



Report to Customers and Communities Committee

12 September 2013

Title: TALISMAN – Review of Rent and Income

Report of: TALISMAN – Tenant and Leaseholder Independent Scrutiny Management Panel

Purpose of Report

1. The purpose of the report is to inform the Committee of our review into how The Gateshead Housing Company manages Rent and Income Services and to make any recommendations that we as a panel consider will improve service delivery.

Background

2. Having completed the first review in 2012, the Panel chose to review the rent and Income Team. The criteria used for this choice were:
 - A sudden change in the trending and performance figures.
 - The impact of the Welfare Reform Act.
 - There was no Service Improvement Group attached to this area of work.
 - The panel unanimously selected it from a list of possible future scrutiny subjects
3. TALISMAN have used the following tools to collect evidence and to put together the report into the Rent and Income Team, particularly in respect to its approach and attitudes to Tenants who will be affected by the under occupancy legislation, and the impact upon Arrears of rent and possible evictions. Having looked at the position statement (shown in Appendix 1) to see what the service standards were, TALISMAN then looked at the following to check whether these standards were being met.
 - Website review and inspection of leaflets and various documents.
 - Presentation by RAIT Manager, with Question and Answers.
 - Meeting with Focus Group of Employees and their line managers.
 - Mystery Shopping.
 - Requests for information relating to benchmarking and Performance Indicators.
4. The Panel were assisted by the Governance and Risk Officer and the Voluntary Independent Mentor on this review. A number of training courses were undertaken covering performance indicators and the Welfare Reform Act,

benchmarking and scrutiny outcomes.

5. Overall findings showed that there is a high level of commitment by both managers and Officers to help and support tenants before and during the recent Welfare Reform changes.
6. There is a range of positive practices identified which are shown in the Appendix 2.
7. The panel extensively scrutinised all documents and robustly challenged both the Managers and the frontline staff and identified a number of recommendations detailed in Appendix 3.
8. The following sections outline the work undertaken by TALISMAN to gain a broad perspective of the service and how they have arrived at their final recommendations.

Website Review

9. TALISMAN scrutinised the website in relation to RAIT as they were aware that there were many tenants who would be affected by Welfare Reform and the Housing Company would be under pressure to offer as much information on the payment of rents and the sustainability of tenancies.
10. TALISMAN found that although the website was under review, the content was unchanged. They found that the language used in the website seemed on occasion unsympathetic and that there was repetition.
11. It was also noted that there was not much emphasis upon confidentiality. This was also evident in documentation and leaflets.
12. They also found however that it had some very good links to other services, such as Gateshead Council Debt Advice Services, and Citizen's Advice.

Presentation by RAIT Manager

13. A presentation was given by the RAIT Manager, involving a question and answer session and the Panel were given an overview of how the department works.
14. This session showed that the methods used in anticipation of the Welfare Reform Act were extensive and far reaching in relation to vulnerable tenants.
15. The panel noticed specifically the emphasis laid upon sustainability of tenancies and the determination of the RAIT staff to try and help tenants to manage their money and be informed about ways in which they can get appropriate help.
16. TALISMAN agreed that this presentation showed a robust management style and a good relationship between the manager and his team.
17. TALISMAN submitted some extra questions and received an email with full replies.

Focus group of employees

18. A question and answer session between the panel and a selection of Officers and their Managers showed an impressive knowledge of the Welfare Reform Act, the escalation process, the need for due diligence, and a good overview of their own colleagues' place in the process. The team were challenged with some very difficult scenarios and came through with flying colours.
19. The purpose of the challenge was to note the attitudes of staff towards the tenants in respect of those who are particularly vulnerable such as the elderly, disabled and young persons in order to demonstrate that the Gateshead Housing Company and Gateshead Council were a caring partnership. In particular, the under twenty fives who had their first tenancies, were given a great deal of help from the frontline officers, who explained in detail the many procedures that are in place to help if they get into difficulties. It was recognised that typically a high number of these tenancies fail without intervention. The team showed that they go the extra mile to avoid the final step of eviction.
20. We put the same questions to the Managers and in the most part their replies were very much in sync with the Officers. Overall this is a dedicated team who take pleasure in being able to make a difference to tenants who need their help.
21. When we sought information on how the targets for the service are set, it was identified that this is done by the Rent and Income Manager alone. The TALISMAN felt it would be more beneficial to have the involvement of the team and customers in this process.
22. The staff gave help with such things as credit Unions, Jamjar Accounts and the importance of paying their rent in order to keep their tenancies secure. They showed a willingness to take on the extra work in visiting the homes of those who were going to be affected and the staff morale was excellent.

Mystery Shopping

23. A mystery shopping exercise was undertaken by qualified and independent mystery shoppers and a report was prepared for TALISMAN by the Manager of the Mystery shopping Team giving results of questions and scenarios that had previously been prepared by TALISMAN. A copy of the report is attached at Appendix 4.
24. The feedback from this exercise has already been shared with the service to address any specific issues.
25. This review highlights some very good instances of positive practices, for example Scenarios 10 and 11, and this exercise is indicative of many of TALISMAN's findings.
26. This exercise did identify an area for improvement relating to Gateshead Council in terms of the information provided to those tenants affected by the under occupation changes where a high proportion of customers stated they found the letter to be difficult to follow or understand.

Performance Indicators / Benchmarking

27. After considering the performance figures for 2011 to 2013, there was a little bit of confusion. The first quarter's performance report for 2012/13 showed that three of the figures were suddenly in the green zone (and therefore meeting or exceeding targets) after a considerable time in the red (failing to meet targets). The RAIT Manager explained that the targets had been lowered to take account of the current economic position and benchmarking trends of more rent arrears as the rationale behind this change. (See Appendix 5).
28. Although the reasons for the reduced targets were explained in the target review report, there was no explanation that the targets had been reduced in the performance report which could be misleading.
29. One of our recommendations is that when the targets change for the next year, the rationale for the change be explained in the performance report as well as the target review report.
30. Benchmarking is becoming a necessary part of the scrutiny process and TALISMAN received training in benchmarking and performance information throughout this process. The Gateshead Housing Company have compared favourably with other like for like ALMOs in the Northern region. The information from the Northern Group is useful in identifying potential service improvement and performance.

Summary

31. TALISMAN conducted their second scrutiny activity within six months and utilised all resources available to ensure sound and accurate evidence was collected.
32. Overall the findings of TALISMAN showed the Rent and Income employees to be the biggest asset to the service. The overwhelming feelings from interaction with staff from all levels showed that they operate a 'firm but fair' approach and respect the customers they are dealing with.
33. Scrutiny of the service has highlighted 12 areas of positive practice including an easier to understand rent statement after consultation with tenants, regular training to staff around identifying vulnerable tenants, advice given around Welfare Reform, working with other agencies and the Money Matters leaflets.
34. It also resulted in the identification of 15 recommendations which if implemented will result in tangible improvements to customer service deliver and assist in managing the service more effectively.
35. TALISMAN would like to thank all employees who were involved in this scrutiny review.

Link to values

39. This report relates to the following company values: -
 - Being a listening and learning organisation
 - Being honest, accountable and transparent
 - Being customer focused, innovative and professional

- Caring and respecting

Impact on tenants

40. TALISMAN's focus has been to drive forward service improvements in this emotive area of customer service delivery. It is envisaged that recommendations made will improve the lives of customers.
41. Tenants and leaseholders are likely to be more satisfied where they feel they have had the opportunity to influence service provision. Regular publicity will inform the wider tenant population of the company's willingness to progress and learn from the findings of the TALISMAN's reviews.

Risk Management Implications

42. Reduction in customers' Housing Benefit entitlement due to government reforms has been identified as a significantly high risk to the company and recommendations made support the controls already in place to tackle the issue.

Financial Implications

44. Recommendations made have no significant financial implications and relate to improving processes, protocol and service delivery.

Equality and Diversity Implications

45. TALISMAN's code of conduct includes specific expectations around equality and diversity. They have undertaken training to ensure that scrutiny activities conducted and recommendations made are accessible and inclusive to all.
46. Part of questioning and investigation in this review was specifically related to considering how people with different needs use the service and how employees take customers vulnerabilities into account.

Value for Money Implications

47. TALISMAN have a remit to consider value for money within the scrutiny activities they conduct. Recommendations made will help improve customer satisfaction whilst encompassing the Value for Money regulatory standards.

Health Implications

48. TALISMAN felt that dealing with rent arrear in a sensitive and 'firm but fair' approach was essential recognising that there are often additional health factors affecting people who are in arrears.

Environmental Implications

49. There are no direct environment implications associated with this report.

Consultation carried out

50. There has been extensive consultation carried out with Rent and Income managers, employee focus group and the use of satisfaction data to gather valuable evidence for this review.

Recommendations

51. The committee is recommended to:
- note recommendations attached and review positive practise;
 - request a formal response to TALISMAN's recommendations from the Rent and Income Team to be presented to the next committee and subsequently to report this response and action plan to TALISMAN.

Position Statement for Annual Report

Service Area:.....The Rent and Income Team.....

Completed by:.....Jonathan Graham.....

Head of Service Sign off: Kevin Johnson.....

Section 1 - Background/Setting the Scene

Insert comments around what the service does. How many employees the service has. Whether the service is customer facing. What your service standards are (if applicable). Include any reference to the Regulatory Standards if able to.

The Rent and Income Team aim to maximise rental income and to prevent rent arrears by providing: a range of payment methods; clear information on how much rent to pay; advice and support on how to claim benefit and to maximise income; a firm but fair approach that is focused on working with tenants to prevent or reduce any arrears. The team is made up of 34 employees, majority of whom are customer facing with the aim of preventing the accrual of rent arrears by offering advice and assistance to customers who *can't* pay their rent and taking firm action against those who *won't* pay their rent.

The service is split into 3 areas;

- Area based Income teams
- Legal Recovery Team
- Former Tenant Team

The area based Rent and Income Teams collect income (from both introductory and secure tenants) and is divided between the Central/West and East/South areas of the Borough. The teams comprise of a team leader, a supervisor and a team of

Rent and Income Officers, with responsibility for rent and income collection on their individual patches.

When all attempts to secure acceptable payment proposals have failed court action will be instigated for both introductory and secure tenants; the Legal Recovery Team process court applications for both possession and evictions.

Once a tenancy has ended the Former Tenant Team collect any outstanding arrears or process any refunds; this team are also responsible for the invoicing and collection of rechargeable repairs. There is an escalation process which staff follow in the pursuit of former tenant arrears which includes managing and monitoring relationships with external trace and recovery agencies.

The Rent and Income Team have the following service standards:

- Offer a range of ways to pay your rent and service charges
- Produce clearly written rent letters, including an easy-to understand statement, which we will send every 13 weeks
- Give at least 28 days' notice of changes to rent or service charges
- Offer help to customers who are having financial difficulty, including help from specialist debt and welfare benefit advice services.
- Asking if you are satisfied with the methods of paying rent, and the information on how much to pay
- Asking if you find our rent letters and statements useful and easy to understand
- Asking if you are satisfied with the advice available on rent or on debt
- Reporting back to customers through our newspaper and via our website
- Check that we contact former tenants within two weeks of the tenancy ending to inform of outstanding balance or refund credit balances.

Section 2 - What did the Service do in 2011/12?

Key outcomes of the service during the year against service plan priorities where applicable or against plans as detailed in last year's Annual Report.

The main service plan priority for RAIT was the restructure following voluntary redundancies. We took the opportunity to restructure the service and integrate the New Tenancy Officers with the area based income teams. Previously, the New Tenancy Officers were part of the Prevention Team and were a separate entity to the area teams. The restructure saw the New Tenancy Officers integrated into the area teams (two into East/South and two into Central/West).

This process went well and the New Tenancy officers are now an important part of the area teams, they work together with the Rent Officers when tenants go from being introductory tenants to secure tenants. Where there are tenancy issues and the New Tenancy Officers has built up a rapport with the tenant, they continue to manage the account and do a longer handover before passing the account over to the rent officer.

Another key change as part of the restructure saw the Rechargeable Repairs officer integrated into the Former Tenant Team. Previously these roles were kept separate with each team pursuing there respective debts. However it was recognised that these areas compliment one another and the same customers were being pursued from different teams for different debts. Now the Former Tenant team pursue all former tenant debts, court costs and housing benefit overpayments as well as all rechargeable repair debts (current or former).

Welfare Reform will represent a huge challenge for the Rent and Income Team over the coming years, so a key priority was to start and publicise these changes to tenants. There were several leaflets and articles produced and distributed over the course of the year, the main one being our 'Money Matters' newspaper.

This was mailed to all tenants in January 2012 and was full of useful information about Welfare Reform, downsizing, debt advice, budgeting, jobs and training. There were a large number of contributors to the publication including Gateshead Advice Centre, Gateshead Council, Illegal Money Lending Team, NECA and Job Centre Plus.

Section 3 - Key Strengths of the Service

Key strengths of the service – in comparison to other service areas in the company/other organisations. Include any performance information (KPIs and/or service standards) or satisfaction data which is relevant. Include any relevant awards/accreditations or peer assessment exercises which have taken place. Also include any compliments which are relevant. Include where you go over and above the Regulatory Standards relevant to your area.

The rent and income team collected 98.14% of rent income which was the (joint) second best ever recorded in Gateshead, on a par with 2009/10 and second only to the 2010/11 result. This result was slightly below the 98.25% target which was extremely challenging given the increase in rent roll of £4 million.

Rent arrears actually reduced when expressed as a proportion of the rent roll with arrears of 2.19% compared to 2.28% in 2010/11 and there were fewer evictions for rent arrears than in previous years. Former tenant arrears finished at their lowest point for a number of years also and had reduced by some £200k; this was achieved by collecting more debt and creating less new debt as well as writing off less debt.

The annual rent survey went out to 5000 tenants and we received 604 responses; the 3 service standards measured through the annual survey showed that satisfaction was very slightly down, however still very high. The satisfaction with rent advice exceeded target with a result of 95.8%, as did the former tenant target with 97.57% of former tenants being notified of their final balance within 2 weeks.

2011/12 also saw further specialist rent recovery training for staff carried out by Orbit Services Ltd, this now means that every member of the rent and income team has had specialist rent recovery training.

Section 4 - Areas for Improvement of the Service and Service Plan Priorities for 2012/13

Key areas of improvement of the service – in comparison to other service areas in the company/other organisations. Include any performance information or satisfaction data which is relevant. Include any areas highlighted in the annual report which have not yet been achieved. Also include any complaints which may be relevant. Detail the service plan priorities as agreed with your Head of Service.

The service has a number of key priorities and areas for improvement for 2012/13:

- **Preparation for Welfare Reform:** review income management policy to ensure the service is shaped adequately to deal with the demands of Welfare Reform. Ensure staff are fully trained and aware of the implications on both tenants and the company's income and that they are able to prevent arrears and maximise tenants income.
- **Financial Inclusion:** Work with key partners to ensure mechanisms are in place to prevent tenants from being financially excluded; including aspects around financial capability, debt advice, affordable loans, fuel poverty and digital inclusion.
- **Review of Rechargeable repairs policy:** Conduct a review of current policy and practices, produce a robust policy outlining tenant liability and recovery procedures.
- **Payment methods review:** in light of Welfare Reform conduct a review of current payment methods to assess viability of each method and consider areas for further development.
- **Self Assessment:** conduct a self assessment of the service identifying strengths, areas for improvement and value for money.



Positive Practice	
Rent Statement / Letters	<p>The rent statement was changed to make it easier to understand after interaction with tenants. Notice of this was put in the TGHC Newspaper.</p> <p>It was also noted that the letters sent to people as part of the escalation process had been reviewed with tenants (although this process had taken place some time ago).</p>
Vulnerable Tenants	<p>Regular training is given to staff about identifying vulnerable tenants including training called 'If Something Doesn't Look Right'.</p> <p>A good example of this was that one of the Officers was walking her dog one day and was in a conversation with an elderly lady. Half way through, this Officer realised that this lady was NOT flagged, but it turned out that she was in fact vulnerable. This Officer was then able to flag her up on the database and to offer her advice and help.</p> <p>Officers check the housing system before any contact with tenants to see if they have any vulnerabilities or preferred methods of contact.</p> <p>In addition employees have received training on Illegal Money Lending to be able to identify signs where a tenant may become vulnerable to loan sharks.</p>
Welfare Reform	<p>The RAIT Team was increased for Welfare Reform by two Advice and Support Officers, in the run up to the act being implemented and the under occupancy situation. The Team began to prepare well in advance and continue to do so for the introduction of Universal Credit.</p> <p>Contact was made to all those who were considered to be affected by Welfare Reform. Sometimes this involved making 10 attempts to</p>

	<p>get in contact with the tenant. TALISMAN were extremely impressed with the amount of knowledge shown by the Officers and by their determination to keep the sustainability of tenancies.</p> <p>During the mystery shopping exercise, customer service and empathy for customers was evident for those tenants visited, which was very important during a very emotive and stressful situation for tenants and leaseholders affected.</p> <p>During the mystery shopping exercise, customers felt that TGHC had done the best they could given the situation and didn't feel there was anything more they could have done based on what they were being asked to implement.</p> <p>The under occupancy regulations may show a potential increase in arrears. TALISMAN were very impressed at the amount of effort put into avoiding the final action of seeking eviction. They found the team members to be understanding empathetic and patient.</p> <p>In addition TALISMAN noted that arrears are being very closely monitored to identify the on-going impact of the changes and highlight those who may come into difficulty over the coming months.</p>
<p>Working with other agencies</p>	<p>The staff were in touch with many different agencies and TALISMAN were surprised by the amount of work done to make sure that all other partners and agencies are resourced for their tenants, especially young people.</p> <p>In particular they work closely with CAB and have made referrals for Drug and alcohol support where this maybe affecting their ability to pay or manage their tenancy.</p> <p>The team were particularly impressed with the determination to make sure that the 18-25 age group got as much help as they needed to sustain their tenancy and to learn how to budget. This included advice on bank accounts and jam jar accounts and Moving Forward courses on household budgets.</p>
<p>Leaflets</p>	<p>The leaflets about budgeting and Money Matters were presented with an attractive, easy to read appearance and lots of information</p>

<p>Support for employees</p>	<p>TALISMAN were keen to find out through the focus groups with employees about how they are supported through dealing with some of the challenging cases they deal with as it is recognised that when trying to collect rent or going through the escalation process with tenants that the situation can potentially become heated. The employees highlighted that they felt they were supported by their line managers if they had to deal with a situation of this nature.</p>
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Recommendations for Improvement

Scrutiny findings	Recommendation
Information/Communication	
<p>Leaflets In two housing offices, old leaflets were found amongst the newer versions</p>	<ul style="list-style-type: none"> Regular checks to ensure that leaflets are always up to date
<p>TGHC Website: Rent and Income pages Language used was considered to be negative and repetitive. The home page was mainly negative with very few positives. Readers could easily lose interest.</p> <p>Tenants who are financially vulnerable find it difficult to discuss their finances so the issue of confidentiality should be paramount. This wasn't made clear on the website.</p> <p>The drop down menu was found to be inaccessible.</p> <p>Different computer operating systems such as tablets can make it difficult to access information from some websites.</p>	<ul style="list-style-type: none"> TALISMAN understands that since this exercise was carried out the website has changed so the recommendation would be to revisit this section's wording and check links etc.
<p>Letter from Gateshead Council During the mystery shopping exercise, nine customers felt that the initial letter from Gateshead Council sent out in March 2013 was difficult to understand in three areas (see mystery shopping report at Appendix 3)</p>	<ul style="list-style-type: none"> Gateshead Council be asked to take into consideration these comments when producing future letters around Welfare Reform
<p>Arrears Intervention TALISMAN felt that information around arrears information was too negative and there was too much emphasis on the escalation process.</p>	<ul style="list-style-type: none"> More positive information about arrears intervention
<p>Tenancy Agreement The Tenancy Agreement has not been updated since 2008 and needs updating to reflect Welfare Reform and its impact on tenants.</p>	<ul style="list-style-type: none"> Review of Tenancy Agreement needs to reflect Welfare Reform and its impact on tenants.
<p>Rent Card – Sign Up The review found that in some cases, it wasn't made clear to new tenants during the sign up that they needed to ask for a separate card to pay for their Council Tax and that it could not be paid on</p>	<ul style="list-style-type: none"> Make it clear to new tenants during sign up that Council Tax cannot be paid on rent card.

Recommendations for Improvement	
Scrutiny findings	Recommendation
the rent card. TALISMAN found four examples where summonses had been sent to tenants because they had mistakenly paid their rent and Council Tax together on the same card.	
Customer Involvement/Engagement	
Service Improvement Group (SIG) There was currently no SIG for rent and income. The establishment of a Rent and Income SIG allowing for regular customer engagement on the service. This also means that customers are not involved in the process for setting targets for the year as is the case in other service areas.	<ul style="list-style-type: none"> • The establishment of a Rent and Income Service Improvement Group.
Timing of Surveys Surveys had been sent to tenants just after the rent increases which could result in a negative response from tenants.	<ul style="list-style-type: none"> • Better consideration of all relevant factors before determining when to send out surveys.
Young People The Rent and Income Team tried hard to engage with young people but more work should be done to ascertain what other organisations were doing.	<ul style="list-style-type: none"> • Identify good practice from other organisations when engaging with young people.
Performance/Service Standards	
Performance Report Some targets were reduced for the next year, however it wasn't made clear in the narrative of the performance report that this had happened or the rationale for reducing them.	<ul style="list-style-type: none"> • Narrative in performance report make it clear when a target has changed for the next year and the rationale behind the change
Target Setting TALISMAN were concerned that the Rent and Income Manager set all the targets without the involvement of the managers within the service or front line employees.	<ul style="list-style-type: none"> • More involvement of other staff in target setting for them to take ownership and understand how their role contributes to the overall performance of the service.
Sharing of Good Practice TALISMAN felt that in order for teams to share good practice with each other there should be a standing item on all team meeting agendas as this appears to happen on an ad hoc basis.	<ul style="list-style-type: none"> • Standing item around sharing of good practice on team meeting agendas.
Publicising of Service Standards TALISMAN found two instances where service standards were different in some documents.	<ul style="list-style-type: none"> • Ensure that service standards are the same in all documents
Training	
Training Training was discussed with managers and front line employees and highlighted that some training has been provided to existing employees although there were some gaps.	<ul style="list-style-type: none"> • Conflict and resolution training needs to be provided as soon as possible for new employees during induction. • There should be a consistent induction plan for new employees prior to them undertaking the role rather than this varying for each employee.



TALISMAN Mystery Shopping Exercise 2013 – Rent and Income Service

Rent & Income Team - Welfare Reform Advice

Background

TALISMAN commissioned their second shopping exercise to test the service being provided by the Rent and Income Team as part of the panel's wider review of the service. In particular the exercise tested advice and information provided on the changes being brought about by welfare reform and under occupation rules.

The panel wanted to find out whether customers affected by this change had been kept fully up to date by TGHC through the lead up to changes being implemented and gain feedback on literature sent to them from both Gateshead Council and TGHC.

TALISMAN felt it was imperative that customer's individual circumstances were taken into consideration and that empathy and support was offered when staff from TGHC made contact with them.

The purpose of the exercise was to determine the following:

- Customers understanding of literature that had been sent to them regarding changes to housing benefit.
- Whether good customer service and empathy was provided by TGHC staff to customers whom had been affected by the Welfare Reform
- Whether customers queries had been answered in full.
- Whether those customers contacted required any further support.

In addition to gaining feedback from those customers whom had received a visit / telephone call from a member of TGHC staff. TALISMAN also requested a review was undertaken of the general advice offered by local housing office staff when customers contacted them with a Welfare Reform based enquiry.

Methodology

An initial scoping session took place with TALISMAN for them to advise of the brief they wished this exercise to cover. Following discussions it was decided that the most effective way in which to gain feedback would be to contact tenants whom had been directly impacted upon by the Welfare Reform.

The Involvement Team drafted a template of questions (**see Appendix 1**), which TALISMAN confirmed were fit for purpose.

The Rent and Income Manager provided a list with details of all customers who had been affected by the under occupation changes and had received contact either by telephone or home visit.

Copies of the letters and leaflets produced for customers were also obtained to have an understanding of what information customers should have received.

7 mystery shoppers took part in the exercise. This exercise was carried out via telephone and voicemails left for those whom were unable to accept our calls. A target of 35 calls was set with 40 achieved.

For the telephony based exercise Mystery shoppers were to remain anonymous to test the levels of service offered to customers requesting information without giving personal details.

TALISMAN devised a set of scenarios for mystery shoppers to use whilst contacting housing offices to seek advice (Appendix 5).

Housing Offices reviewed for this exercise were Blaydon, Central, Dunston, Leam Lane and Wrekenton. Please note as calls for Felling office are now routed to Leam Lane, this office was not reviewed.

Mystery shoppers conducted telephone calls whilst officers recorded outcomes; after each exercise both parties conferred on the results which have been used in compiling this briefing. Each office was measured by the same criteria which covered performance of customer service delivery, advice and information given

Summary of results

Key results of the telephony survey are shown below. Full details of this exercise can be found at **Appendix 2**

Response Measure			
	Yes	No	N/A
A letter was sent to you in March 2013, advising you of proposed changes to your housing benefit, did you receive this?	34	4	2
Did you find the letter easy to understand?	23	9	Cant remember 8
The Housing Company sent a Money Matters Guide and Changes to Benefit Leaflets to customers, did you receive these? (Leaflets with Pink Pig Money Box on them)	21	2	Cant remember 14
Did you find them useful?	15	5	Cant remember 14
Did you receive a home visit or were you contacted to discuss your situation by telephone?	Visit 29	Telephone 5	6
Did the officer check your personal details., i.e. name, address, date of birth, number of people in household etc?	32	0	Unsure / N/A 8
Were you asked your intention in terms of either remaining in your property, downsizing or being placed on mutual exchange list?	31	1	8
<p>How do you feel your queries were answered? Were they answered in full ?</p> <p>Did you think the officer was knowledgeable and offered good customer care. Yes or No can you say why you thought this?</p> <p>Do you require any further assistance from us?</p>	<p>Answered in full 33</p> <p>31</p> <p>12</p>	<p>Unsure / NA 7</p> <p>Unsure / NA 9</p> <p>28</p>	

Key results of the telephony survey are shown below.

Response Measure	Staff response	
	Yes	No
Did employee confirm company name?	6	0
Did employee confirm their name?	6	0
Did employee ask if they could help?	6	0
Was the employee courteous?	6	0
Ask for name & address?	6	0
Did employee end call asking if they could help further	6	0
Answered in layman's terms	6	0

Staff from all offices were deemed to offer a good level of customer service and offered advice and support to caller even though no personal details were offered. Further details of advice given can be seen below:

Detailed Call Breakdown

Dunston 02/07/2013 (Scenario 2)

- Shopper asked what the situation would be should they decide to take in a lodger. Enquiry handler advised that initially a form would need to be completed and that this would be reviewed by local Housing Manager who would be in a position to either grant or refuse the application. Call handler advised that normal practice would see applications granted. Also advised that should a tenant take in a lodger, it was the tenant's responsibility to ensure rent was paid and as such recommended that a contract be drawn up (advised that housing office could offer advice on this). Stated that TGHC would deal with the tenant not the lodger and any issues would need to be handled by the tenant.
- Slight problem getting through to this office, phone was engaged for over ten minutes with no queuing facility in place but once through full answer given to enquiry.

Leam Lane 02/07/2013 (Scenario 12)

- Query raised regarding whether you can appeal against the bedroom tax / under occupation charge. Call handler advised payments would still need to be made in the interim. Initially advised could be transferred to a member of staff from the Rent and Income team, however when advised that was calling for a friend and did not wish to give contact details, was advised that call could not be transferred. Did advise that it would be beneficial to get friend to call themselves as Rent and Income can only deal with customers queries from the actual customer themselves. Call handler did also advise that caller could get their friend to call Rent and Income Team on 433 5811.

Wrekenton 02/07/2013 (Scenario 5)

- Shopper advised that they had recently decorated their home, but due to under occupancy, were now struggling to pay their rent, asked if they did move could they be compensated for their expense. Call handler advised no costs could not be reimbursed as this is in no way connected to the welfare reform. Would still need to pay the new rent rate until such time as a move took place. Caller was advised to get in touch with housing benefit section or speak with a member of staff from the Rent & Income Team and or Housing Benefit, however was not offered any contact details for these.
- Shopper felt call handler was a little too familiar calling her “love”.

Blaydon 02/07/2013 (Scenario 10)

- Caller advised grandson had initially left the army and moved into a property which he had decorated and then had to move as his property was due to be demolished. Was then relocated and has re-decorated at a high cost to himself, and now find himself in a position that due to the Welfare Reform he is unable to make the new level of payments that are due. Call handler advised that grandson could apply for the discretionary housing fund by contacting them on 433 4646 and speak with benefits. Advised sadly not able to offer any support towards decoration as this was not something that was offered. Then gave a good breakdown of how changes have come about and that changes have been made by the government so that benefits are now paid per person rather than per property as it was in the past.

Birtley 02/07/2013 (Scenario 11)

- Shopper asked for clarification of the discretionary fund. Call handler asked for details and said that if these were supplied they would be able to review the callers account. When still advised that did not wish to give details, advised that the best way forward would be to contact benefits section at Gateshead Council and advise they wished to apply for discretionary fund. Advised if no assistance could be offered from this department to call back and housing office would seek other avenues to see what other levels of assistance were potentially available. Gave telephone number to contact of 433 4646.
- Customer advised that they felt that this call was handled very professionally and that staff member put them at their ease. If this was a real situation advised would most certainly ring back for further advice.

Central 02/07/2013 (Scenario 9)

- Caller advised that they were concerned about further changes to benefits as they had heard someone talking Universal Credit and wondered if this would have an impact on how much monies they were going to have pay out on a weekly basis. Advised not to worry as this new process would not be being introduced for a while yet and that this

would not have impact on how much money the customer would be paying. Explained clearly brief details of what Universal Credit was about and how this would change in terms of monthly payments instead of weekly etc.

Overview of Findings

The feedback gained from customers during this mystery shopping exercise is very positive. Those contacted felt that this process was handled very well, with staff being professional, knowledgeable and offering empathy and support when needed. This is particularly significant due to this being a very emotive and distressing subject for those affected. Of the 40 customers contacted, 12 advised they required additional assistance and their details will be forwarded to the relevant department to make contact in the near future.

Some of the issues raised below are recognised to be commenting on the practice of Gateshead Council rather than the housing company, however it was felt important to note these and ensure that this is fed back to influence the approach taken to preparing tenants for the introduction of universal credit.

Telephony overview revealed that all housing office staff provided a consistent good level of customer service, with Birtley being singled out as offering in the shoppers view the highest level of customer service.

Advice given was delivered in a sympathetic manner by all and empathy and understanding was given with regards to some emotive topics. It was recognised that the responses given were thorough and showed that officers had an understanding of the changes and how this applied to our tenants, which is particularly important due to the difficult situations tenants have faced themselves in.

All were given information as to whom they could contact for more information in terms of either members of staff from the Rent and Income Team and or Benefits section of Gateshead Council.

Items of Interest

Further to this review taking place, the following points were seen as being beneficial to highlighted with areas of strengths and potential weakness are detailed below:

Strengths

- Although the initial letter from Gateshead Council was sent out in early March 2013, 34 customers remembered receiving this.
- Customers advised that they found the information in Money Matters guides helpful and that the Pink Pig Moneybox stood out.

- Customer service and empathy for customers was evident for those tenants visited, which was very important due to this situation being highly emotive and stressful for tenants and leaseholders affected.
- All customers who advised that they had a form of contact from TGHC feedback that they were happy that their queries had been answered in full at the time.
- Customers felt officers were knowledgeable and offered good customer care when dealing with a contentious issue.
- Customers appreciated the opportunity to have their housing benefit letters talked through during visits / phone calls should this have been required. Whilst the letters provided regarding their benefit was felt to be confusing by a number of customers, this was remedied by the advice and explanation offered by the officers carrying out the visits.
- Customers stated that they felt that TGHC had done the best they could given the situation and didn't feel there was anything more that could do based on what they were being asked to implement.
-

Areas for consideration

- Nine customers felt that the initial letter from Gateshead Council sent out in March 2013 (attached in Appendix 3), was difficult to understand in three areas:
 - Wording – There were comments that the wording was not in plain English, and was confusing for some to understand. A suggestion was to put in more examples of what was being discussed with the potential impact.
 - Layout – The way the letter was set out also did not lend itself to highlighting the key information that the tenant needed to take note of.
 - Print – it was felt that the size of print was very small and would be difficult to read for a wide range of tenants.
- Not all customers were aware that there was a discretionary fund being managed by Gateshead Council or had received conflicting information about whether they would be able to apply for this.
- Although customers remembered receiving the Money Matters guides, not all remember the content. They advised this was due to the amount of information they receive in the post on a daily basis. Customers advised they preferred the pamphlet version as opposed to the booklet being back to back with the newspaper. They felt the leaflet was more readable and stood out as something important for them to read and take notice of.
- 12 customers whom had already received a form of communication from TGHC advised they required additional support from TGHC (this being listed as a weakness as they had not attempted to contact us themselves and perhaps if contact had not been made, would they have come back to us themselves).

- There was some comments that the customers had not been fully aware that there was going to also be changes to the council tax benefit scheme. There was a suggestion that it would have been useful to raise this in the visits so that tenants had an idea of the full impact to their incomes.

Recommendations

It is recommended that TALISMAN note the findings of the review, and consider this as part of their overall review of Rent and Income.

Appendix 1**Rent & Income (Welfare Reform) 2013 – Mystery Shopping**

Name	
Address	
Contact details	
Date contacted	

A letter was sent to you in March 2013, advising you of proposed changes to your housing benefit, did you receive this?	Yes or No
Did you find the letter easy to understand?	Yes or No
Anything else that could have been added to the letter?	
The Housing Company sent a Money Matters Guide and Changes to Benefit Leaflets to customers, did you receive these? (Leaflets with Pink Pig Money Box on them)	Yes or No
Did you find them useful? Do you think we could have sent you anything else ?	Yes or No
Did a member of Housing Company Staff contact you by telephone to arrange a visit to your home to discuss the Welfare Reform with you	Yes or No
If yes, did they offer a time and date that was suitable to yourself?	Yes or No
If no, did they call at your house and if you were out did they leave a calling card?	Yes or No
Did you receive a home visit or were you contacted to discuss your situation by telephone?	Visit / Telephone

<p>Did the officer check your personal details., i.e. name, address, date of birth, number of people in household etc?</p>	<p>Yes or No</p>
<p>Were you asked your intention in terms of either remaining in your property, downsizing or being placed on mutual exchange list?</p>	<p>Yes or No</p>
<p>Did you have any specific questions or queries at this point, if yes what were they?</p>	
<p>How do you feel your queries were answered? Were they answered in full ?</p>	
<p>Did you think the officer was knowledgeable and offered good customer care. Yes or No can you say why you thought this?</p>	
<p>Were any arrangements made for other services to contact you i.e. CAB / Rent and Income Officer ? Did they contact you ? How did you feel about the informaiton that was offered?</p>	
<p>How do you think the Housing Company dealt with changes to Housing Benefit?</p> <p>Is there anything we could have done differently?</p>	
<p>Do you require any further assistance from us?</p>	

Performance

Rationale for lowering the performance targets

There are a variety of reasons why the decision was taken to lower the performance targets:

- **Above inflation rent increase:** rents are set in accordance with government guidance and target setting, this saw a large rise in rents for the 2012/13 year.
- **Introduction of Welfare Reform:** Some of the initial changes came into affect in April 2012 including increased non-dependant charges and under 35's only being awarded the single room rate, this means that tenants were entitled to less benefit so therefore had more rent to pay
- **Recession:** The economic climate has been a challenge as tenants moved in and out of work, were made redundant or given less hours. There was a general perception that rent would be harder to collect
- **Performance plateau:** Significant performance improvements have been made in recent years and despite our best efforts improvements in performance are starting to plateau. The way the performance is calculated also has an impact as it takes into account arrears brought forward from the previous years. As arrears have come down it becomes more difficult to collect the arrears from the previous years.

Rationale for continuing to lower performance targets

Welfare Reform will represent the greatest challenge to collecting rent over the coming years with many changes coming into affect:

Social Size Criteria: tenants who are under occupying their home will face a reduction in their housing benefit award of 14% or 25%. It is unanimously agreed amongst housing providers and local authorities that this change will result in a significant increase in rent arrears. The Landlord Information Network have quoted that arrears could increase by up to 51% with others quoting figures around 33%. Some articles on the potential increase in arrears have been attached at the end of this document

There are almost 3000 TGHC tenants who will be affected by under occupation; this will result in an extra £1.8 million of rent to be collected. Working on a figure of approximately 1/3 of these tenants being unable to pay, arrears could increase by approximately £600k.

The Benefit Cap: There are approximately 30 TGHC tenants who will be affected by this reform which limits the amount of benefit a household can receive. Many of these tenants will see a large reduction in their weekly income which may result in increased rent arrears.

Universal Credit: Due to come into affect in October 2013, however it is anticipated that only very few of our tenants will be moved over onto UC at this stage. Majority of our tenants will start to be transferred onto UC from April 2014; however some may still be affected in October so there may well be a slight negative impact on arrears.

Council Tax Support: Due to changes in Council Tax support many of our tenants will have to pay council tax for the first time. Although this will be a relatively low weekly amount in most cases, it has come into effect at a difficult time with many tenants already struggling financially.

We would normally provide performance targets for 3 years in advance, however given the unpredictable and unprecedented nature of these changes we are only able to forecast one year at a time.

We understand that the impact may not be as bad as predicted which will result in RAIT hitting the revised performance targets comfortably, equally the negative affects of the reforms may be worse than feared and targets will therefore not be met.

Performance and arrears will be monitored even more closely throughout the year with significant emphasis put on monitoring those tenants who are under occupying their homes. Support and advice will be offered at the earliest opportunity to try and minimise any negative impact and try to get tenants to engage with the support available.

[Links to news stories about increased arrears due to Under Occupation legislation](#)

Lawyers warning of increased court action for arrears:

<http://www.insidehousing.co.uk/legal/courts-will-fill-up-with-tenants-lawyers-warn/6526148.article>

Housing landlords braced for increase in arrears:

<http://www.insidehousing.co.uk/tenancies/landlords-braced-for-impact-of-benefit-reform/6520826.article>

Likely arrears increase affecting landlords:

<http://www.guardian.co.uk/housing-network/2013/apr/17/bedroom-tax-housing-legal-support-arrears>

Rent arrears rise predicted

<http://www.bbc.co.uk/news/uk-scotland-21607013>