

	Employment Committee – 16 th December 2015	Agenda Item No. 4
Title	Financial Inclusion Project Officer – Sustaining Tenancies	
For further information about this report please contact	Jacky Oughton Sustaining Tenancies Manager Housing and Property Services jacky.oughton@warwickdc.gov.uk 01926 456433	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	Executive November 4 th 2015 Tenants Incentive Grant Scheme Agenda Item 6	
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality and Sustainability Impact Assessment Undertaken	No

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	01.12.15	Chris Elliott/Bill Hunt
Head of Service	01.12.15	Andy Thompson
CMT	01.12.15	Bill Hunt
Section 151 Officer	01.12.15	Mike Snow
Monitoring Officer	01.12.15	Andy Jones
Finance	01.12.15	Andy Crump
HR Officer	02.12.15	Elaine Priestley
Portfolio Holder(s)	02.12.15	Peter Philips
Consultation & Community Engagement		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1. **SUMMARY**

- 1.1 The report sets out the proposal to employ a Financial Inclusion Project Officer to provide money and debt advice to our tenants in financial difficulty. The role will also include providing project support for the Council's Financial Inclusion Strategy along with the management of the Re-settlement Service and associated budgets.

2. **RECOMMENDATION**

- 2.1 The Employment Committee approves the establishment of the post of Financial Inclusion Project Officer

3. **REASONS FOR THE RECOMMENDATION**

- 3.1 On 4th November 2015, the Executive approved the termination of the Tenants Incentive Grant Scheme (TIGS).
- 3.2 At the same time, the Executive approved that, subject to approval by Employment Committee, £14,000 in 2015/16, and £28,000 ongoing of the savings created by ending the TIGS, should be used to fund the recruitment of a permanent Financial Inclusion Project Officer.
- 3.3 At the same time as helping people downsize which in itself can help people reduce their housing costs, there is increasingly an apparent need to help people be better able to manage their finances.
- 3.3 When the first tranche of Welfare Reforms were announced in 2012 the Council supported the introduction of a temporary Financial Inclusion Officer. Working alongside the Income Recovery Team this officer worked closely with tenants affected by either the under-occupation charge or the benefit cap.
- 3.4 To continue to provide a service that has allowed the Council to maintain control of the rent arrears, reduced the number of evictions carried out and avoided the waiting period that clients of other advice agencies are currently experiencing, additional capacity is needed to both deliver these day-to-day services and to encourage the provision of additional complementary services.
- 3.5 The changes to social security and housing policy that will begin in April 2016 are expected to present more challenges to low and middle income households managing their incomes. These changes include the Local Housing Allowance cap limits applying for Housing Benefit which may present particular challenges to tenants aged under 35, Pay to Stay which may impact on households with an income just above the average for the district and the potential increase in tenancy turnover brought about by proposals to make short term tenancies mandatory for social landlords. The Council will need to be able to manage a greater number of risks to its ability to collect sufficient income to maintain investment in housing repairs, maintenance and estate management.
- 3.6 At the same time the Council is faced with additional financial pressures that will reduce the income to and increase the expenditure of its landlord service. These are arise from local housing authorities being required to fund the extension of Right-to-Buy to housing association tenants, the reduction from April 2016 in rental income by 1% per year for four years and if current

proposals are followed through by the Government, the administrative costs of managing short term rather than secure tenancies.

3.7 Warwickshire County Council (WCC) has approved a restructure plan for Housing Related Support which it funds through its Supported People Grant. This means that WCC will stop funding the specialist floating housing related support services, which include work that support financial inclusion, and from which many of our tenants benefit. The Financial Inclusion Project Officer, will work alongside the Housing Support Team to provide, where required, a money and debt advice service

3.8 Employing a dedicated Financial Inclusion Project Officer would:

- Provide practical support for the work of the Financial Inclusion Group
- Support the implementation of financial inclusion projects
- Work with other agencies to maximise employment opportunities
- Manage the Re-settlement service and manage the associated budget
- Provide additional day to day capacity to ensure the current levels of money and debt advice are maintained
- Help tenants manage the transition to Universal Credit
- Raise awareness of benefits sanctions to tenants and community services in order to reduce the risk of their benefit being reduced

3.9 In- house analysis of the existing role Tenancy Support Officer role indicates that for every £1 spent on the post, the community benefits by £5. Expanding this type of service will help reduce the risk to the Council of these changes detailed above impacting adversely on the Housing Revenue Account (HRA) Business Plan.

4. **POLICY FRAMEWORK**

4.1 Fit for the Future

4.1.1 The recommendations in this report are designed to support the vision of making Warwick District a great place to live, work and visit as set out in the Sustainable Community Strategy.

4.1.2 The post of the Financial Inclusion Project Officer will provide additional support to tenants and their families by helping them better manage their financial situation to remain in their homes and to take advantage of the opportunities that will arise as the district grows.

4.2 Impact Assessment

4.2.1 This appointment will not have a negative impact in respect of Equalities and Fairness.

5. BUDGETARY FRAMEWORK

- 5.1 The Executive has approved that the role will be financed through the savings made by ending the TIGS scheme agreed by the Executive on 4th November 2015 detailed below:

Current Annual Budget	2015/16	Ongoing
Carried forward from 2014/15	£19,500	£0
TIGS	£95,000	£95,000
Re-settlement scheme	£5,000	£5,000
Financial Inclusion Project Officer	£0	£0
Total Current Annual Budget	£119,500	£100,000

Proposed Annual Budget	2015/16	Ongoing
TIGS paid 2015/16 to date	£35,000	£0
Outstanding TIGS agreed for applicants	£55,000	£0
Re-settlement scheme	£12,500	£25,000
Financial Inclusion Project Officer	£14,000	£28,000
Total Current Annual Budget	£116,000	£53,000

Summary of changes (- = saving)	2015/16	Ongoing
Savings on TIGS budget	-£24,000	-£95,000
Increase in Re-settlement Budget	+£7,500	+£20,000
New Financial Inclusion Officer Budget	+£14,000	+£28,000
Overall Proposed Annual Saving	-£3,000	-£47,000

- 5.2 To recruit to this post there would incur no additional costs by the HRA.

6. RISKS

- 6.1 Failing to help tenants manage changes to their income represents increases risks to the viability of the HRA Business Plan and to tenants' ability to sustain their tenancies, which will incur additional costs for the Council in managing the fall-out from failed tenancies. The Financial Inclusion Project Officer represents a positive response to these changes and risks.

7. ALTERNATIVE OPTION(S) CONSIDERED

- 7.1 Resources saved by ending the Tenant Incentive Grants Scheme and not creating the post of Financial Inclusion Project Officer could allow for additional funds to be retained within the HRA for alternative investment. However by deploying a portion of these resources to fund the Financial Inclusion Project Officer, the Council will be in a better position to help manage the effects of the Welfare Reform changes for our tenants and so improve the resilience of the HRA Business Plan
- 7.2 The option of appointing to the post of Financial Inclusion Project Officer on a fix-term temporary position was considered; however there has been a steady increase in demand for assistance since 2012. Further changes to social security such as Pay to Stay, the Local Housing Allowance limits applying to Housing Benefit and tenancy terms coupled with the reduction of Housing Related Support services in the district will increase pressure on tenants on low incomes. The increase in service demand is likely to increase.