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| **REPORT** | **Housing Board for Cambridgeshire, Peterborough & West Suffolk** | | | |
| **Meeting Date:** | 04 June 2021 | | **Item No:** |  |
| **Report Title:** | Hardship Metrics Benchmarking | | | |
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| **For Decision  Debate  Information** | | | | |
| **Does this report contain market sensitive information YES  NO** | | | | |
| **Executive Summary:**  Housing Board commissioned a benchmarking exercise around hardship metrics among registered provides and stock-holding authorities with the aim (when overlaid with other hardship metrics) of identifying changing financial pressure and stresses on households.  This report presents the first findings of that exercise and seems to show that there was not a significant variation (with one exception) in arrears levels by local authority area. There were, however, significant differences in average arrears levels between providers at local authority level. There is no clear theme as to the reasons for this.  It is also clear that the majority of providers do not know the numbers of customers referred to professional money advice services, and therefore we cannot be certain that they are utilising such services sufficiently well.  The Board also commissioned a qualitative survey of providers to understand what measures had been taken to support customers financially affected by the pandemic, with the aim of sharing positive practice. | | | | |
| **Recommendations:** A number of recommendations are set out in section 3.4 below. | | | | |
| **Appendix Attached:** | | App. 1 – benchmarking data (see separate spreadsheet)  App. 2 – qualitative survey feedback | | |

1. **BACKGROUND**
   1. The Housing Board agreed to commission a piece of work to seek to understand the financial impact of the pandemic, and related lockdown restrictions, on the rental customers of the stock-holding local authorities (LAs) and registered providers (RPs), working within the Board area. This work was supported by Homes for Cambridgeshire and Peterborough (HCP) and the Financial Vulnerability Recovery group (FVRP).
   2. The objective of the exercise was to implement a benchmarking exercise around hardship metrics among RPs and stock-holding authorities that assists (when overlaid with other hardship metrics) in identifying changing financial pressure and stresses on households. By understanding what is happening locally, the metrics may help inform each organisation’s approach and provide strategic context for the local authorities. This piece of work was accompanied by a qualitative survey, which sought to identify positive practice in supporting customers, who were struggling financially.
   3. Nigel Howlett (CHS Group), Julia Hovells (Cambridge City), Tracey Manton (Cross Keys Homes) and Oliver Morley (Hunts DC) were particularly influential in shaping the exercise, though any shortfall in the data set questions are entirely the responsibility of the author.
   4. Participants were asked to collect data, which would be analysed by local authority area, and presented back to participants in an anonymous fashion (in respect of the provider) so that issues and trends at local authority level can be identified. The intention is that this data will be tracked over time at quarterly intervals.
   5. It was agreed to collect data for the initial report as at the end of the financial year 2020/21 (figures to be provided as at month end or closest point) and then quarterly until such time as considered no longer useful or adding value.
   6. The following providers took part in the benchmarking exercise, though their organisational data is anonymised as agreed by participants:
      * Accent
      * Cambridge City Council
      * Cambridge Housing Society
      * Chorus
      * Clarion
      * Cross Keys Homes
      * Havebury Housing Partnership
      * South Cambs DC
      * Suffolk Housing Group
   7. The following data was requested:

* Total stock by local authority area
* Total number in arrears
* %age overall arrears
* Average balance
* Number of UC customers in arrears
* %age arrears of UC customers
* Average balance of UC customers
* Number of Self-payers in arrears
* %age arrears of self-payers
* Average balance of self-payers

1. **Findings - benchmarking**
   1. Nine providers contributed to the benchmarking survey, with a combined stock of 43,253 in the subject area. One provider’s data was as at the end of February 2021; the other eight provided March end data. The data is presented at appendix 1.

**High level data**

* 1. 13,494 accounts (32.1% of the total) were in arrears. Peterborough had the lowest number of accounts in arrears (20.4%), while Fenland had the highest number (47.2%)
  2. We asked providers to express arrears as a percentage of the rent roll, including when split down into methods of payment. This was, on reflection, not phrased in a clear way and there was a fairly even split in how people interpreted the request for arrears as a %age of rent roll. I don’t think this data is as important as some of the other data so I propose we stop collecting it.
  3. The average arrears balance ranged from £411 (West Suffolk) to Cambridge City (£530). The latter balance may be explained by the likely higher average rent in that area, though I have not undertaken verification of that suspicion.

**Referrals for money advice**

* 1. With one or two notable exceptions, providers are not keeping records of how many households are referred for professional money advice or support.

**Average arrears balances**

* 1. Within each local authority area, there were significant variations in average arrears levels between providers. There appears to be no obvious pattern to this. In a few cases, where a provider has a small number of properties in a particular LA area, the arrears were distinctly higher, but there were also examples of the opposite.
  2. It has been rightly pointed out that one would expect the numbers of accounts in arrears (row 5) to equal the sum of rows 12, 16 & 20. In the majority of cases, it doesn’t. It transpires that the data provided by three of the participants is somewhat flawed. Given the timing (i.e. by the time of Housing Board, we will be in month three of the first quarter), I propose that we correct this for the quarter 1 data collection.
  3. Average arrears balances tended to be higher among Universal Credit claimants than those in receipt of Housing Benefit. Self-payers perhaps sit between the two. However, again, there was no clear pattern.
  4. On reflection, it would have been useful to collect data on the number of UC and HB claimants and self-payers by provider and by LA. This would have enabled us to assess the relative numbers in arrears by method of payment in each LA area. Some areas may have higher levels of UC claimants than others, which could impact on average arrears levels. This then may lead to the need for higher levels of referrals to support.
  5. This additional data could also enable us to see where there are high levels of UC claimants but arrears numbers are low in comparison, which could prompt a conversation about how this has been achieved, and any learning that can be taken.

1. **Findings – survey**
   1. The survey responses (attached as appendix 2) demonstrate a fair degree of commonality in terms of approaches to supporting customers, who struggled financially. The key messages I take from the feedback are as follows:
      * Many providers saw a changing demographic in terms of the people falling into deb and seeking assistance;
      * The benefits of access to dedicated financial advice is clear;
      * Practical, financial support was utilised well by several providers;
      * Processes and roles were flexed as appropriate in order to support customers, with a particular focus on support;
      * Many providers expect those flexed processes ad more supportive approach to arrears management to become long term changes.
2. **conclusions and RECOMMENDATIONS**
   1. This has been a useful exercise to begin to understand the financial impact on social housing customers as a result of the pandemic. It would have been useful to have the equivalent data from the end of March 2020 to be able to assess the year on year change. I will approach those providers who participated to see if they are in a position to provide that data (perhaps even at the high level of total accounts by area, rather than broken down by method of payment).
   2. The data is somewhat flawed due to some gaps in provision by individual providers. However, I believe it is a useful start in terms of helping us to identify some themes.
   3. There does not appear to be a significant geographical dimension to hardship levels, though, perhaps as expected, UC claimants tend to be in a higher level of arrears. One clear conclusion is that the majority of providers do not record the numbers of customers referred for professional money advice, so we cannot assess whether needs in this area are being met.
   4. I would propose the following as actions to take forward:
      * To revise the data collection proforma to remove the questions around arrears as a percentage of rent roll and add in data such as number of UC claimants, etc
      * To encourage participants (and other providers) to provide a revised data set as at the end of quarter 1 so that we can track changes over time
      * Similarly, to ask participants whether they are able to provide data on the core elements as at the end of financial year 2019/20 so that we can assess changes since the beginning of the pandemic. I would propose this was restricted to high level data, such as number of accounts in arrears and total arrears by LA area.
      * To consider how we can encourage housing providers to better record referrals for money advice, so that we can ensure we are making better use of available services to better support our customers.
      * To take this paper, incorporating Housing Board’s views, to the next meeting of Homes for Cambridgeshire & Peterborough (29 June) and the Financial Vulnerability Recovery Group (21 June).
      * For me to work with Oliver Morley and others to see how we can overlay this data with other, non-housing data, in order to build a batter picture around hardship, need and where we can better target resources.

**Damian Roche**

**Director of Customer Experience**

**Accent**