	2	0
Youth Services	2	1
<b>Totals</b>	<b>97</b>	<b>20</b>

**Voluntary Severance Scheme**

Service area	Number of redundancies	
	2014	2015
Adult Services	124	0
Business Services	36	0
Catering Services	1	0
Childrens Services	1	0
Cleaning Services	2	0
Customer Services	7	0
Facilities Management	2	0
Highways & Transportation	4	0
Housing & Public Protection	20	0
Human Resources	5	0
ICT Services	12	0
Information Services	5	0

Leisure Services	4	0
Local Environment	26	0
Powys Training	2	0
Regeneration & Development	4	0
Schools	50	0
Schools Services	3	0
Youth Services	5	0
<b>Totals</b>	<b>313</b>	<b>0</b>

**Compulsory Redundancy**

Service area	Number of redundancies	
	2014	2015
Business Services	5	0
Catering Services	2	0
Cleaning Services	3	0
Day Services	0	1
Housing & Public Protection	4	1
Human Resources	0	1
Leisure Services	1	6
Regeneration & Development	6	0
Schools Services	16	0
<b>Totals</b>	<b>37</b>	<b>9</b>



Public Accounts Committee

Date: 19 May 2015

### **Inquiry into Managing Early Departures**

Additional information received from Tony Wilkins - Director of Human Resources, Rhondda Cynon Taf County Borough Council

Following his attendance at the Committee meeting on 21 April 2015, Mr Wilkins was asked to supply the following information:

- Details of current vacancy numbers together with the departments involved

Mr Wilkins' response:

Whilst posts may be identified as "vacant" (or not filled) within our HR systems, the reality is that all our service areas are currently under review with a view to reducing costs.

Many posts identified as vacant therefore no longer have budgets associated with them.

We have rigorous council-wide control processes in place to manage recruitment into posts, with external recruitment extremely limited.

Accordingly, a vacancy number is not available.

## Eitem 2.3

Llywodraeth Leol a Chymunedau  
Local Government and Communities

Cyfarwyddwr Cyffredinol • Director General



Llywodraeth Cymru  
Welsh Government

Darren Millar AM  
Chair – Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

Our ref: MB/LA/1782/15

14 May 2015

Dear Chair

### **The Financial Resilience of Councils in Wales**

Thank you for your letter of 2 April regarding the Auditor General for Wales' report, *The Financial Resilience of Councils in Wales*.

You asked for information on how the Welsh Government intends to ensure Local Authorities take account of the recommendations for them in the report and what assistance the Welsh Government will look to provide.

The Welsh Government welcomes the Auditor General's assessment of the financial resilience of Local Authorities given their vital role in the social and economic well-being of Wales. The report provides a helpful analysis of the financial health of Local Authorities and a useful addition to the body of evidence corroborating the need for reform.

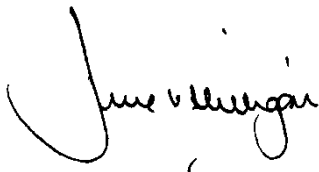
It is crucial to recognise that Local Authorities are autonomous and accountable bodies which are statutorily and individually responsible for managing their financial affairs. There are well-established frameworks, systems, procedures and tools in place to support them in doing this. In particular, there are express duties on each Authority's Section 151 Officer to ensure the Authority's financial plans are sustainable. However where the evidence has indicated a need for additional support, the Welsh Government has identified and provided additional capacity and expertise. In providing this support we have been clear that the responsibility for addressing any challenges continues to rest with the individual Authority.

The report reinforces some of the key messages set out in the White Paper *Reforming Local Government: Power to Local People*. In particular, it confirms that Authorities need to transform if Local Government is to successfully manage the continued funding pressures faced by public services across Wales. Whilst the Welsh Government does not recognise the figures cited in the opening paragraphs of the report, they present a compelling case for change. Such estimates offer an indication of the pressures which might arise if Authorities continued to provide the same services in the same way in the face of funding reductions. This is not a sustainable approach and underlines why reform is essential. I would draw out the following messages from the report as according particularly with those in the White Paper.

- The key role of strategic financial planning in driving forward the necessary transformation.
- The importance of having a robust medium-term financial plan and setting out a transparent and comprehensive strategy on reserves.
- The need to ensure locally elected Members have the appropriate knowledge and skills to challenge and scrutinise efficiency and savings plans.
- The role of the corporate plan as the core driver for setting out the strategic agenda and the medium-term financial plan and for supporting sustainable long-term service delivery.

I hope this information is of assistance to the Committee.

Yours sincerely



**June Milligan**

Cyfarwyddwr Cyffredinol / Director General



## **Public Accounts Committee Inquiry into the Auditor General for Wales Report 'Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales'**

### **TPAS Cymru response**

#### **1. About Us**

TPAS Cymru works to improve the lives of social housing tenants in both housing and community matters, by promoting effective participation of tenants with their landlords and with other partners in issues that affect them. TPAS Cymru also works to lobby for an adequate supply of decent affordable housing for rent and purchase available, to ensure that people are able to live in the communities that they choose.

#### **2. Our objectives are to:**

- Promote the well-being of people in socially rented housing
- Engage in the advancement of education for the benefit of people in socially rented housing
- Promote, initiate and develop tenant participation in housing management, training, supply and services
- Advice and assist local authorities, housing associations, housing co-operatives and tenants' associations:
  - To initiate, develop and implement plans and procedures for tenant participation in housing management, training, supply and services and
  - To improve housing management, training, supply and services to better meet the needs of tenants.
- Advice and assist in developing properly accountable and representative tenants' associations.
- Identify the need for training to promote, initiate, develop and carry out training in all matters concerning tenant participation.
- Liaise and develop links with local authorities, housing associations, co-operatives and other housing bodies, tenant associations, government organisations and advice agencies.

#### **3. This Response is based on:**

- TPAS Cymru's extensive experience of developing and supporting groups and working in local communities.

- Our work to improve partnerships between tenants and residents and their landlords and other partners.
4. TPAS Cymru welcome the opportunity to respond to the Public Accounts Committee Inquiry into managing the impact of Welfare Reform changes on social housing tenants in Wales. As stated above in our objectives Tpas Cymru is not responsible for providing housing to tenants and as such we are not involved directly in the welfare reform changes that are affecting tenants across Wales. However it is clear that the challenges facing social housing providers and tenants currently are some of the most significant that the sector has faced, together with the future uncertainty.

TPAS Cymru has the interest in the welfare of tenants and a commitment to protecting them at the heart of what it does and therefore is very focused on the impact that Welfare Reform is having on those who are most vulnerable in our society. This means that TPAS Cymru are working in partnership to support housing providers where possible. Whilst Welfare reforms are affecting tenants now, there are also serious longer term effects that landlords will be facing in terms of future service provision and the significance of this cannot be overstated.

5. In line with the focus of the Inquiry TPAS Cymru has considered the themes:
- a) Value for money

The Auditor General's report details how the impact has been felt by the main parties involved i.e. Welsh Government, the third sector, local government and housing associations. However it is also clear that these calculations don't include impact on other public/third sector organisations which also need to be taken into account.

There is evidence that there is still much inconsistency going on in approaches to dealing with Welfare Reform and this is demonstrated by key data not being collected and therefore it appears to be difficult to gain a true picture of the current situation and also the challenges ahead if risks are not being correctly identified.

It is clear from feedback from CHC that Housing Associations have invested large sums into communications with tenants such as the Your benefits are changing (YBAC) which is an excellent example of organisations working together in partnership and saving money by sharing costs of communications and ideas. TPAS Cymru supported this initiative and there needs to be more evidence of this type of working in the future.

Housing Associations have responded and restructured and changed their approach due to changes in welfare reform. This is together with the refocus

of their business plans due to changes in financial projections which is being caused by the increasing amount of rent arrears. This has been caused by the spare room subsidy or bedroom tax and this is only the start of the challenges that the sector is facing.

Whilst bedroom tax has presented significant challenges the pilot cases of Universal Credit have just highlighted the immense pressures to social housing providers that the roll out of Universal Credit will bring and the scale of this is currently unknown.

It is clear that there is a greater role for tenants in accessing value of investment of service and quality of services provided. There is little evidence if any of the role that tenants have played to date in the establishment of services set up to deal with welfare reform changes. Landlords are providing services that they have developed themselves without involvement of tenants at every level of decision making and this must change if tenants are to be at centre of this. Clearly tenants who wish to be involved would need full training and support to be able to fully participate and offer potential alternative solutions.

b) Advice and support for tenants

There is mixed evidence of support being offered to tenants, it appears that in general terms social housing providers are stating that they have been doing all that they can to support tenants and yet the report indicates that 68% of tenants are stating that they had not received support from their landlord. There needs to be further investigation and gain more tenant feedback to understand the clear disparity in this area.

There is a potential conflict of interest for a housing provider to give complex money advice to a tenant which could result in decisions being made which means the tenant is unable to pay their rent arrears, e.g. if a Debt relief order or bankruptcy were the most suitable options for the tenant but this means that the debt is written off then the housing provider will be denied their only source of income.

As stated Housing Associations have carried out the campaign of YBAC and advice offered is via financial inclusion and money advice. However only 16% of tenants had heard of it which is disappointing especially when housing providers worked together on this. Clearly it is important to learn lessons from this and find ways in which to improve on communication with tenants and finding the most suitable ways that tenants want to engage with their landlords.

This ties in with the use of IT and the rise of digital inclusion strategies that place access to the internet at the heart of provision. However, there is still a huge gap between social housing tenants surveyed in the report of whom 39% state they have no access to the internet and the drive of current government strategies to deliver welfare reform services through the internet.

This will have particular significance for those affected by Universal Credit as the roll out takes place. This is also coupled with the challenges in more rural areas of access to broadband where digitally excluded tenants will be at even more of a disadvantage. Another major consideration is cost with 43% of tenants saying that this was a barrier to them accessing the internet. More RSL's are looking at alternative ways of providing internet access to their tenants and this is a crucial part of the future delivery of service.

c) Availability and provision of alternative housing and its impact

The evidence is very clear that there are simply not the volume of properties available that are smaller and or in suitable places for tenants to down size into. Currently only 14% have moved and many other tenants do not want to leave long term homes, communities and existing support. However the reality for many tenants is that they are facing increasing challenges in day to day life with fuel poverty, increasing costs of food, utilities and debt caused by being trapped in properties considered too large for their needs with no possible means of moving to smaller accommodation.

Whilst the private rented sector (PRS) is the fastest growing sector a move to the PRS is less secure, risky with overall costs much more. The added challenge of the benefit cap means that this option is in the main not a suitable option for many.

There is also no clear evidence that HA's are considering changing their development programmes and building an increased number of smaller properties so there is no obvious solution to this challenging situation.

d) Preparing for change

As stated there appears to be inconsistency in approaches and evidence reveals that there is much to be done in the coming months. There are challenges around lack of training for staff across DWP, LA's and HA's and that HA's are filling gaps that others are unable to provide. This together with lack of systems in place in terms of knowledge and IT means that there is much work to be done.

There needs to be more opportunities for tenants to be involved in planning and future ways of delivering service provision. It is clear from the feedback from the Universal Credit pilots that very intensive support is required, not only as applications are submitted but on an on-going basis and this will be very resource intensive. Therefore there is a very high risk to sustaining tenancies and there will intense pressure on housing staff to support these tenants whilst also carrying out all other areas of work.

There is evidence that councils are inconsistent and not working together and there is much disparity across different areas. As a number are not collecting key data and identifying risks there are increased challenges as the true

extent of what is to be faced is not clear and therefore very difficult for relevant authorities to truly prepare.

6. Welfare Reform is causing major concern for all those tenants affected by it and there is scope for tenant involvement in terms of monitoring services provided and received needs to be considered. This would need to take place when suitable training had been provided and again would be beneficial if shared opportunities take place. This would give tenants the opportunity to be fully involved in shaping delivery of services and would help housing providers to fully identify the key challenges that tenants are facing and consider alternative solutions.
7. There are numerous examples of landlord support which is positive and supportive to tenants. As the spare room subsidy has been in place for some time tenants and provider have established processes which means that this element of welfare reform is being dealt with effectively. However it is clear that the demand which is being faced under the pilot Universal Credit cases is very intense and that tenants will continue to need support in terms of money management as time goes on. This is further complicated by tenants whose circumstances regularly change and this may require further support. A critical question is how landlords will be able to support the future demands when the use of Universal Credits is scaled up from the initial pilot to being rolled out across all Local Authority areas. Tenants will need individually tailored ongoing money management which may be difficult for providers to deliver due to the conflicting pressures on housing staff.
8. The future landscape is not only challenging but uncertain in particular in light of the upcoming election and the currently unclear policy direction of any future government. Tenants and in particular providers will have to be able to react to changes that take place and in some cases this could require major re planning of service provision.
9. In terms of Equality it appears clear that tenants are receiving a very different level and quality of support depending upon where they live and this is exacerbated by challenges in rural areas. A critical question is how do services remain accessible to all when the drive is for services to be delivered through the internet when a significant proportion of the population do not have access to this type of provision.

## 10. Conclusion

These are challenging and uncertain times for tenants affected by welfare reform and which place significant risk for social housing providers to deliver the services required.



Managing empty homes and rent arrears is costing more than ever and continuing to increase which presents a major risk to providers for whom rent is the only income stream.

Tpas Cymru broadly agree with the report's recommendations in particular for the need for councils and HA's to improve strategic planning and better co-ordinate activity.

However this must be done with tenants at the core of what is being decided, tenants need to be involved at all stages of the decision making processes in terms of deciding how best to provide services, monitor and manage them and ensure that tenant satisfaction is considered, acted upon and truly fed back into future planning. This can take a variety of forms and should be done at all stages of the process, such as tenants being given the skills and knowledge to be able to make informed decisions at strategic levels through to giving feedback as to how things are working on the ground.

However the challenges facing the sector for tenants and providers cannot be overstated and it is clear that working together will be crucial for all partners to ensure that tenants are supported as best they can be and service providers operate in a more co-ordinated way.

Tpas Cymru 29<sup>th</sup> April 2015

Mae cyfyngiadau ar y ddogfen hon

NPT Homes Tŷ Gwyn Brunel Way Baglan Energy Park Neath SA11 2FP

Paper for the National Assembly of Wales Public Accounts Committee 19<sup>th</sup> May 2015: Re: the WAO report *Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales*.

**Areas of focus:**

**Value for money:**

Robustness of Department for Work and Pensions' impact assessments, including methodology and evidence of savings/costs resulting from the changes;

*We believe there are significant flaws in the thinking behind some of the reforms, the spare room subsidy being a case in point. The social housing sector does not have enough smaller properties to enable all of those impacted upon by this change to access an alternative home. (NPT Homes has over 2,000 households affected and few smaller properties coming up for letting). If the main alternative is to seek a smaller property to rent in the private rented sector, the likelihood is that the rent payable and now fully supported by Housing Benefit, will be greater than the original social housing property costing the public purse more, not less. This does not take into account the potential additional public costs associated with house moves e.g. change of schools for children.*

*There have been additional staff employed by the DWP to action Universal Credit (UC) e.g. as job coaches, no visible savings can be detected as an external observer.*

The cost of managing the impact of welfare reform on the Welsh Government, the third sector, local government and housing associations;

*There have been considerable costs in managing the impact of the changes. As a single organisation NPT Homes employed an additional ten financial inclusion officers to ensure each tenant impacted upon by the spare room subsidy was visited up to three times to fully explain what was happening, how it would affect them*

*and what actions were open to them. This certainly helped the transition for many of our tenants but not all coped with the change causing increased cost to us and ultimately the court system. Local authorities were given additional funding to increase the number of discretionary housing payments (DHP) made, this was a significant job and either put current staff under pressure or created additional costs in employing more staff to deal with it.*

*The preparation for UC has created a similar increase in activity and therefore costs, to initially advise tenants and applicants about the new regime and how it will impact on them and also to administer the changes.*

**Advice and Support for tenants:**

Local Authorities engaging with and responding to the needs of tenants affected by the spare room subsidy/benefit cap;

*Good experience in Neath Port Talbot as close working relationship with the Council officers. Set up a Borough wide Welfare Reform Group and developed three pilots, one being a 'One Stop Shop' staffed with a number of third sector organisations so that tenants and others could deal with a myriad of queries at once. It was successful and continues to operate.*

Quality/effectiveness of advice provided to tenants by third sector and local authorities;

*As above, the feedback has been very positive.*

Ability of tenants to access ICT, and support for increasing access;

*This is a significant issue and a joint approach is being taken by the Council and housing associations to make IT available in public offices with help and support on hand. Communities 2.0 funding was accessed and was able to make a real difference.*

The overall efficiency and fairness of Local Authorities' appeals system, including costs, management and comparison with English Housing Associations' processes. This would not entail consideration of individual cases;

*The system as experienced locally has been fair and managed well. I couldn't comment on the costs or the comparison with England in general although in the North West of England there have been some difficulties reported anecdotally.*

### **Availability and provision of alternative housing and its impact:**

Level of 1 and 2 bed stock availability, including scale and affordability of housing associations' development programmes;

*The focus over the last 30 years has been to support social housing providers to build homes that are in greatest demand, in most areas of Wales that is family accommodation. There have been a number of smaller homes built in the last ten years as funding has been tighter and the return on investment on smaller units of accommodation is greater. The additional funding made available by the Welsh Government recently will have helped to alleviate the disproportionate number of larger properties but only very slightly.*

Impact of rent arrears on ability of tenants to transfer to more appropriate property under the new arrangements;

*Where the arrears have only built up through the introduction of the spare room subsidy I believe most social housing providers will allow and encourage a move to a smaller property, what arrangements are then made to recover the arrears would be up to the individual organisation. NPT Homes would continue to pursue the debt at a reasonable level or agree with the Council that they would pay it off through DHP.*

Impact of changes on other households in housing need seeking social housing – homeless people, waiting list growth, for example;

*The waiting lists are growing at a higher rate than in the past, however it is not clear that this is as a result of welfare reform.*

Use of the private rented sector;

*The private rented sector is and has been a key contributor in relieving housing pressure on the social housing sector. There are a*

*number of well-advertised and successful schemes operating across Wales with social landlords taking out leases with private sector landlords to expand the availability of affordable homes.*

**Preparing for change:**

How effectively local government, the Welsh Government and housing associations prepared for changes associated with Welfare Reform.

*Experience is that all of the above are working collaboratively to minimise the detrimental impact that the welfare reform changes will have on the most vulnerable across Wales. The pilot run in NPT has included DWP officers too and is working well, although it is very early days. The cost associated with all of the additional work has not been quantified locally but is clear to all that it is significant.*

**Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales**

**Public Accounts Committee inquiry - Wales & West Housing (WWH)**

WWH manage more than 9,000 affordable homes in 12 local authority areas across Wales, which include more than 3,000 dedicated properties for older people.

Overview of WWH response to Welfare Reform Changes

Preparing residents for WR changes

Working with our Local Authority (LA) partners, WWH started identifying residents affected by the Social Size Criteria (SSC) changes from the end of August 2012. By the end of 2012 all residents affected in all LA areas were known to WWH and by the end of March 2013 Officers had contacted and visited all of these residents.

At these visits Officers advised residents of how much Housing Benefit (HB) they would lose and discussed their options with regards to staying in the property and paying the shortfall or moving to a smaller property to avoid a decrease in HB. They also noted whether the property was adapted, whether the resident was disabled and undertook an affordability assessment.

Alongside these visits articles were included in the Association's quarterly magazine and information was published on our website. Letters were also sent in the last week of March reminding residents of the change and their obligations.

Our allocation policy was changed to mirror the criteria set by the SSC changes so that future residents would not be affected. Waiting lists were also updated and all applicants informed of the new criteria and affect that had had on the size of property they might be allocated. In LAs where a common housing list is operated the majority have also changed their allocations criteria to mirror the SSC change criteria. Changes were also been made to transfer and mutual exchange policy to allow residents to move even if they have rent arrears.

Our development programme now has a greater focus on providing one bedroom property and certain developments were reviewed following the introduction of SSC changes in order to provide more accommodation for those affected.

### The impact of the SSC changes on WWH

At the outset there were 1017 residents identified as affected by the change. When all residents had been visited this number had decreased to 815 due to clarification of resident's age and household make up to HB departments.

The average amount that these residents were due to lose in Housing Benefit entitlement per week was £14.50, meaning that the Association would receive approximately £613,000 less in Housing Benefit payments in this financial year.

An assessment at the end of April 2013 showed that, of the 815 households under-occupying, 421 (51.5%) were paying the shortfall, 258 had made one payment or less (most of this group made no payment at all), 84 were not paying enough and 52 had made no payment pending a decision from HB with regards DHP or whether they would be considered for an extra bedroom.

WWH recruited 7 Tenancy Support Officers (TSOs) in April 2013 to assist residents affected by SSC changes through money and debt advice with a focus on creating sustainable budgets, completing applications for Discretionary Housing Payments (DHPs), grants, assistance funds and benefit applications.

With these interventions residents who wish to remain in their property are enabled to do so through the maximisation of their income. This is not possible with every resident due to the low income level so every effort is made to assist the residents to move to a property they are satisfied with in an area they desire. If residents require financial help with moving the Association will consider their circumstances and assist. This has been a significant cost to WWH and is in addition to the increased staff, void, property and transaction costs as a result of engaging with residents, making alterations to allocations policies, increased turnover of properties and the costs of processing payments from residents.

At the end of December 2014 the number of residents affected by the bedroom tax stood at 672. Of those under-occupying households 79% (534) were currently 'in sync' with rental payments and paying the shortfall. Of the remaining residents, 21% are out of sync, meaning they are not currently paying the required shortfall.

The Association continues to avoid legal action on cases where arrears have accrued primarily due to the bedroom tax by providing residents with financial management and budgeting support to sustainably afford their rent or to assist with finding an appropriate move. In approximately 15% of cases, residents obtain Discretionary Housing Payments from the LA whilst seeking a more permanent solution.



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