

East North East Homes Leeds



INCOME MANAGEMENT STRATEGY



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1.0 introduction

East North East Homes Leeds is committed to providing a rents and arrears collection service that provides a high level of customer satisfaction, ensures continuous improvement across all the related rent collection performance indicators, supports tenancy sustainability and promotes Financial Inclusion.

To assist to achieve this East North East Homes Leeds has dedicated Lead Officers from the Senior Management Team for Current and Former Tenants Arrears (FTA). The Lead Officers are responsible for researching best practice, identifying local service needs and to drive forward customer led improvements to service to meet local needs with the help of the Tenants Focus Group and by working with the staff Service Development Group.

East North East Homes Leeds was created through the merger of the former Leeds North East Homes, Leeds East Homes and part of Leeds South East Homes. The Operational context of the company covers a diverse area of different communities, housing issues and levels of deprivation. The Gipton and Harehills ward being the number 1 most deprived ward within Leeds having within it 7 of the 31 Leeds 'Super Output areas', closely followed in terms of deprivation levels and Super Output status by the Burmantofts and Richmond Hill ward and Killingbeck and Seacroft ward.

In the run up to the merger joint working commenced to support existing resource issues and review local knowledge, working practice and performance. Also to involve staff across the new organisation in the ongoing production of the sign up DVD commissioned originally by Leeds East Homes. This early work commenced to enable the best baseline start position for the new company, assisted to promote team spirit, align process and procedures, and, in conjunction with the Operational Context issues, further inform future decisions regarding resource requirements for the service after the merger and restructure and also identification of staff training and development needs.

The restructure resourced each of the seven East North East Homes Leeds Area Housing Offices with a dedicated Customer Accounts Manager, Housing Benefits Adviser and Accounts Support Officer. In addition to compliment these specialist roles, across the seven Housing Management areas, teams of staff are deployed in generic support roles that facilitate a seamless service to identify and respond to individual needs at any stage from housing application, pre-tenancy contact, sign-up, new tenancy visit and early arrears intervention through to last minute attempts to prevent eviction.

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This strategy seeks to ensure that our staff are aware of local context issues, are well trained and informed to deliver a rents and arrears collection service in a manner that improves rent and arrears collection without creating or adding to financial hardship by identifying benefit entitlement to maximise customer income and ensure appropriate debt advice services and support is provided within a service that reaches all our customers.

2.0 baseline position and comparative information

East North East Homes Leeds formed on the 1st April 2007 and started its first financial year with a current debt of £1,409,712.67 and a Former Tenant Debt (FTA) of £2,018,207

Current debt achievement per office for 2006/07 year end was:-

	Performance	%	Quartile
Burmantofts	£198,580.64	= 2.58%	Top
Gipton	£164,555.24	= 2.28%	Top
Seacroft North	£164,454.00	= 2.59%	Top
Seacroft South	£175,334.85	= 3.73%	3 rd
HC&Meanwood	£310,008.04	= 4.91%	3 rd
Moortown/Wetherby	£207,835.55	= 2.36%	Top
HM/O/RH	£269,944.35	= 3.49%	3 rd
East North East Homes Leeds	£1,409,712.67	= 3.05%	2nd

Arrears are no longer a Best Value Performance Indicator so quartile information is slightly historic but previously (BVPI) top quartile for current arrears is 2.6% of the rent roll. However, more recent Housemark benchmarking activity across all the ALMO's nationally identifies 1.72 as top quartile based on year end 2006/07 information.

BV66a Rent and Arrears Collection achievement per office 2006/07 was

	Performance	Quartile	Threshold
Burmantofts	97.2%	3 rd	Middle
Gipton	98.1%	Top	Middle
Seacroft North	97.69%	2 nd	Middle
Seacroft South	95.86%	3 rd	Lower
HC&Meanwood	95.05%	3 rd	Lower
Moortown/Wetherby	98.06%	Top	Middle
HM/O/RH	96.15%	3 rd	Lower
East North East Homes Leeds	96.96%	3rd	Middle

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These results include the beneficial effect of a Strategic Landlord adjustment in the collection calculation in relation to factoring out the collection against costs associated with the Gas Central Heating provision via the 'Heat Lease' service charge.

Top quartile performance in collection as per Audit Commission for Metropolitan ALMOs is 97.82% and as a Local Authority Comprehensive Performance Assessment (CPA) the threshold performance for upper is 98.2% and lower is 96.18%.

The arrears and collection starting positions therefore identify a clear need for effective resource and performance management to enable continuous improvement and top quartile performance for East North East Homes over the next 3 years to 2010.

The 3 year targets have been set utilising the improvement out turn from the previous year when reviewing a like for like situation both in collection calculation and the make up of the new organisation. This produced actual collection performance year end results and improvements as per the following table:

ALMO	BV66a 2005/06	BV66a 2006/07	Improvement
Leeds North East Homes	95.92%	96.18%	0.26%
Leeds East Homes	96.55%	97.16%	0.61%
Leeds South East Homes X 3 Offices	95.4%	95.94%	0.54%
East North East Homes	95.95%	96.66%	0.71%

Collection rates when benefiting from the adjustment to remove collection against the Heat Lease charges produced the following results

ALMO	BV66a 2005/06	BV66a 2006/07	Improvement
Leeds North East Homes	95.92%	96.78%	0.86%
Leeds East Homes	96.55%	97.31%	0.76%
Leeds South East Homes X 3 Offices	95.4%	96.15%	0.75%
East North East Homes	95.95%	96.96%	1.01%

Collection was affected by the implementation of Ongoing Recovery via reductions to Housing Benefit entitlement introduced in early 2006 with a phased implementation from £1,000 per week citywide to over £8,000 per week city wide by March 2007. The phased implementation assisted to manage this additional factor effectively as both of the improvements demonstrate however; the effect on some of our most vulnerable customers became an increasing cause for concern.

3.0 targets

BV Indicator	2007/08	2008/09	2009/10
BV66a Rent Collection	97.6%	98.2%	98.4%
BV66b % tenants with more than 7 weeks arrears	6.15%	5.85%	5.15%
BV66c % tenants with NISPs served for arrears	20%	18%	16%
BV66d % tenants evicted for rent arrears	0.225%	0.2%	0.175%
LKI-HMA1 Rent Arrears	2.75%	2.5%	2.4%

4.0 barriers to target improvement achievement

Previous different ways of working, levels of activity and use of support, debt advice and income maximisation. One ALMO totally specialised operating a credit control, desk bound approach, one part specialising from post NISP and one deploying a generic service approach for continuity.

Resource issues:

The former Leeds East Homes structure provided high resources to this area of work including a Customer Accounts Manager and a Benefits Advisor for each of the four area offices.

The former Leeds North East Homes and the desk bound telephone, credit control approach provided a limited resourced service with one Customer Accounts Manager and Benefits Co-ordinator for the ALMO.

The former Leeds South East Homes resourced the service similarly with one Customer Accounts Manager and Benefits Advisor for the whole ALMO which covered 6 area offices, 3 of which are part of the new company. Further resources were provided via generic Neighbourhood support officers within each office.

Lack of awareness identified in two of the ALMO's regarding issues of Financial Exclusion, the associated factors and effects on communities, the problems with door step lenders, illegal money lenders and the general effects of poverty and deprivation within the areas managed.

Ongoing Recovery applied at the rate of over £3,500 a week for East North East Homes from the 1st April 2007 and in some cases leading to eviction proceedings which combined with the arrears carry forward figure presents a 'challenge' to achieving targets on collection.

5.0 early tasks to manage the barriers to achievement

Tasks	Who's responsible	Completed by	Progress
Early cross ALMO staff workshops	Lead Officer and Area Manager	April 2007	Pre NISP procedures aligned. Training needs identified.
Housing Management Re-structure consistent approach, reducing patch sizes and increasing resources in Income generation service	Director of Housing Management and Head of Housing Services	End of October	Completed on target.
Arrears Prevention and Financial Inclusion and sustaining tenancy training for staff directly involved in arrears recovery	Lead Officer Income Management	End of October	Complete. 82 staff attended but need for mop up session identified mid October for newly appointed staff and those returning from sick leave.
Arrears and PCP training for staff directly involved or to be, in arrears recovery	Lead Officer and Customer Accounts Manager	End of September	Complete but as above re mop up session.
Customer Accounts Managers and Benefits advisors to attend DWP 'Now Lets Talk Money' awareness train the trainer, training and roll out to customer support officers	Customer Accounts Managers Housing Benefits Advisors	End of February 2008	DWP training session arranged for December 13 th .
Highlight to Financial Inclusion Steering Group and Corporate Debt Policy Unit the apparent conflicting issue of application of OGR and possession	Lead Officer	End of October	Complete. Information provided and briefing paper produced for cross ALMO, Benefits Agency and Corporate Recovery meeting.
Provision of debt awareness, priority debt and basic debt advice training.	Lead Officer and St Vincent's Support Service	End Of October	Complete 58 staff attended but further session may be required.

6.0 former tenants arrears

Total FTA debt at March 2007 = £2,018,207 or 4.14% of the rent roll. A write off of £555,301.97 was pending at year end. After this write off FTA would have been £1,462,905.03 or 3% of the rent roll. With this in mind a target of 2.5% on this indicator was set.

Of the former companies the amounts at termination were measured in two of the ALMO's and Income collected against these amounts in one. Therefore, targets in respect of reduced terminations and increased collection were not possible until after 2nd quarter when 6 months performance information will be available to inform the target setting progress.

Both current and former tenants arrears are linked to the ALMO Management Incentive and Penalty scheme so performance in these areas is key to maximise incentive opportunities and assist in delivering Value for Money.

7.0 strategic aims and objectives

The East North East Homes Leeds strategy for Income Management 2007/10 is based on the following aims and objectives:-

Aims

1. To provide a service with high levels of customer satisfaction
2. To maximise income generation from customer benefit entitlement, tax credits and additional discretionary payments
3. To work in ways that actively promotes Financial Inclusion, the services of Leeds City Credit Union and the Leeds Money Advice Partners.
4. To promote tenancy sustainment.

Objectives

1. To achieve year on year improved rent and arrears collection performance and to achieve top quartile performance in these and across all the remaining BV66 suite of indicators by 2010.
2. To maximise the management incentive scheme payment for both current and Former Tenants arrears.
3. To reduce the number of abandoned properties and tenancies failing within the first 12 months.

8.0 strategy for current arrears

Tasks	Who's responsible	Frequency/start/finish/progress
Review of procedures to ensure consistency and reflect the correct focus and agreed approach.	Lead Officer and Customer Accounts Managers.	Annually. Complete in August for 2007/08 and to Customer Accounts Managers for comment except for pre tenancy prevention section as need to align sign up procedures and incorporate sign up DVD.
Establish good working practice through understanding of and adherence to the East North East Homes Leeds process for Income Management and the approach to service this will deliver.	Customer Accounts Managers	Ongoing to meet staff day to day training and development needs as identified by system reviews, quality audit and 1-2-1s.
Review HSO casework via the weekly management reviews, system reports available and weekly performance information.	Customer Accounts Managers	Weekly
Establish office and individual targets setting.	Head of Housing Management, Area Managers and Customer Accounts Managers	Annually with quarterly reviews and at staff 1-2-1s.
Establish ownership of debt management by the HSOs both on a patch basis and office team basis by reviewing HSO patches and establishing patch buddying relationships and regime of co-ordinated quarterly office campaigns.	Customer Accounts Managers	Responsive to individual patch issues and quarterly campaign requirements.
Develop the understanding of improving rent and arrears collection within the context of overall BVPI performance and the HSO role e.g. Debt management and Introductory Tenancies, Abandoned properties and the links to sustaining communities. Prevention, the role of the benefits advisor, debt advice and support agencies and when to enlist their skills.	Lead officer – via Financial Inclusion and arrears training Customer Accounts Managers.	Complete training by December 2007. Review working practice via quality audits and at 1-2-1 and PADS interviews.

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<p>Incorporate identification of Vulnerability issues at all stages in procedures and ensure appropriate support referral mechanisms to ensure individual needs adjusted service delivery to ensure tenancy sustainability. Linked to development of Financial Inclusion and Vulnerability strategies.</p>	<p>Lead Officer, Customer Accounts Managers and staff</p>	<p>Amend procedures and Interview and arrangement form by end of October.</p> <p>Utilise as part of arrears visit, interview and arrangement process.</p>
<p>Create a general Vulnerability customer support assessment and staff guide to prompt and capture information during cross service contact or visiting activity. Linked to Vulnerability strategy.</p>	<p>Lead Officers Income Management /Lettings/ASB</p>	<p>Draft by end of November 2007.</p>
<p>Produce and implement a formal Vulnerability strategy</p>	<p>Lead Officers</p>	<p>Draft by end of November. Implement by end of January 2008 and subject to annual review.</p>
<p>Produce and implement a formal Financial Inclusion strategy to include the planned roll out of Leeds City Credit Union branches within One Stop Centres and the Moortown office and a joint regime of regular publicity and promotion of the Leeds City Credit Union services.</p>	<p>Lead Officer</p>	<p>Draft by end of November, implement by end of January 2008 and subject to annual review.</p>
<p>Improve service provision to hard to reach groups by Developing and implementing multi communication arrears and Housing Benefit visiting cards. Launch via Tenants newsletter.</p>	<p>Lead Officer, Customer Accounts Manager and HBA.</p>	<p>By end of November 2007</p>
<p>Improve awareness and take up of Benefits Advisor service by: Advisor talks to Community groups, Sheltered schemes, Supported Housing providers and publicity to areas covered by Local Lettings Policies. Also by publicity campaign and newsletter articles</p>	<p>Customer Accounts Manager and Benefits advisor.</p>	<p>Series of planned actions over 12 month period from November 2007 to November 2008.</p>

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Implement a regime of quarterly Customer Accounts Managers improvement planning away days and monthly Service Development meetings	Lead officer.	Monthly and quarterly. 1 st and 2 nd Quarter 2007 Away days held.
Implement actions and tasks as planned in away day Improvement Action Plans	Customer Accounts Managers	Quarterly as time scaled.
Meet with Housing Finance to establish better understanding of how current management incentive and penalty scheme works.	Lead Officer	By December 2007.

9.0 former tenants arrears

FTAs are monitored weekly by the Customer Account Advisors (CAA) under the supervision of the Customer Accounts Managers.

The CAA are also responsible for telephone payments on both current and FTA debt.

The CAA also help on current debt during staff shortages or when quarterly campaigns and patch 'blitzes' are run. At some offices they are also undertaking pre- tenancy termination visits.

Under the East North East Homes Leeds restructure there are 8 CAA, 1 per office but 2 for the Gipton Office covering the area with the highest levels of deprivation and highest tenancy turnover.

The FTA collection rate is to be closely monitored and challenging targets set in October when 6 months performance information is available to inform the target setting process.

Targets

Indicator	2007/08
LKI-HMA8a FTA as a % of the rent roll	2.5%
Reduce terminated amounts by	10%
Increase in collection as % of amount terminated	50%
Write Off	1 million.

When the ALMO's first formed significant historic debt dating back to 1998 was inherited. In conjunction with actions on new debt as and when created, write off has been concentrated on dealing with the oldest debt first, trying to trace, collect and where unrecoverable the debt has been written off. Account cleansing up to and including the whole of 2003 has taken place and is to continue to bring up to date.

In addition, to minimise the risk of penalties in the Management fee, work will be undertaken to minimise the level of FTA debt going over two years old as a 20% penalty is applied at this stage.

10.0 Strategies and tasks for former tenants arrears

Strategies and Tasks	Who's responsible	Frequency /Target completion date/and progress
Review Exit survey content.	Customer Accounts Manager (DM) in conjunction with Lettings Office Manager (EG).	Start November 2007 Finish January 2008
Involve CAA consistently in pre-termination visits and exit survey completion.	Customer Accounts Managers and CAA	From November 2007 and ongoing.
Intensive activity on new debts with CAAs to establish network for visiting FTA cases and utilising mobile phone for taking telephone payment.	Customer Accounts Managers and CAAs	From November 2007 and ongoing.
ALMO and office targets to be set for reducing terminations and increasing collection.	Lead Officer and Customer Accounts Managers	October 2007 for 3 rd quarter then subject to quarterly review.
Targeted write off to prevent uncollectible debt becoming over 2 years old and clear out of historic uncollectible debts.	Customer Accounts Managers and CAA	From October 2007 actions to commence weekly to inform quarterly write off report.
Review the costs of the in house collection to establish Value for money.	FTA Lead Officer, Customer Accounts Manager and CAA.	Half yearly 1st due by end October 2007.
Attend the cross ALMO FTA working group meetings to consider the <ul style="list-style-type: none"> Costs of agency collection, performance and referral mechanisms. The possibility of referring Written off debt on a 'no collection no fee' basis. And implement actions as appropriate.	FTA Lead Officer.	As per frequency of meeting schedule.
Investigate the costs and potential benefit of acquiring an in-house tracing system such as Experience.	FTA Lead Officer	December 2007
Meet with finance to develop understanding of performance on FTAs and the link to management fee penalties and incentives. Address suspected 'snags' to current arrangements and barriers to performance.	Current and FTA Lead Officer's	December 2007

11.0 Financial inclusion and developing a customer focused approach

After the initial training carried out to address awareness issues and ensure staff are working in ways that promote Financial Inclusion, the approach will be further developed over the longer term by the production of a Financial Inclusion Strategy which will:

- Improve all staff understanding of Financial Exclusion, the contributing factors and the effects on the local community.
- To set a clear direction in promotion of Financial Inclusion including pro-active work with partner advice agencies and Leeds City Credit Union (LCCU) products and services.
- To ensure future customers are aware of the potential costs of running and setting up a home to establish affordability and prevent debt.
- To improve tenancy sustainability by developing a culture of 'rent first' within East North East Homes Leeds by promotion of the rewards scheme for 'good payers'.
- To increase customer access to financial services appropriate to their needs to enable low cost collection methods and an increase the numbers paying by Direct Debit or BACS transfer from the LCCU budget account with minimise risk of bank charges.
- To prevent arrears or engage customers at the earliest possible time when arrears occur
- Maximise customer income to assist payment without hardship
- To provide Housing Benefit Advice at the earliest opportunity
- To increase the numbers of accounts where customers pay in advance
- To develop a staff culture which recognises that although responsibility for arrears prevention and collection is primarily that of the HSO, it is also that of all customer facing staff
- To develop a service with high levels of customer satisfaction

This approach will be developed through the Tenant Focus Group and Staff Service Development Group members and their teams with the objective of achieving top quartile performance by 2010 and a 3* rating at the next inspection.

12.0 strategic review

Progress against the tasks will be reviewed quarterly and updates on progress recorded.

The overall strategy will be reviewed annually to ensure the service responds appropriately to meet the needs of our customers and the changing demands of National and Local policy and agendas.

Income Management STRATEGY



East North East Homes Leeds
A company wholly owned by Leeds City Council
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