

Darlington Council Tenants' Scrutiny Panel



Review of the Tenancy Agreement “sign up” process
October 2017

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Review	13 April 2018	Part of Report to Tenants

1.0 Executive Summary

The work that takes place before a tenancy starts can make the difference between a successful tenancy and failure. This review looks at the “sign up process” which forms one aspect of tenancy sustainment. The process also contains the legal aspects of setting up a tenancy as well as a significant information exchange.

The review found that the sign up process contained an exchange of a large amount of information some of which was complex. The way sign-ups are conducted has changed over time but the recent changes as a result of the Welfare reforms have added further complexity. Changes that are being introduced as part of the Welfare Reforms during 2018 will add further challenges that may have significant resource implications.

We found that the sign up appointment that tenants attend at the Town Hall is a very intense experience. Overall we could not find any information that should not be provided but there was an opportunity to address this by rebalancing the gathering of information into other stages of the process and that information could be provided in different formats. We also found that there was a need to prioritise information to allow tenants to focus on key elements while some information could be simplified.

We have made 7 recommendations one of which contains further detailed recommendation that will all be considered by the Council.

2.0 About the Scrutiny Panel

The Scrutiny Panel plays a very important role on behalf of residents in reviewing the housing services. The panel is made up of Council tenants. The reports we produce are our independent view of the different aspects of services and are intended to influence the way the Council delivers its services. Although we have the support of Council staff in doing this work the final conclusions and recommendations are those of the panel.



The Scrutiny Panel membership is:

Glynis Johnson (Chair)
Keith Miller
Pat Keller
Leslie Banks

All four members were involved throughout the production of this report.

3.0 Introduction

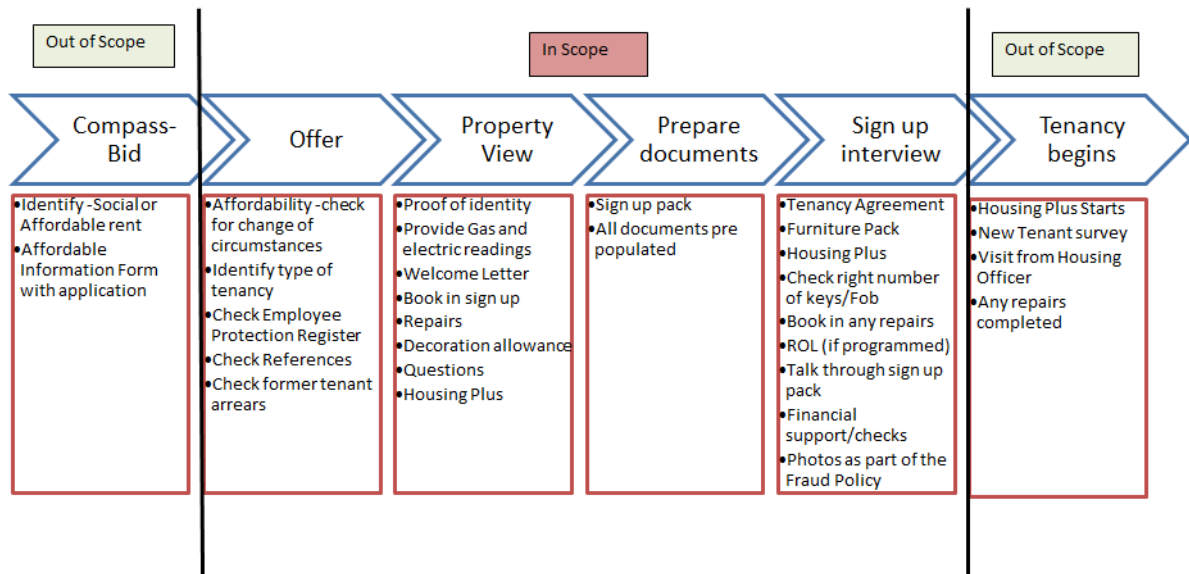
Signing up for a Council home has become a much more complex process over the years. The Council have been obliged to carry out an increasing number of checks before a tenancy starts to confirm such things as eligibility and identity. More recently the number of first time tenants who fail to maintain their tenancy has increased. This is partly as a result of the Welfare Reforms and with more changes to come the risks are likely to increase further. As a result the Council are giving applicants more advice before they take up a tenancy including more detailed affordability checks. All the members of the Scrutiny Panel agreed that we should review the whole process of signing up for a tenancy to understand the impact of these changes. We wanted to find out:

- ? How much information was being provided?
- ? How complex the information was?
- ? Was it the right information?
- ? Were all the checks really required?
- ? Alternatively, were more checks needed?
- ? Is there a better way of doing this?
- ? How will the extension of Universal Credit affect the process?
- ? Does this process really help to make a successful tenancy

Background

The tenancy agreement is a legal contract which sets out the responsibilities of the Council as a landlord and the tenant. It is therefore important for tenants to understand what they are signing up to and for the Council to explain how it works. Of course there are other matters that can often seem more important when you are moving to a new home, the condition of the property, organising rent matters and many other practical things. So it is easy to see how the visit to the Council offices to sign for the tenancy starts to become a complex process.

The visit takes about an hour but this can vary depending on circumstances. Applicants are seen by representatives from both Income Management and Housing Management separately during the visit. However, the sign up process begins with the offer of the tenancy as illustrated in Fig 1:



The scope of the Panel's interest was limited to the sign up process. Allocating properties and the beginning of tenancies are related but separate activities and therefore not included in this review.

Later in the year the Panel intend to consider a particular part of the sign up process, the Tenant's Handbook which provides a lot of information that tenants are expected to refer to to help them manage their tenancy. The level of detail needed to review the handbook was such that we decided it needed to be a separate review.

4.0 Methods

To carry out this review we did the following:

- Established a project plan and agreed what we would cover and not cover
- Mapped the sign up process from beginning to end with input from Team Leaders
- Visited North Star Housing Group to understand how they carry out the sign up process and gathered information from other housing providers
- Sat in on sign up appointments with the agreement of applicants to see how the process was delivered
- Carried out a survey of applicants before and after the sign up process
- Interviewed Team Managers and Team Leaders
- Gathered information from Officers on the impact of the extension of Universal Credit
- Ran workshops to consider findings and develop recommendations

Acknowledgements

We would like to thank North Star Housing Group for their help and also the Officers of the Council who have provided information and support to this project. We would also like to thank those tenants who kindly allowed us to sit in on their sign up appointments.

5.0 Findings

Over all process

In starting this review we first looked at the way other organisations conduct the sign up process. We visited North Star's Darlington Office to hear about the different ways that they carry out the process. They cover a large geographical area and this leads to a bespoke response as it is impractical for some Applicants to come to an office because of travelling distances. We also heard about other methods used by other Social Housing organisations including holding a single sign up session that all Applicants are invited to where there is a presentation. We learned that some organisations may do extensive affordability checks and some now require a payment in advance of taking a tenancy.

We noted that most of the organisations that we heard about were either reviewing their sign up process or had recently changed it. This confirmed for the Panel the extent of change that has been taking place that affects housing.

The Council sign up process has followed a similar pattern of changes to other providers although most have made a number of changes over recent years. There are some differences between providers but this now seems to be linked to the practicalities of travelling for tenants to offices.

The Council let about 620 properties a year on average and will carry out about between 10 and 20 sign ups per week:

Table 1: Properties Let¹

Year	Total Number of Properties Let	Existing Social Tenants	New Applicants
2012/13	619	232	387
2013/14	718	279	439
2014/15	566	252	314
2015/16	613	217	396
2016/17	585	208	377
Average	620	238	383

Just over a third of these properties on average are let to existing Council tenants and for them the sign up process is simpler as they are not subject to the same level of checks as new tenants. They are also more familiar with the council's systems so generally need less help with these. However, we found the process for everyone to be lengthy. We also found

¹ Local Authority Housing Statistics

the volume and complexity of information to be a concern but we could see the importance and value of this information.

The small number of applicants who were surveyed had a very limited expectation of what would be covered during their appointment. 50% expected to just sign for the keys but 50% did not know what to expect. 40% thought the process would be a formality. We found that a range of important information is being provided while a number of essential checks are carried out. Figure 1 illustrates this. As a consequence the sign up is an intense process for the tenants but 78% of those surveyed thought it was useful to them. Overall, Applicants seemed to be unprepared for the Sign up appointment and the following findings address this as well as the different aspects of the process.

Checks and Affordability

One of the most noticeable changes that has taken place has been the extent of the checks that are now required. The current sign up process is a result of an ever increasing need to make sure applicants are entitled to take on a tenancy and have the ability to sustain the tenancy if necessary with some initial help. We found that all the checks are necessary. These include proof of identity, confirmation of family circumstances and income. Some of the checks are to ensure applicants are eligible to apply for the property; that their circumstances have not changed since applying and increasingly the ability to pay the rent has become a factor. The issues surrounding finance can be complex. Consequently the Income Management team will endeavour to contact applicants in advance of their appointment to prepopulate some forms. Despite these efforts a lot of information still needs to be gathered and it became clear that it would be very helpful if some information was available at an earlier stage.

An impact that is on the horizon is the introduction of the Local Housing Allowance (LHA) cap that will limit the amount of state benefit that can be paid to cover the cost of rent. In Darlington this will mainly affect those who rent one bed properties or are aged below 35. More information on the LHA can be found at

https://england.shelter.org.uk/housing_advice/housing_benefit/what_is_local_housing_allowance_lha

Anyone who becomes a tenant after April 2016 and is in receipt of benefits in April 2019 will be affected as well as anyone who is in receipt of Universal Credit at that time.

Consequently the council needs to provide information about that now to make sure Applicants understand the possible risk in the future. Also, the Council now offer two year Flexible Tenancies to single people aged below 35 at April 2019 and so checks need to be carried out to make sure the right tenancy is being offered.

A further and critical part of the process is to find out if Applicants need help to manage their tenancy. A significant number of first time tenants fail to maintain their tenancy due to

inexperience while some Applicants will need additional help as a result of health or social problems. The Housing Plus service provides practical advice on setting up and managing a tenancy. All first time tenants are now referred to Housing Plus automatically.

Impact of the Welfare Reforms

In March 2017 Universal Credit will be rolled out to all types of people and this is likely to have a big impact. Detailed information on the changes can be found at <https://www.moneyadviceservice.org.uk/en/articles/universal-credit-an-introduction>

Anyone who is on Universal Credit will deal with the Department of Work and Pensions (DWP) and not the Council's Housing Benefit team. This introduces a different and more complex hurdle for Applicants to get over. As a consequence of the procedures that DWP have introduced there are greater risks of rent arrears and the Council, like most other housing providers are considering taking action to mitigate the risk for applicants and the council by providing increased checking and assistance.

A member of the Income Management team has recently visited Thirteen Housing Group in Hartlepool where the roll out of Universal Credit is at an advanced stage. This highlighted the need to consider a much wider range of issues to assist Applicants. Examples from Hartlepool include ensuring that Applicants have bank accounts and email addresses as well as the use of additional technology. (Those who are in receipt of Universal Credit are obliged to manage their Universal Credit account online) As an example, it will be the responsibility of the tenant to tell DWP via their online account about any change in their rent. Currently Housing passes this information directly to Housing Benefit. This additional support will have significant resource implications that will need further consideration.

One of the other areas we considered as a result of the Welfare Reforms was the recent trend for Social Housing providers to ask for rent in advance as a requirement of taking a tenancy. While we can understand that this may help ensure the rent is paid and help in times of financial difficulty for tenants we were also of the view that many Applicants cannot afford rent in advance. Rent in advance could create a disparity between those who could afford to pay it and those who could not. For this reason we rejected this as an option.

Offer Stage

This may be the first time that a Housing Officer will speak to an applicant and it is an opportunity to both gather information and conduct some basic checks. Generally property offers are made on a specific day of the week by Housing Management staff. It is usually a very busy day for housing staff. However, as this is a key part in the sign up process there is a case for ensuring that some checks are conducted at this stage including some basic financial checks that are normally conducted by Income management.

Viewings

The viewings are an opportunity to speak to Applicants in detail. However, when asking Officers about what happened at viewings it became clear that there was no standard process and therefore the potential for inconsistency. We understand that viewings can vary because of individual circumstances but to set a minimum process would be helpful as far as practical. There are some occasions where viewings are unaccompanied mainly as a result of the applicants work commitments and so this will need to be taken account of. We saw the viewings as an opportunity to gather information in advance and to spread the burden of information away from the appointments.

Volume of Information

The volume of information being provided was significant and it is doubtful if it could all be assimilated in one session. Virtually all the information that is provided has supporting literature. We therefore considered how likely it would be that tenants would return to this information after leaving the appointment. In the context of the impact of setting up a new home it was agreed that it would be very helpful if tenants were told what the most important documents were to read.

We also recognised that much of the information could be supplied electronically and could be made available in advance, reducing the need to supply documents at the appointment and allowing Applicants to address points of clarification at the appointment. The use of technology is seen as a barrier for some tenants but increasingly tenants have online access and this channel is now widely used for other types of services and in everyday life. Also some tenants would prefer this option. Therefore, provided the Council will continue to offer a paper option for those who do not have online access this should ease the need to supply so many documents.

We intend to look at the information contained in the Tenant's Handbook in a separate review that will follow this work. We therefore did not look in detail at the content and quality of the information being provided for this review.

Complexity of Information

As well as volume, some of the information is complex. We recognised that some of the information of necessity is complex but more can be done to simplify what is being provided. In particular the Council should review the information that it directly provides and where it uses information from external organisations review if this is the most accessible information available.

6. Conclusions

The sign up process reflects how much more intimidating taking on a tenancy has become. In particular the changes brought about by the Welfare Reforms are introducing new risks in taking on a tenancy. As a consequence the Council like other housing providers have to

adjust the way they work to manage the risk. Changes have already been made to take account of previous changes but more will need to be made to take account of the impact of Universal Credit.

There is a danger that in doing the right things to protect the interests of both tenants and the Council that sign up appointment can overwhelm tenants. As we have noted the vast majority of the information exchange takes place at the sign up appointment.

Working with Officers we have produced a set of recommendations which are intended to rebalance the provision and gathering of information across the sign up process and have suggested ways in which the process can become more consistent.

7. Recommendations

1. The Welfare Reforms are having a significant impact on the sign up process. Information gathered from other providers suggests that there will be resource implications in implementing a similar approach. These will need to be evaluated and may lead to further changes beyond the recommendation included here. The Council should produce a set of proposals for implementation by December 2017 at the latest.
2. Information should be provided electronically in advance where practicable for those applicants who have online access. Other Applicants should be given paper documents where necessary.
3. Tenants should be advised what information should be treated as a priority for further reading and what should be kept for reference. This should help tenants make the best use of the information they are supplied.
4. To ensure consistency at viewings, Officers should have a check list for information that should be provided.
5. In order to ensure that the sign up appointment does not become too daunting it is recommended that some elements are moved to other parts of the overall process:
 - a. Checks on affordability should be made at the earliest possible stage so that applicants have a realistic understanding of the costs of taking on a tenancy. A check for any changes in income since the application should be made at the offer stage. This can lead to an early referral to Income Management and/or Money Wise if necessary.
 - b. Applicants should be given a check list of documents that they need to bring to the sign up appointment at the viewing.
 - c. Also at the viewing Applicants should be given a “white goods” application if required.
6. All appointments should begin with income management and end with the signing of the Tenancy Agreement. This should help with Applicants engagement in the process as the final act will be signing for the tenancy.

7. A general exercise should be carried out to look for ways to simplify information both verbally and in written form. This is to take account of the difficulties some tenants will have understanding what they are being told or asked to read.

8. Review

The work of the Scrutiny Panel will be complete when a review of the impact of this report has taken place. We recognise that we are in a period of almost constant change and that particularly with the sign up process there is the potential for externally driven changes to affect the way the Council addresses the recommendations that we have made.

We will therefore review progress on the Council's response to this report in April 2018 and publish outcomes in the Annual Report to Tenants in the summer of 2018.

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