

## Appendix 2

Following the presentation of the report of the Under-Occupation Scrutiny Task and Finish Group '*The Implications of Benefit Reforms on Under-Occupation*' in March 2013, the Economy and Regeneration Overview and Scrutiny Committee resolved that the following statistical measures be made available prior to the proposed follow up review in Spring 2014.

### Criteria for the fair allocation of Discretionary Housing Payments

Wirral's local DHP Policy was reviewed and amended for 2013/2014, being given approval by Cabinet in October 2013. The Policy is supported by a Priority Matrix which not only helps to underpin policy intention but is effective as a desk top aid in assisting decision makers when considering applications for the allocation of funding. Whilst ultimately each case is decided upon it's own merits, the Matrix assists in determining a claimant's priority level, the nature and level of supporting evidence that might reasonably be required, together with what is likely to be a suggested duration for the award. A copy of the Matrix is attached to this report as Appendix 3.

### The effect/impact of Benefit Reforms on landlords

Following the report of the Under-Occupation Scrutiny Task and Finish Group '*The Implications of Benefit Reforms on Under-Occupation*' in March 2013, Wirral Council's Housing Strategy Team commenced a regular collection of information from Registered Providers in Wirral to compare information on the impact of welfare reforms.

Data collected includes information on voids, income and arrears management. General data is also requested to provide a wider picture of tenants' circumstances, such as the number of food vouchers an organisation has issued (if any), the number of adapted properties and the number of tenants rehoused to smaller accommodation.

The following table shows the number of void properties and number of tenants in arrears over an 18 month period from April 2012 – September 2013 (please note that these are total voids properties and households in arrears, not just those properties void or household in arrears due to under-occupation charges).

All RPs who provide data were able to provide information on void properties retrospectively for April 2012 which is included in the table below.

Many RPs who provide data were not able to retrospectively provide information about arrears for April 2012, and some have not been able to provide it for April 2013.

RP	No of void props		No of tenants in arrears		
	Apr-12	Sep-13	Apr-12	Apr-13	Sep-13
1	2	8	566	574	572

2	0	4	*no data	*no data	338
3	1	2	278	268	257
4	1	1	186	171	192
5	566	478	*no data	1201	1702
6	1	1	*no data	25	13
7	1	0	*no data	*no data	120
8	149	29	*no data	587	755
9	14	12	*no data	1174	1159
10	5	4	*no data	298	349
11	11	9	752	670	662
12	8	9	*no data	*no data	*no data

\*Some details have not been able to be provided by all RP's for the above.

The table shows that from the information submitted by Registered Providers there were 758 void properties as at April 2012. As at September 2013, the void property figure stood at 557. Following further investigation, one RP indicated that they had demolished a number of properties during the year, so in order to not distort the picture of void properties in the sector, the following figures are the number of social housing void properties excluding the properties from this one RP for the same time period: April 2012 there were 192 void properties, and by September 2013 this figure had reduced to 79. This is showing a trend of reducing numbers of void properties rather than the anticipated increase due to the welfare benefit reforms. One RP has indicated that 50% of their void properties are as a direct result of welfare reforms; specifically under-occupation charges.

For the nine RPs who were able to provide data on households with arrears for the six month period April 2013 – September 2013, the total number of households with arrears has risen by 13.9%. Wirral's largest stock holder has reported that more than 900 households are in arrears due to under occupation charges.

Private landlords have been used to an ongoing series of changes to benefits since 2008, and many have shown to be flexible with their treatment of tenants for example about deposits and rent in advance, and in some instances even the level of rent they charge or in their approach to tenants with arrears. Private landlords have been affected more directly by the introduction of the benefit cap since July 2013, and 80% of Wirral's benefit cap cases are residing in the private sector. This has caused a number of acute situations with larger families who often cannot arrange to pay the rent shortfall as their budgets are already fully committed and they have little capacity to rebudget to meet up to an additional £141 per week if they are affected by the maximum cap. The amount of the cap varies across the families

## **Impact on homelessness referrals**

It is not considered that the Housing Options Team has had an increase in referrals due to welfare benefit changes as yet. This is primarily considered to be because of the use of Discretionary Housing Benefit, which is 'masking' the true extent of threatened homelessness. For example, housing advisors will arrange for DHP to be paid for a 6 month time period to absorb under-occupation charges or benefit caps, however housing issue still remains and it does not address any existing rent arrears. Often these cases are complex and difficult to resolve. This is due to a lack of available housing options (particularly for large families affected by benefit caps as generally cases are households with 5 or more children), evidence of rent arrears can lead to reduced banding via Property Pool Plus or poor references in the Private rented sector. It is also noted that private landlords are becoming less willing to accommodate households in receipt of welfare benefits due to benefit reforms impacting upon their businesses.

It is recognised that tenants in both private rented and social housing sectors with existing rent arrears issues, for example historic Suspended Possession Orders, are being increasingly threatened with or presenting as homeless due to eviction in which changes to their income from welfare benefit reforms have been a contributing factor.

In addition, the Housing Options Team has noted that benefit reforms can often be the catalyst for threatened homelessness in already vulnerable households, with changes to income and associated debt being contributing factors to increasing homeless numbers due to relationship breakdown (PIE data 11/12 – 12/13 - 75% increase in relationship breakdown).

It is considered that the true extent of welfare reforms have not yet fully impacted upon the Housing Options Team. It is considered that this will change in the future as the cumulative effect of changes to income and housing costs will lead to higher levels of homelessness. It is considered that the true effect at present in Wirral is being masked via the application of Discretionary Housing Benefit, use of the Homeless Prevention Fund and distribution of Local Welfare Allowance.

## **Statistics in relating to arrears/evictions and the number of legal challenges**

From the information collected monthly from Registered Providers, during the first two quarters of 2013/14 there were 520 legal proceedings started by Registered Providers in Wirral due to rent arrears, and of these 520, 14 tenants were taken through the eviction process due to rent arrears. Three tenants were evicted because of rent arrears due to the under-occupation charge, but this figure could be higher as it is very difficult for Registered Providers to extract information to this level solely attributed by the impact of under occupation. As at 24<sup>th</sup> January 2014, Magenta Living have provided information outside this collection to inform the

Council that since April 2013, 100 tenants who have terminated their tenancy have stated it was due to under-occupation or no long able to afford their home.

### **The impact of Benefit Reform on crime levels and the activities of loan sharks**

It is not possible to state whether or not the cause of crime is benefit reform, but we can report the statistics for crime such as shoplifting which increased in volume last year. Recent analysis has demonstrated that there are both first time offenders as well as prolific offenders involved in shoplifting.

#### Analysis for the Period 1<sup>st</sup> December 2013 to 10<sup>th</sup> March 2014:

- Top Ten Stores targeted for shop lifting are identified accounting for 69% (392) of total reported theft shop offences (566).
- CO-OP is the top store chain for reported shoplifting accounting for 30% of total shoplifting offences within the Top Ten Shop Category.
- CO-OP Church Rd Tranmere and Upton Road Upton, are the most targeted stores for shop theft crimes.
- ASDA are next top store chain at 17% (66) in Top Ten Shop Category. ASDA Grange Rd Birkenhead is most targeted for shoplifting at 52% (34). Tesco follow at 11% (45).
- Tesco Stores Bidston Link Prenton and Tesco Express Eastham Rake are most targeted by theft shop offenders at 20% and 16%.
- Aldi Stores follow at 8% in Top Ten Shop Category, Aldi Stores at Laird St, West Kirby and Port Sunlight are most targeted at 33%, 30% and 23%.
- Birkenhead & Tranmere Ward is top ward for reported theft shop accounting for 31% of total theft shop reports during reporting period (177).

<b>Shoplifting by Wards</b>	<b>Count</b>
Birkenhead and Tranmere	177
Liscard	57
Bromborough	47
Bidston and St James	45
Claughton	31
Hoylake and Meols	26
Upton	23
New Brighton	19
Eastham	17
Moreton West and Saughall Massie	16
Wallasey	14
Prenton	12
Rock Ferry	11
Bebington	10
Greasby Frankby and Irby	10
Seacombe	10
Leasowe and Moreton East	10

Oxton	9
Heswall	8
Pensby and Thingwall	8
West Kirby and Thurstaston	4
Clatterbridge	2
<b>Total</b>	<b>566</b>

The following measures have been put in place to help tackle shoplifting in Wirral.

- Police Operation 'Velux' included covert surveillance and targeting the known individuals who are the most prolific perpetrators and this operation is showing significant results in terms of arrests.
- Shoplifters are now a far greater proportion of the cohort being managed by the Integrated Offender Management Team in order to redress and reduce their offending behaviour.
- Point of sale initiatives e.g. sign saying "All shoplifters will be prosecuted"
- Evidence packs – Forms etc to be completed for Police ensuring staff secure all required information and process is streamlined.
- Sharing and more affective multi-agency use of current external CCTV coverage at Church Road, Tranmere.
- Review store layouts pertinent to the demography of the area
- Joint marketing initiatives-
- Police cardboard cutouts of a policemen is a proven deterrent
- Crime Reduction Notices:
- 'Eyes', (a large picture of a person's eyes), acknowledgement of potential shoplifting is a proven deterrent.
- Crime sanction bulletins e.g. number of shoplifters arrested / sentences.
- Advice being given to aid review of security policies by Chamber of Commerce.
- Advice has been made available including the provision of effective target hardening.

Whilst shoplifting has seen an increase over the last year Wirral has ranked amongst 15 demographically similar Community Safety Partnerships and had dropped in the second quarter from 7<sup>th</sup> to 8<sup>th</sup> place but has now improved to 6<sup>th</sup> place.

### Loan Sharks

Wirral Council does not have access to local data with regards to loan shark activity as it is dealt with by the national Illegal Money Lending Team and they cannot comment on whether there has been an increase since the benefit reforms were introduced as there is no baseline data for comparison purposes. However, below are the national statistics of the Illegal Money Lending Team's activities in England:

- Over **308** prosecutions

- Over **2,000** more Loan Sharks identified
- Over **23,000** victims have been helped
- Over **£42 million** illegal “debt” wiped out
- Over **£27 million** worth of assets being investigated
- Prison sentences totalling **192 years** for illegal money lending and associated crimes (plus Indeterminate Sentence for Public Protection)