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The  
Income **MAXI** misation  
project report

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for the Housing Corporation  
whose  
Innovations and Good Practice Grant  
partly funded this project

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## **Executive Summary**

The Maxi project began in 1998 as a collaboration between B-Mag, an anti-poverty agency providing charitable grants and welfare rights advice, and the then Friendship Housing Association, with the assistance of a Housing Corporation Innovation and Good Practice grant. Other registered social landlords came on board later, and the project has continued beyond the ending of the Housing Corporation grant.

The purpose of the project was to provide the social landlord partners with access to charitable grants for their tenants, and with access to independent and impartial welfare rights advice. The purpose was a recognition of the fact that a significant proportion of the tenants of RSL's were in relative or absolute poverty and so likely to benefit from charitable grants, income maximisation (from which the name originated) and debt management advice. The independent nature of B-Mag also enabled advocacy, including with the RSL funders themselves in certain circumstances.

The statistical information, case studies and commentary reproduced at part 2 clearly shows that the project has achieved significant benefits both for the tenants referred and for the social landlords making the referrals. In particular, the project has been successful at targeting tenants with rent arrears in particular (see page 14), and in preventing possession (see page 16). The directly quantifiable extra benefit for clients has exceeded £100,000.

On evaluation, there have been issues identified which suggest both that the project may not be best targeting all those most able to benefit (see pages 29-32), and also may be under-estimating its impact by failing to measure its impact in terms of reducing and managing debt as distinct from increasing income (see pages 27-28). These problems have been addressed in changes to the project since April 2001 (see pages 33-36), and the project is now well placed to take on board new partners to the benefit of both themselves and their tenants.

## Introduction

The Maxi project, according to early documents, takes its name from the “income MAXImisation project”. It is a collaborative project between Birmingham Money Advice and Grants (B-Mag) and a number of registered social landlords (RSLs). The rationale for collaboration was simply the recognition that RSLs provide housing-plus services to many tenants and that B-Mag provides advice-plus services to the same groups from poor and socially excluded communities. Increasingly RSLs are housing providers of first call in neighbourhoods blighted by poverty and social exclusion. Birmingham City Council is committed to a policy of housing stock transfer that confirms the move towards RSLs delivering housing services in preference to direct local government provision.

The change in public policy towards RSLs invites the challenge of linking the provision of social housing to the social inclusion agenda. The RSLs involved in the Maxi project recognised from the outset the joining up of housing provision to a wider regeneration agenda. The Maxi project RSLs FCH, Mercian Housing Association, Family Housing Association and Optima Community Association were not new to these concerns. All have some legacy in housing for vulnerable groups either they could trace their roots to meeting specific needs of particular groups or as in the case of Optima a legacy of housing-plus service delivery via direct local government housing and regeneration services.

B-Mag is an advice service with its roots in providing services to those in financial need. As with its RSL partners the public policy shift provides B-Mag with the challenge of joining up our core advice services to tackling social exclusion. B-Mag’s money advice services are changing from a reactive process to one that seeks to join up accessible quality assured advice and information services to a social inclusion agenda. The Maxi project gives substance to the recognition that an important element of participation (inclusion) is that individuals and communities have access to advocacy, information and knowledge. A proactive strategy engages socially excluded groups through providing advice services that facilitate groups and individuals to own and act upon the advice provided. In this way individuals are not simply passive receptors of the institutions that govern their lived experience. For many of the tenants of RSLs the primary institutions that govern their basic access to a standard of living are the welfare agencies of local government (housing benefit, community care etc), national government (Benefits Agency, Employment Service etc), private sector institutions providing various forms of credit and suppliers of services such as utilities.

The common denominator for the tenants the Maxi project aims to reach is that they are on virtually subsistence incomes. The failures of any of the significant institutions affecting incomes of the poor leads in the case of these tenants to further impoverishment at times below subsistence levels. The ability of tenants to protect income, gain income or to ensure that creditors for example act appropriately in debt recovery is fundamentally undermined by the lack of access to independent advice and information. The process is a part of the chain of exclusion that starts with poor housing provision, welfare dependency, long term unemployment and ends in the high crime environment, poor health, higher infant mortality, low educational achievement, non-existent financial services (many of the Maxi clients had little or no access to conventional financial services like a simple current account). The B-Mag involvement in Maxi recognises that poverty refers to those who are destitute or lack the material means to support themselves and their dependents. Many of the RSL communities that Maxi serves suffer from a combination of linked problems such as long term unemployment, poor skills, low income, poor housing, high crime environments, bad health and family breakdown.

The project has received funding from the Housing Corporation during its first three years of operation. That funding comes to an end in 2001. Built into the project was a requirement for evaluation of the project, and that is the purpose of this report.

This report provides an overview of the work of the project during its first three years of operation, including quantitative and qualitative measures of its outcomes. The first part of the report provides background into the partners in the project, and into the project itself. The second part provides a brief overview of what the project has achieved during the first three years of its operation. The third part provides a critical analysis of the way in which the project has operated.

All this leads to specific conclusions and recommendations for the continuation of the project, since happily this is a project that is able to continue after the withdrawal of Housing Corporation funding.

In the course of preparing this report, I have interviewed many people, and I am grateful to them for their freely given time. I would like to thank in particular:

- ✓ Jonathan Driffill, Director, Community Regeneration, FCH Housing and Care
- ✓ Sharon Lennard, Senior Housing Officer, Mercian Housing Association
- ✓ Mike Smith, Housing Manager, Family Housing Association
- ✓ Phil Hartley, Community Development Officer, Optima Housing
- ✓ Claudia Deans and Amreen Ahmed, MAXI project workers
- ✓ Rob Hope, former MAXI project worker
- ✓ Bhopinder Basi, Manager, Birmingham Money Advice and Grants

I am a solicitor in private practice as a welfare law consultant. I also work for Birmingham Money Advice and Grants. This dual role has been made clear to all those I have interviewed for the purposes of this report. In consequence this report cannot be said to be independent, but I trust it is still impartial and helpful.

# **I – A Background to and Overview of the Project**

## **a) Background to B-Mag and other projects in B-Mag**

Birmingham Money Advice and Grants is an advice agency. It is a part of Birmingham Voluntary Service Council, and it is a member of the Federation of Information and Advice Centres.

### **B-Mag's three areas of work**

B-Mag specialises in three areas of work – welfare benefits, debt, and grants.

B-Mag's grants work comes out its historical legacy. Originally Birmingham Citizens Society, and later Birmingham Council for Social Service, then Personal Service, the organisation has always played a role in administering charitable funds, and in helping people to obtain charitable payments. B-Mag administers around £200,000 of charitable funds each year. B-Mag is a social work agency, receiving grant funding and social work referrals for its grants service.

Debt counselling is another core function of B-Mag. This is a structured approach to management of personal finances, which includes income maximisation, negotiation with creditors, re-scheduling of debts, and if necessary legal advice and advocacy where court proceedings are involved. B-Mag's debt counselling service is funded by Birmingham City Council and open to all.

The welfare rights advice is historically the most recent addition to the range of services provided by B-Mag. It is a natural extension of debt counselling to advise on welfare benefits as a part of income maximisation, and as a strategy to deal with certain debts such as rent and council tax in particular. From these beginnings, B-Mag has expanded to offer an extensive welfare benefits advice service that includes challenging decisions, representing at tribunals, and even taking cases beyond that to appeal on the grounds of error of law to the social security commissioners and the courts. B-Mag now receives funding from the Legal Services Commission to offer welfare benefits and debt advice to the specialist kite mark standard, and can therefore properly be described as a legal advice agency as well as a social work agency.

## B-Mag's projects

The core services of B-Mag, grants, welfare benefits and debt advice are offered to a range of different people through the different projects of B-Mag, of which Maxi is one.

Other projects include the Probation project, where funding is received from the Probation Service to provide these core services to Probation Service clients in Probation Offices throughout the city. The Bangla Project is funded by The Community Fund to provide the core services to the Bengali community, and also to develop the systems and standards of advice in local community advice centres. The Welsh House Farm project receives funding from the Harborne Parish Lands Trust to provide advice to that estate at their community flat.

What is common to all the projects is that funding is provided to deliver these core services of welfare benefits, debt and grants advice.

So far as B-Mag is concerned, the Maxi project fits into this project-based structure. The core services are available, thanks to funding from the Housing Corporation and a number of registered social landlords, to the tenants of those registered social landlords.

## **b) Background to B-Mag's partners in the Maxi project**

### FCH Housing and Care

During the lifetime of this project, FCH has transformed itself from Friendship Group, through Friendship and Charnwood to become FCH Housing and Care.

FCH is a relatively large association, having 3887 properties, 1392 of which are in the Birmingham area. The next largest areas of operation are Derby (549 properties) and Charnwood (372 properties).

The Friendship group had its origins in 1956, working with established immigrant groups from the Caribbean. It estimates around two-thirds of its tenants still come from minority ethnic communities, but now more accurately reflect the local population.

FCH is now based in central Birmingham, but the headquarters of the Friendship Group had been in Sparkbrook, a deprived inner city district of Birmingham, where it had a concentration of properties. In the early

stages of the Maxi project, the project was focussed on working in that area of Birmingham.

### Family Housing Association

Family Housing Association is one of two RSLs that came on board the Maxi project from April 2000. It is almost exclusively Birmingham based, having a total of 1789 properties, 1756 of which are in Birmingham.

Its main areas of operation in Birmingham are Handsworth, Winson Green, Ladywood and Summerfield.

It has its origins with the Catholic Housing Aid Society in the 1960's, but no longer has ties with CHAS. Despite its name, Family Housing Association has a significant number of one-bedroomed properties.

Over half its tenants come from ethnic minority communities.

### Mercian Housing Association

Mercian Housing Association also came on board the Maxi project in April 2000. The Association has its origins in the mid-1960's, and operates exclusively in the Midlands, with 1182 of its 2003 properties in the Birmingham area. The headquarters of the association are in Erdington, North Birmingham.

### Optima Housing Association

Optima, the most recent association to come on board, is also the newest association. Optima came into being as a result of part of Birmingham City Council's housing stock transfer in June 1999. All of its 2295 properties are in Birmingham.

Optima had a higher number of properties at transfer, and its wide range of housing stock included high-rise blocks and maisonettes, with few houses. The decreased number is principally the result of some demolition.

Optima's properties are concentrated in the Lee Bank area of Birmingham where, according to last census information, around 25% of the population come from ethnic minority communities.

The baseline information at transfer suggests a very high percentage of single parents, with just 3% of households including two parents. The Optima Community Association joined the Maxi project in October 2000.

### **c) Background to the Maxi project**

The origins of the Maxi project can be traced to discussions between Friendship Group and B-Mag around 1997. Friendship's 1997-98 regeneration strategy included plans to encourage participation by local people, create new partnerships with voluntary organisations, and add financial resources to the areas where it provided housing.

In pursuit of that strategy, the Maxi project was born. The Housing Corporation provided funding from 1998 from its Innovation and Good Practice Grant budget, and in its initial phases the project worked exclusively with Friendship tenants.

It was at a meeting on 5<sup>th</sup> May 1998 that the name, the Maxi project, was born.

It was never intended that the project would be with one association only. Rather, the project proposal clearly said that contact would be made with other providers of social housing. In terms of specific targets and timetables, it was envisaged that some green form income would be generated during the second year of operation, and by the end of year two there should be enough information to persuade other housing associations to join the project.

The original project worker appointed was Rob Hope, but he left the project and moved to Swansea during the second year of the project. He was replaced by Claudia Deans (part time) from April 2000, and from October 2000 Amreen Ahmed (part time) became a second project worker.

Both the objective in relation to green form income and that in relation to additional housing associations were achieved. FCH and the Housing Corporation supported the first year of the project 1999/2000. From April 2000 Mercian and Family Housing joined the project. From October 2000 Optima joined the project. The project met its goal of decreasing funding from the Housing Corporation and from April 2001 is entirely financed by RSLs contributing £10000 (ten thousand pounds) a year towards the project. Funding of maxi remains an issue for B-Mag in

that it needs to service all the RSLs under individual service level agreements, one association leaving the project creates a redundancy situation that impacts on the service delivery of the whole project. In addition the project year for Optima starts October when they joined the project. These issues are discussed in a section towards the end of this report titled Future Development of the Maxi project.

The green form scheme itself no longer exists, of course. But during the second year of operation B-Mag began to use the legal advice and assistance scheme, and this included tenants referred through Friendship. This enabled additional work with tenants of the association over and above the service level agreement (SLA).

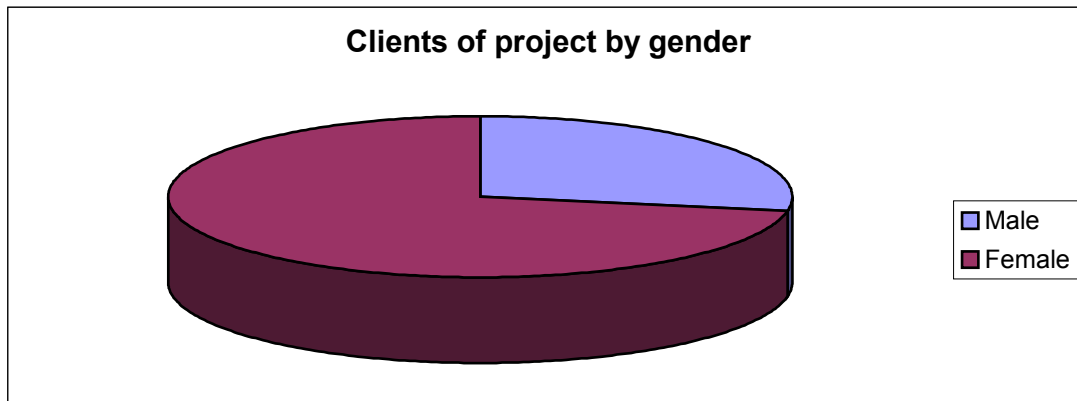
So successful was B-Mag's introduction to legal advice and assistance that from January 2000 it was able to enter into a contract with the Legal Services Commission under the new regime that came into force that month. That became a new project of B-Mag, but one consequence of the new regime was the importance attached to ring fencing, so that more recently legal help clients have been distinguished separately from Maxi clients.

Friendship (as it then was) thus had at one time the benefit of a dedicated caseworker, and supplementary funding from the Housing Association and the Legal Advice and Assistance Scheme, which enabled a significant amount of work to be undertaken on behalf of its tenants. The results in the early stages of the project were spectacular, so that over the first two years 195 referrals were taken, and additional income secured totalling £115,689.

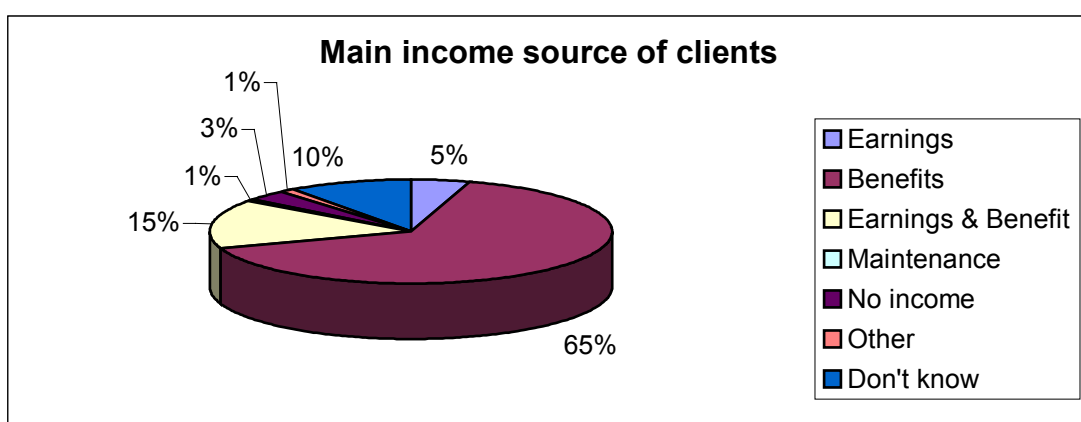
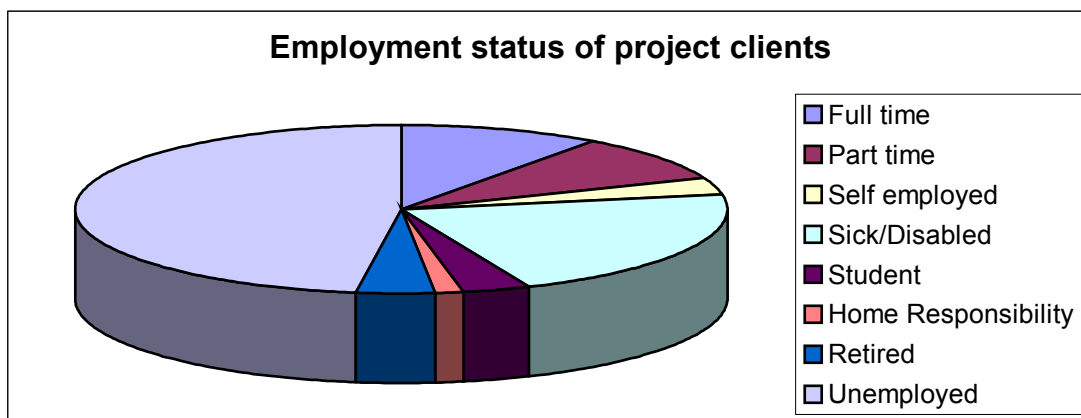
The project also secured its objective of getting other RSLs on board during the third year. Specifically, three new RSLs came on board, Family and Mercian Housing Associations in April 2000, and Optima in October 2000.

## 2 – The work of the project

The following breakdown of the clients of the Maxi project is based on the first 2½ years of operation of the project, the number of cases taken on in that time being 160. The profile of the clients is as follows:

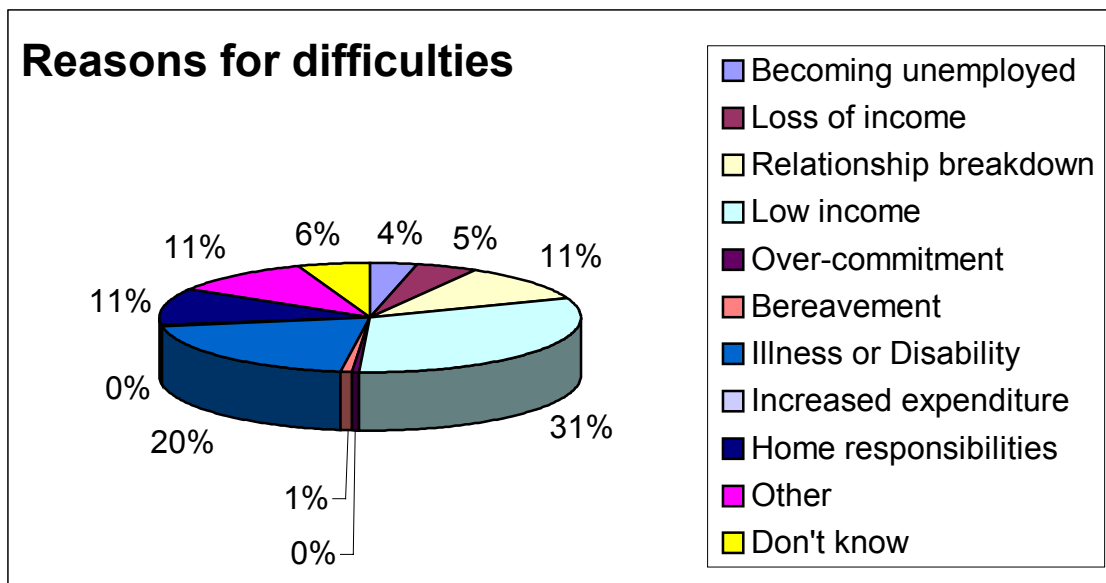


The gender breakdown of Maxi clients conformed to B-Mag's experience of working in poor communities. Firstly that financial hardship particularly affected single parents who use free, independent advice when it is easily accessible. Even in the case of two parent families it is women who take the lead on seeking advice when financial threats to income arise either through indebtedness, benefits loss or unforeseen expense arising to put severe strain on income. Most clients of Maxi came through referral from the RSL and were identified as possible users of Maxi by RSL staff. The large majority of women clients of Maxi confirmed the reality of women trying to cope and being prepared to overcome the stigma of seeking help. The role of women as prime managers of households in financial or social critical situations appears paramount. In respect of the future of Maxi and other regeneration practices greater emphasis needs to be paid to giving women from such communities adequate access to support, advice and information. In programmes such as Sure Start or The Children's Fund for example, the Maxi experience suggests that giving youngsters a sure start means that mothers need access to advice and information services.



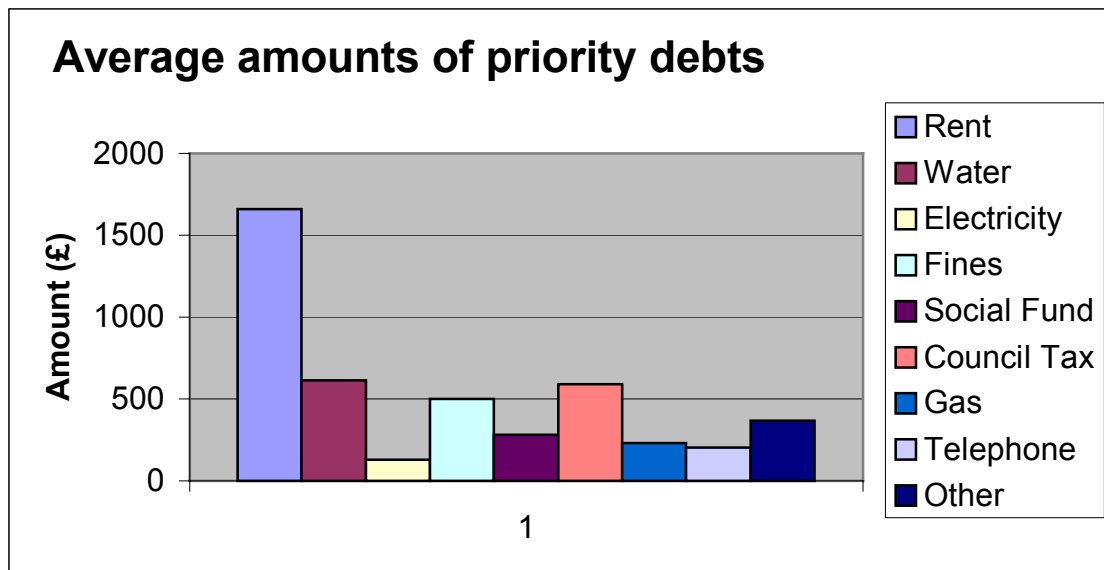
The employment and income sources of Maxi clients pointed to entrenchment of poverty. Only 10% of clients were participating in the labour market. This labour market exclusion is possibly the most telling mark of social exclusion on which the relationship between citizen and community is translated in to welfare dependency. Up to 80% of those helped by Maxi were significantly reliant on state benefits. Whilst the unemployed are the larger group other groups such as the retired, students, carers and the disabled suggests that specific status groups are now forming greater numbers of the poor and excluded. The impact on other areas of public policy should be noted. For example all main political parties are committed to increasing student numbers in higher education. The successful prospect of a policy that increases numbers of students from poor backgrounds may also add to the numbers of individuals and families reliant on inadequate student financing arrangements. Whilst student applications to universities may not fall the evidence of students using the Maxi project is that at some stage the current loan system may just have large numbers of uncollectable loans defeating the purpose of the loan system.

Likewise with the income of the already retired, policy needs to address the basic state pensions inability to provide adequate pensions. Whilst the public policy shift to stakeholder pensions offers some guide to future pension generations the already retired appear to be joining the ranks of the excluded. Some pensioners who benefit from pay outs of occupational pensions fall outside the income support levels for pensioners and are aggrieved that those who have not paid in to a pension scheme are better off in the sense they are usually able to access Income support and along with it payment of housing costs.



When clients reported the reasons for their money problems they did not focus on unemployment as the main cause. The range of reasons given suggests that the long term unemployed on benefits and other low-income groups have the same sort of difficulties as in the general population. These difficulties have a proportionally worse impact on the very poor, the impact is almost immediate resulting in among other things indebtedness. Once confronted by the difficulty the poor have little access to medium to long term coping strategies. The short-term strategies amount to a range of micro decisions e.g. not paying the water bill this month or missing a council tax/rent payment. To some degree in cases of indebtedness Maxi was able to arrive at realistic payment agreements with creditors. Even in cases of Maxi project intervention a medium term agreement with priority creditors did little to ease the long-term prospects of being debt free for our clients.

Statistical information has been kept in relation to indebtedness in particular, and this shows:



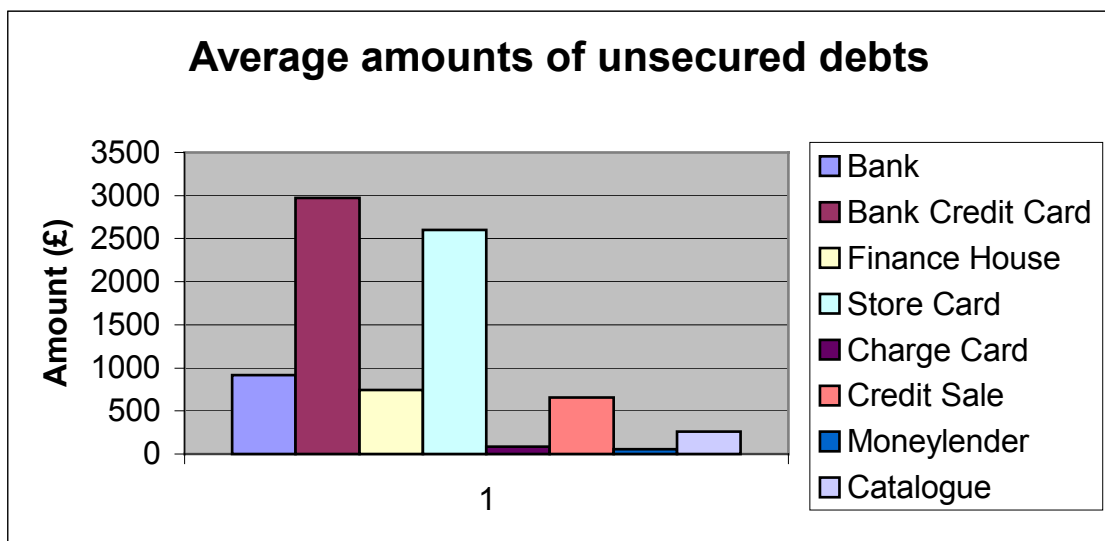
In connection with priority debts of the 160 clients most had rent arrears. The reason for this could be that RSL staff referred clients who presented to them as having problems meeting rent payments. Water rates and council tax arrears were also represented in the case of priority debts. The surprising client information was the impact of court fines among priority creditors. Many of these court fines were TV License offences and motoring fines. At the very least our work with Maxi clients suggests that the use of fines as a punishment for the very poor is ultimately wasting resources in the failing fines recovery process. In those cases dealt with by Maxi the matter often returned to court for either full remittance or lower fine that is more affordable in the individuals circumstances.

A possible explanation on the reason for the rent, council tax and water arrears being predominant was the often-voiced misconception that there would be a delay before legal action commenced. Therefore one could miss a few payments to overcome a difficult financial circumstance and catch up later.

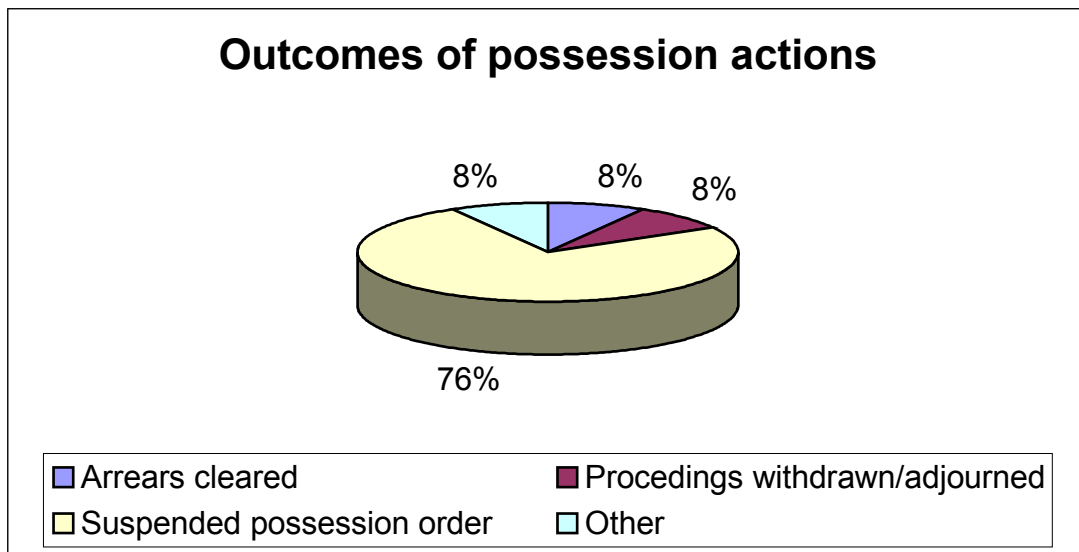
The situation with unsecured debts contrasted markedly in respect to client perceptions. Clients believed large financial institutions were more likely to use credit agreements and contracts that included penalty interest charges etc. Many clients had experiences of being chased by credit collection agencies through letters and constant phone calls. Some had prior to B-Mag's intervention made voluntary arrangements that were simply not realistic and clients complained it was the only

choice they had after talking with a credit collection agency. Many clients saw the prospect of a County Court summons not as a device to protect the debtor against impossible demands and the creditors rights to recovery. The main perception of the County Court to clients who had no experience of the civil court was that it was a court similar to the magistrates' court. Even when B-Mag staff painstakingly explain to clients that the district judge will usually be in a room with a table and chairs and that creditors rarely appear in non-priority unsecured debt matters most requested the presence of Maxi project staff in the hearing.

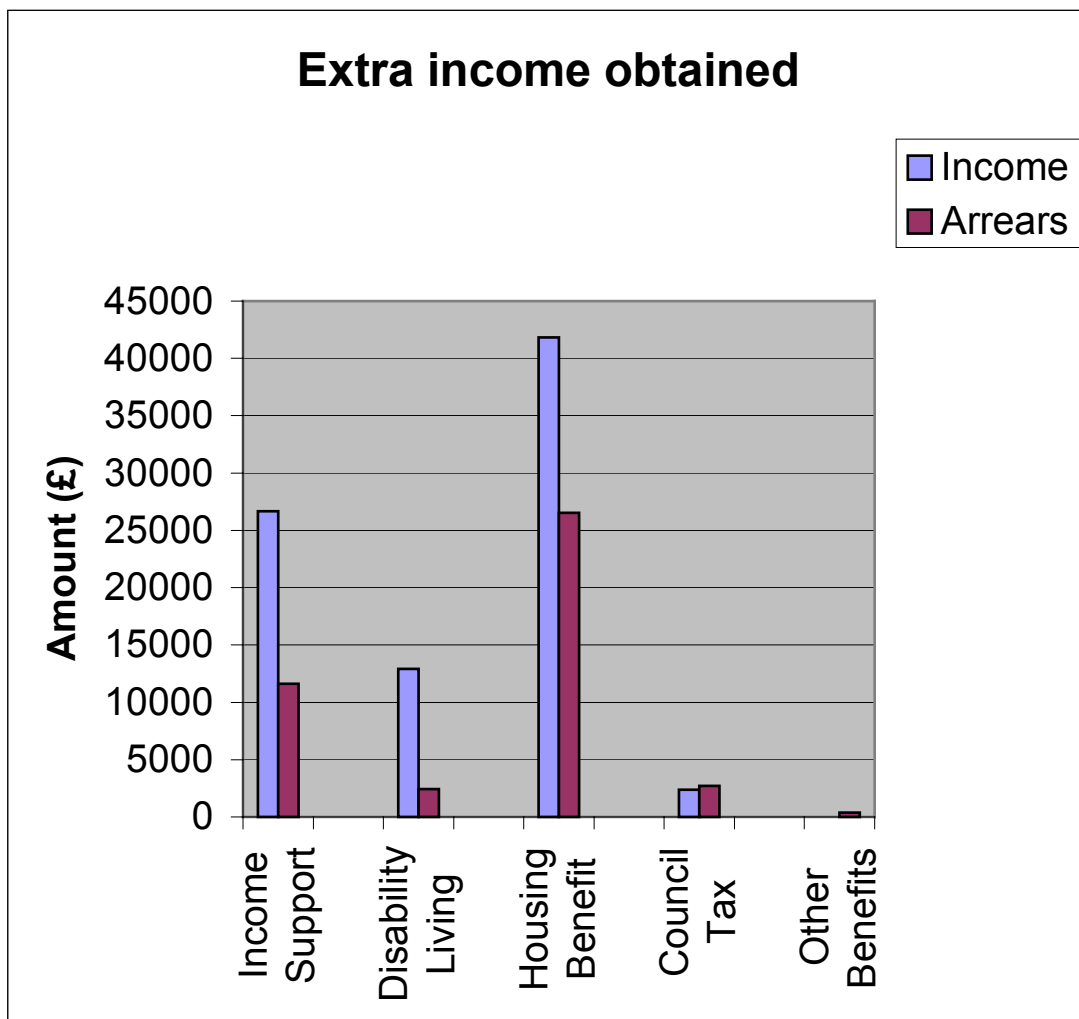
The perceptions of the poor in connection with debt recovery procedures generally points to a real need to develop an appropriate credit awareness strategy. Few clients had even a basic understanding of the different types of credit and or the importance of priority over unsecured creditors. The Maxi project confirms the need to ensure that money awareness education is needed at an earlier stage and if available may mean that clients implement realistic arrangements at a much earlier stage in the process.



Since rent arrears is a particular issue for the project, the outcomes of possession cases in which B-Mag has been involved has been monitored:



Income maximisation is also a particularly important area:



Overall debt levels as proportions of benefit or other income meant that average debt up to £3000 was often many times higher than the disposable income available. The main challenge of the Maxi project became the process of managing debt within the client's limited ability to pay to settlement amount.

Rent arrears would of course lead to loss of home. The process of managing a severe arrears situation meant that RSLs had to start possession proceedings. Maxi project staff were able to advise the tenant independently of the RSL and agree suspended possession orders with the court. In 8% of cases rent arrears were cleared due to payments of housing benefit previously underpaid. This may point to a need for RSLs to be more aware of benefit issues and in particular delays experienced through local council housing benefit services.

The impact of the government's anti-fraud measures through the implementation of the verification framework cannot be discounted as creating delays in the system. The RSL members of the Maxi project meet the City Council to discuss RSL issues through the Birmingham Social Housing Partnership (BSHP). The BSHP group have held discussions as to RSLs acting as a filter for verification of claimant documents. The suggestion being that the RSLs would complete the verification process for Housing Benefit prior to the Benefits Service assessing benefit entitlement. Many RSLs are themselves reliant on the income from HB financing their operations. The City Council payment method includes payment to each RSL for a number of claimants.

The Maxi experience of HB and RSLs suggests that it may be worth exploring a situation where large RSLs or consortia could themselves administer HB for their own clients and in this way devise a simpler method of payment from the benefit authority. This would mean that the local authorities would deal only with individual claimants and profit sector landlords leaving RSLs dealing with social housing to make direct claims for the number of tenants they themselves have cleared for HB purposes. At present significant delay in HB administration is due to the authority requiring verification of claimant details that could be supplied to the RSL.

Although HB payment was an issue it is not the only area of underpayments of benefits. Disabled clients of the Maxi project needed help to make a successful claim for DLA (Disability Living Allowance). The under claiming of DLA also impacts on payment of Income Support disability premiums. The Maxi project experience suggests that RSLs

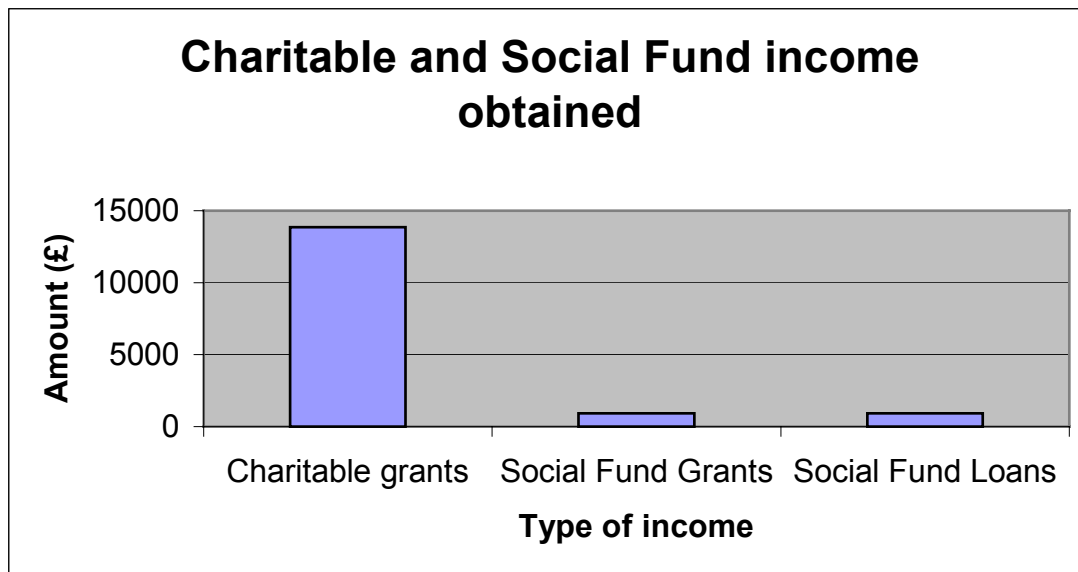
providing specialist accommodation to vulnerable groups should link into specialist level advice services that can ensure income maximisation. It appears that for many of the Maxi clients ill-health was the culmination of long-term exclusion patterns. That so many should have some income from disability related benefits points to a link between managing at subsistence level for long periods and a start of a gradual process of significant decline in health.

Of clients with health issues many reported mental health issues for which some level of medical intervention had been sought. Clients with significant mental health issues are less likely to cope under the strains of financial hardship. As Maxi cases showed these are clients who are least able to cope with relating to the very institutions that govern access to income and levels of expenditure. Many such clients depending on the extent of ill-health simply ignored creditors who did not understand their benefit situation and in some cases they had little idea as to the extent of their own situation. The difficulty for advice workers is to try and manage the situation whilst also helping the client to understand the process.

Advice strategies used by Maxi staff could not look to “magic wand” solutions. In the case of priority debts clients did come to appreciate the need to make current payments plus a manageable amount towards arrears. Through advice and assistance clients understood that the consequences of continued failure to pay priority creditors over unsecured creditors are in the long term more severe. With unsecured creditors clients were introduced to a range of coping strategies from voluntary agreements with creditors, administration orders or bankruptcy procedures. The appropriate strategy was agreed with each client and dependent on his or her own circumstances at point of contact with the Maxi project.

Consistent with money advice services to socially excluded groups the Maxi project supplied short- to medium-term management of the problem presented. These same clients would need help again the next time a difficulty arises that leads to increase in expense or need to meet an urgent one off need. Such difficulties and needs are inevitable but for client who has an administration order a new need can undo all the efforts to get out of debt in a matter of days.

In addition to the extra benefit income, charitable and social fund payments have been obtained as follows:



The total obtained (in the first 2½ years of operation) on behalf of clients has therefore been calculated at **£143,209**.

The social fund, which purports to meet crisis needs of the poor, offers precious little comfort to the clients of the Maxi project. The Maxi project has raised a paltry £1000 in grants and loans from the Social Fund. During the same period for the same clients nearly 3 times that amount has been raised through charities. Since the start of the Social Fund charities have complained of increasing numbers of applications from families and individuals in need. At one level of course it can be suggested that public policy is returning to welfare strategies that amount to increased demands on charity.

B-Mag expressed interest in another aspect of the social fund that its limited budgets mean that most social fund payments are discretionary. The clients who needed help from the Maxi project are accepted as desperately poor they can have accepted needs for example a fridge or bed. These two items cannot be described as luxury items at the start of the 21<sup>st</sup> Century. Yet these and many other subsistence level items in our society are beyond the reach of the welfare poor or they are provided through local 2<sup>nd</sup> hand dealers. The social funds attempts to ration use of one off crisis funds has worked. Those who are long term dependent on welfare cannot access the social fund that now effectively only provides grants in “first time round crisis”. If like Maxi project

clients you are moving from one need to another there is no access to the social fund.

In respect of regeneration policy and tenant or community involvement Maxi clients may not be in a position to participate in community regeneration. Most are simply too overwhelmed by the limited ability to survive week in and week out on subsistence levels. B-Mag has suggested elsewhere in its contribution to regeneration practice that the shortcoming of the social fund in meeting one off needs can be overcome by linking the participation of the poor in community life to a system of rewards. The B-Mag rewarding participation project will be ready to deliver a pilot by the end of 2001. Rewards would not be paid as a supplement to welfare but would be grants of household items from a charity based on the need of clients.

In the Maxi project the most client-oriented statistic is the one based on the amount of charity funds raised to meet client needs. These grants did not directly meet reduction of rent arrears or other debt issues but go some way to ensuring clients who had such needs had them met without further increasing their debt. If the B-Mag pilot of rewarding participation of the poor is successful it is intended to offer Maxi RSLs options of designing tenant rewards systems for associations. All RSLs involved in Maxi have a commitment to resident's participation and are to differing degrees successful in establishing resident groups that influence the service of the RSL.

Examples of the work undertaken by the project are as follows:

## **Housing Benefit: Case Study**

Mrs A suffered with severe mental illness. She had children providing some degree of care, but not managing her rent account. She had built up significant rent arrears by the time a referral was made to a Maxi worker.

Disability Living Allowance was in payment to Mrs A. A claim for housing benefit had been made but not processed.

The Maxi worker had to liaise with relatives and social workers, as well as with the Benefit Service and Housing Officer in order to get relevant information.

A request for backdating was made. It is still possible to backdate Housing Benefit based on the fairly generous “good cause” rules, and it was argued that her mental incapacity constituted good cause for these purposes.

However, there were a number of additional problems. There is provision in the housing benefit regulations that no non-dependant deduction is made where the tenant is receiving an appropriate rate of disability living allowance or attendance allowance. Non-dependant deductions are reductions in the amount of housing benefit paid because it is considered that other adults in the household with income can contribute to the rent. This particular concession is to ensure that the regulations do not discourage live-in carers of severely disabled people.

A further review of housing benefit proved necessary to remove the non-dependant deduction and further arrears were paid.

A further review was initiated because there are different rules in housing benefit law about arrears payable on a review from arrears payable on a backdated claim, and the Benefit Service had paid for an incorrect (and too short) period.

The result was that the significant rent arrears in this case ended up being cleared through a series of payments of housing benefit, as one problem after another were systematically corrected.

## **Possession action: Case Study**

Miss B was not making payments of rent, nor responding to her housing officer. She was known to have literacy problems and contact was made through a friend.

Arrangements were made in respect of the arrears and the tenant requested direct payments be taken from benefit. This had not been possible earlier because Miss B had been receiving incapacity benefit. The Maxi project worker had to complete the direct payment request.

In the mean time, eviction action was taken, so an application was made to suspend the warrant, and this was listed to be heard two days before the eviction date.

When the hearing went ahead, the client was represented by the Maxi project worker, and the association by the housing officer. Possession was not granted, and further more, the project worker challenged the amount of costs the association was seeking.

This therefore provides an interesting example of the importance of the freedom of the project worker to be independent of the association. It may be worthy of comment that the association should not lose out on costs, since what the court assessed as unreasonably high was the solicitor's costs, and it may be that there is an issue about the arrangements between solicitors and the associations in such circumstances.

The problems did not end there because the implementation of direct deductions depends on income support or income based job seekers allowance being in place, and there were continuing problems with the payment of income support, still being sorted.

Applications were also made to charitable trusts for assistance, and it was necessary to approach the doctor for medical evidence in support of these.

This case is ongoing.

## **Attendance Allowance: Case Study**

Mr C was severely disabled and referred by his housing officer for advice. He received the lower rate of attendance allowance and was considering pursuing the higher rate.

Reviews of existing awards of disability living allowance and attendance allowance are something of a minefield. Whenever a reconsideration is requested the award is looked at again, and it can be reduced or removed as well as increased.

Furthermore, client's perceptions of their requirements are frequently unreliable, and requests are made based on the client's perception that they have got worse, without relating the deterioration to the conditions of entitlement for benefit.

In addition there is a waiting period, which means that a person has to have already satisfied the conditions for the higher rate for a minimum period of 3 months, so an immediate application is premature.

B-Mag has dealt with a number of cases where due to misadvice by another organisation, a premature review request has led to the removal of an award. In addition, the author of this report brought the leading case in the Court of Appeal on the matter, so B-Mag's staff are particularly sensitive to avoiding inappropriate requests.

In the present case, the client needed to show not just that he had deteriorated, but also that he now required prolonged or repeated attention by night in connection with his bodily functions.

An application for the higher rate was not appropriate initially, but was made following relevant deterioration and the passage of the waiting period. The request was ultimately successful and arrears of the higher rate of attendance allowance have now been paid.

## **Multiple Debt: Case Study**

The debt advice process involves preparing a financial statement, and using it as the basis to systematically review both income and expenditure. Maximisation of income should always be considered, so should challenging liability for debts. Debts are categorised into priority and non-priority depending on the sanctions available to the creditor, with priority debts being dealt with first.

The case of Miss D provides a useful illustration of several of these points being applied. Miss D had arrears of rent, council tax, water, income support overpayment and gas.

Although gas would normally be treated as a priority creditor, the client was no longer with the particular gas supplier, and as this changed the sanctions available, the gas supplier was treated as a non-priority debt. Additionally, there had been a meter in the property at the relevant time, and there was a dispute about the amount of gas arrears that was taken up on the client's behalf.

In dealing with the priority debts a suspended possession order was obtained in respect of rent arrears, and arrears of housing benefit pursued. Over £800 of housing benefit arrears were paid. An application was made to the Severn Trent Trust Fund for assistance with water arrears, and the application was successful and the full amount of the arrears cleared. The client disputed that she still owed a social fund loan that was being recovered. On investigation this turned out to be correct, and deductions ceased and an adjustment was accordingly made to her benefit.

### **3 - Evaluation of the project**

My review of the project revealed a huge level of need for a project of this kind, and also significant positive benefits both for the RSL partners and for the project's clients. The potential for more RSLs in Birmingham to benefit from working in such partnership is very clear. There were, however, some lessons to be learned. I set out below some of the key issues relating to referral practice, outcome measures, and training programmes. I believe that the lessons have been learned, so that new partners would be invited to participate in partnership subject to these modifications and developments in Maxi's way of working. I therefore also set out at c) below the developments and the anticipated developments post April 2001 showing what Maxi has done and is doing to improve practice in these areas for existing and future partners.

#### **a) Expectations: the theory and the practice**

There are many possible reasons why RSLs may wish to fund the kind of service that B-Mag can offer. These can be classified in a range from "soft-edged" to "hard-edged".

"Soft-edged" reasons may include a desire to be seen to undertake social activity, or to be promoting empowerment amongst the RSLs tenants. Such reasons focus on the social benefits of the B-Mag service.

At the other extreme, "hard-edged" reasons may include:

- ✓ That it is valuable to social landlords for an independent organisation to be advising its tenants in financial difficulties that rent is a priority debt, and persuade those tenants that there are sound legal reasons to stop paying other creditors and start paying the RSL instead – since that is, without a doubt, a common consequence of debt advice;
- ✓ That it is valuable to have the intermediary of an independent organisation that can take legal action against local authorities which it is not diplomatic for the RSL to take.

Such "hard-edged" reasons focus on the financial benefits of the B-Mag service.

In between these extremes are reasons that combine both social and financial outcomes. Thus a desire to increase the income levels of

tenants through benefit maximisation and charitable grants may have in mind both the social benefit to the tenants and the hope that some of that money will go towards reducing rent arrears.

There may be a number of different approaches to assessing which of these expectations the RSL funders of this project had. They include examination of:

- ✓ the nature of the budget funding the project;
- ✓ the stated purpose of funding the project;
- ✓ the outcome measures written into the SLAs;
- ✓ who is referring what kind of problem and why;
- ✓ the outcome measures actually used by the RSLs.

The first three of these areas may be said to reflect the theory about expectations, the latter two the practice. I examined each of these areas, and discovered some inconsistency. I outline my findings in each area below.

#### (i) Budget funding the project

Optima funds at present through a mixture of its social and economic regeneration programme, and its housing management programme, in a ratio 4:1. Optima started to fund Maxi from October 2000 and will review continuation of funding from October 2001.

FCH funding came as part of a regeneration action plan. FCH started with the project at the outset in 1999/2000. FCH has confirmed continuation of funding from April 2001 for another year.

Mercian funded the project through its Community First Unit. Mercian joined the project in April 2000 to March 2001. During the draft stage of this report Mercian advised they could not continue with funding for the year starting April 2001. The impact of funding issues is discussed at c) below.

Although it is clear that the funding for the B-Mag project has come from social budgets, which points towards soft-edged rather than hard-

edged outcomes, it should be emphasised that it was clear that the move was away from such funding.

Thus, Mercian stated that B-Mag was funded from its Community First Unit, but has now withdrawn that funding; FCH said that from April 2001 the project would be funded from housing management budgets; Optima also spoke of a move from social and economic to housing management funding.

#### (ii) Stated project objectives

Family spoke of a commitment to promoting social autonomy and social outcomes; Mercian of empowering its tenants; Optima of the social benefits to its tenants; FCH of its commitment to anti-poverty initiatives and promoting choice for individuals.

Thus the stated objectives of all the RSLs were social rather than financial.

#### (iii) SLA outcome measures

B-Mag entered into a service level agreement with each RSL. The original RSL devised between FCH and B-Mag was adapted and adopted by Mercian and Family Housing Associations while Optima opted to use its own. Common to all four has been the following outcome measures:

- ✓ numbers of referrals
- ✓ provision of training
- ✓ amounts of additional income raised for tenants.

It is worthy of comment that the measure has been of additional income raised for tenants, in two respects:

- I. That measure is about increased income rather than debt management. While income maximisation is an integral part of the debt advice process, negotiations with priority and unsecured creditors to make reschedule debt and make it more manageable is equally an integral part, yet no part of the SLA performance indicators actually measures success in rescheduling debt, despite the fact that this is perfectly quantifiable.

2. The additional income is for tenants, rather than RSLs. Hence RSLs can expect to gain only indirectly if, and to the extent that tenants pass on the income gained. The ratio of the benefit to the tenants to that to the RSLs is called “gearing”.

Despite these observations, the RSLs have been happy to work to an outcome measure that benefits their tenants, and have observed that most of the extra income has ultimately come back to themselves.

Each of these two observations have a further significance which will be examined below in terms of a perceived disjunction between outcome measures and the actual use to which the project has been put by the RSLs. For the moment, however, the conclusion to be reached is that if the prime outcome measure is income maximisation for the client, then this indicator points towards soft-edged rather than hard-edged expectations.

#### (iv) Who is referring what and why?

While the stated expectations, budgets and outcome measures tended to indicate a social function for the project, when we turn to how the project was being used by the RSLs, a different picture is painted.

Optima described that they anticipated significant numbers of tenants would have debts. Referrals were made through their debt recovery team. Potential referrals were identified as a result of rent arrears.

Mercian again identified debt as an issue amongst its tenants. Multiple debt was the first issue it looked to refer, then possible benefits issues. It relied, for identifying debt referrals, on tenants raising the issues with their housing officers, which would usually be in the context of rent arrears action. Mercian independently provides training to its housing officers, and expects they would be able to provide general help to its tenants without undertaking complex welfare benefits casework.

FCH said that referrals would likely come either through rent arrears issues, or through their care staff who may identify either benefits or debt issues. FCH has allowed referrals through any of its housing teams, although it is looking to have a dedicated worker, a Tenancy Management Worker, to control the consistency of what is referred.

Family has the most controlled system of referral, where one individual controls referrals and feedback on those referrals. Referrals have been

mainly a result of rent arrears, more recently more referrals that could be described as more “preventative” in nature have been made.

The strong picture, therefore, was that irrespective of the theory of why RSLs may fund the B-Mag service, the practice was that their debt recovery process seemed to be almost the exclusive launch pad for referrals.

#### (v) Outcome measures

Despite the fact that referrals tended to have their origin in the debt recovery process, most of the RSLs have been happy to measure performance against the SLA measures. Optima in particular has a built in procedure for measuring performance.

The notable exception to this was Mercian. They told me that they measured the level of arrears on the individual accounts referred. Use of such an outcome measure is strictly financial rather than social.

### **b) Commentary: the problems and the lessons**

At the beginning of this report, I outlined the threefold service that B-Mag is able to offer.

#### (i) Grants

B-Mag’s grants service raises money from charitable trusts to help with household items. The most likely time for such a need to arise is at the very start of a tenancy. This would be before significant rent arrears have accrued.

Where significant rent arrears have accrued, apart from housing benefit problems, this may be because a tenant in the early stages of a tenancy chooses to furnish their home over paying the rent. By the time this is achieved, charities will largely decline to help because the items have been purchased, and because rent arrears are not an item with which they traditionally give assistance.

Thus the procedure being used by most of the RSLs is probably ill equipped to identify most of those who could benefit from grants advice

## (ii) Benefits

The experience of the welfare rights industry is that the main opportunities for benefit take-up usually arise in two areas. One is in the area of disability and incapacity benefits. Here, the nature of the rules for the benefits means that there is often scope for arguing at appeal about the nature, extent and effects of a person's disability, and also for one benefit leading on to the possibility of applying for others. One extreme example may be that an award of the higher rate of the care component of disability living allowance prompts:

- ✓ Payment of additional premiums, resulting in income support payable for the first time;
- ✓ Entitlement to the benefits to which income support passports you, including free prescriptions, free school meals, free dental treatment, fares to hospital etc;
- ✓ Exemption from non-dependant charges which do not apply where the tenant is so severely disabled as to receive this, and so extra housing benefit and council tax benefit;
- ✓ Entitlement of a carer to carers benefits;
- ✓ The possibility of an application to the independent living fund for further help to remain in the community.

The other main area where opportunities for benefit take-up often arise is means-tested benefits where people who live below the threshold do not claim them. There are a variety of reasons: a common example is pensioners being unaware of their entitlements or stigmatised by making a claim – hence Birmingham City Council has recently run a take-up campaign aimed at this group.

Once again, such opportunities for benefits advice may not necessarily manifest themselves in rent arrears problems. Both those with significant disabilities and those living below income support levels may, in many cases have received full housing benefit for years, and therefore not have rent arrears.

Housing Benefit raises its own issues. Housing Benefit is a problem for all of B-Mag's RSL partners. Birmingham City Council, in common with many other local authorities, has had significant backlogs in its Benefit Service following the introduction of the verification framework. Birmingham City Council's problems have been further exacerbated by a reorganisation (effectively a re-centralisation) half way through the life of this project. While the worst of those problems are past, all RSL

partners reported to me that housing benefit problems caused a significant amount of their total rent arrears.

Recovery of housing benefit is so central to the finances of any RSL that I was not surprised to find that all RSLs had their own procedures and liaison systems in place. B-Mag's partners therefore saw a limited role for B-Mag in dealing with housing benefit problems, although they confirmed that the more complicated issues, particularly in relation to backdating and breaks in claim were referred.

The individual project workers expressed to me that they spent a significant amount of time dealing with housing benefit problems. The statistics confirm that a significant amount of the total income gained for clients was housing benefit.

Despite this, the full range of the possibilities for an independent organisation to challenge the local authority's administration of housing benefit, as I outlined it to the RSLs, seemed to surprise all of them. This led to a specific recommendation that advanced housing benefit training is delivered to all of the RSLs, targeted carefully at relevant housing management staff. The programme, which also explains the range of ways in which housing benefit law can be used to the mutual benefit of tenants and RSLs, is outlined in an appendix to this report.

### (iii) Debt

Debt is an issue both for those who are dependent on the main means-tested benefits of income support and jobseeker's allowance, and for those who are not. In one sense it could be said that each group raises their own distinct problems.

Those who are on IS/JSA have the "benefits" of the direct deductions regime being available for rent, council tax, water, fuel and fines arrears; passported benefits including free school meals and milk tokens; and low payment expectations from most creditors. Their debt problems stem from the complete inadequacy of the benefits to cover normal living expenses.

When those people come off IS/JSA and into work, a different set of problems arises. They lose the benefits of direct deductions and of passported benefits. They have to negotiate afresh with priority and unsecured creditors, who have higher expectations because of their new circumstances. Their debt problems stem from the unrealistic

expectations of their creditors and the greater financial demands of being in work.

The first group are unlikely to have rent arrears problems, unless they arise from housing benefit problems (non-payment or non-dependant charges). Hence they are also unlikely to be referred to the Maxi project through the usual channels which concentrate on rent arrears difficulties.

The consequences of the above analysis of who is likely to need grants, benefits and debt advice, and who is likely to be referred were confirmed in my interviews with Maxi project workers. They told me, with some frustration, that the work of the project was skewed towards on the one hand multiple debt, and on the other hand more complex housing benefit difficulties.

It may seem problematic and is in no way a full picture, but it is a useful analysis tool to suggest:

That if the RSLs wanted to pursue the more soft-edged social agenda, then their referral procedures, relying on rent arrears recovery were inappropriate to identify those most likely to benefit;

While if they wish to pursue the more hard-edged financial agenda, then the SLA outcome measures were inappropriate, and an outcome measure designed specifically to meet rent arrears reduction would make more sense.

I referred above to two problems with the SLA outcome measures. While debt cases were being referred, income maximisation was being measured; and while tenants gain income, RSLs do not necessarily have the benefit.

The maximum benefit obtains to an RSL where housing benefit is gained for the client, in circumstances where this would not have happened otherwise. Several of B-Mag's partners recognised that this was happening in practice, and that this was valuable.

Mercian acknowledged that in the first six months of operation, rent arrears were reduced on the referred clients' accounts.

FCH said that "for every £10,000 we've invested, we've received at least £20,000 back"; specifically, more than £30,000 of backdated housing benefit came off rent arrears in one year.

### **c) Solutions: Maxi Project Development post April 2001**

This report evaluated how the Maxi project supported through a Housing Corporation (HC) innovations grant has fostered partnership working between RSLs and a voluntary sector advice provider. From 1<sup>st</sup> April 2001 all Housing Corporation funding has ended the RSLs who are continuing with Maxi Funding are: FCH Housing and Care with a grant to B-Mag of £10000 and Family Housing Association with a grant of £10000 both these RSLs are therefore signed up until March, 2002. The Mercian Housing Association decided not to continue with the maxi project into the year 2001/2002. The Optima Community Association annual funding of £10000 continues to October 2001.

This report has evaluated the rationale behind the project, outlined the casework delivery of the project and made recommendations for future development of the project. Throughout the project the RSLs concerned have met with B-Mag management and Maxi staff on a bi-monthly basis through the Maxi Steering group to discuss changes in project management and delivery.

#### **(i) Project Delivery:**

The Maxi project has successfully met the advice needs of up to 160 households among socially excluded communities. The main issue to arise is that the pre-2001 project referral required RSL staff to filter cases to Maxi. This has meant that Maxi may not have reached all those tenants in need. As suggested in earlier parts of this report RSL staff were more likely to be approached by tenants in rent arrears situations, than other tenants in need of advice. These other tenants without a reason to present to a housing officer are likely to have been missed by Maxi.

The original cautious approach adopted by both B-Mag and the RSLs was to recognise that they needed to limit the numbers using Maxi in acknowledgement of the relatively low cost of the project. Paradoxically this limitation through the RSL referral device may have undersold the joined up impact of Maxi and the value of advice services within the regeneration agenda. To try and understand the real level of demand among RSL tenants the current Service Level Agreements signed with FCH and Family include a process of self-referral of tenants. Much more demand cannot be handled by the one 3 day a week Maxi member of

staff. B-Mag has in the current year agreed to integrate increased demand into its core advice services. The Maxi project worker will continue to undertake casework but will also filter casework to other parts of B-Mag. B-Mag management see this process as facilitating integration of Maxi with other B-Mag projects.

To encourage active tenant use of the Maxi project, B-Mag has planned to approach tenants directly through leaflets. In the case of Optima they have agreed two target estates, both FCH and Family have agreed to distribute leaflets to their tenants. Once need for advice is expressed B-Mag will try and establish local advice surgeries. It is anticipated that this will see a widening of access to the Maxi project and at the end of 2001 the steering group will consider the resources and management required to continue an open access Maxi project. The increased integration of Maxi is for two main reasons:

- Maxi only has 3 days dedicated staff time; and
- Previous changes of key personnel in Maxi did lead to peaks and troughs in the Maxi referral rate. These changes of staff occurred on both RSL and B-Mag sides.

To ensure that if staff change the project work is not fragmented a number of staff will be familiar with the requirements and aims of the project. All RSLs have agreed that they will have a named Maxi champion who will ensure that if and when staff changes happen they are able to continue referrals. These changes in process are in recognition of the need to see that Maxi as a project can attract new RSLs or explore other methods of funding to expand the project. Maxi future development is based on a strengthening of the partnership between the current RSLs and B-Mag.

Among the changes to the Maxi project in April 2001 is the provision of specialist training by B-Mag staff in the areas of welfare benefits, debt and advanced housing benefit. The pre-2001 project also had a training element, the current 3 days of training delivered by B-Mag will be tailored to developing RSL staff awareness and understanding of the Maxi project. The process will also cement relationships between staff and encourage knowledge of working practices leading to easier access for tenants.

It is hoped that specialist tailored training in areas like advanced housing benefit may mean that the Maxi project develops other specialist advice

services aimed at the RSL themselves instead of the tenant. For example, an RSL may want advice and assistance as to what a local council housing benefit service views as an eligible cost in specialist housing provision such as warden controlled schemes or care homes.

Thus the developments outlined above have addressed the problem of referral through rent arrears procedures when tenants who may benefit from referral do not have rent arrears by means of the promotion of self-referral; they are also beginning to address the need for different SLA measures of performance.

So far as training is concerned, there has now been a comprehensive training programme developed and delivered by B-Mag in conjunction with its partners. The feedback on this training programme has been excellent, and paves the way for some of the developments envisaged including advising RSLs directly in appropriate cases.

#### (ii) Project Management Issues:

For RSLs the fundamental management relationship is the contents of the SLA. This has meant each of the RSLs had an individual contract with B-Mag. One difficulty in this is whilst FCH and Family have agreed a common SLA tailored to Maxi this is not the case with Optima. Optima has its own standard SLA. This means that B-Mag must in terms of its management input manage two different SLAs as the Optima SLA and reporting procedure are different to the other shared one.

Previous SLAs did identify home visits as a targeted requirement. This causes difficulties in that home visits take much longer and fewer clients are helped than with appointments and drop in surgeries. If the 2001 service delivery changes are successful in terms of demand then it is anticipated that future contracts will emphasise the numbers of clients helped rather than the method of delivery i.e. home visit. This is not to say home visits are not available to those who need them: the practice elsewhere in B-Mag is that home visits are always available to those who for good reason are unable to manage an office visit.

Although RSLs are currently investing £10000 per year for Maxi services, B-Mag will through 2001 subsidise the additional developments in the Maxi service. Towards the end of the year B-Mag will prepare a report for the steering committee of the project evaluating the expansion of services in 2001. In management terms it is difficult for B-Mag to plan contract renewal for its own staff when at least three donor RSLs will

affect the working of the project. The decision of Mercian to discontinue its support for the project meant a redundancy in the Maxi staff team leaving it with only a 3-day week staff compliment. The review of the expanded Maxi project currently operating in 2001 will include a plan for a sustainable Maxi project with less of the uncertainty over continuity from year to year.

The year starting April 2001 is the first year of a self-sufficient Maxi project (i.e. the project has no further Housing Corporation grant). The year end review of 2001 will be particularly important as laying the foundation for future sustainable development of the Maxi project as part of RSL housing services and advice services in partnership within a shared social inclusion agenda.

## **Conclusions and Recommendations**

It has not been an easy exercise to try to evaluate the Maxi project at the present time. I consider myself both fortunate and unfortunate to have the role of evaluating it after its third year of operation.

The sense in which I consider myself unfortunate is because I think that the third year has been more problematic than the first two. There are several reasons for this:

- ❖ There has been a change in personnel in the project. It is difficult to achieve continuity of service and vision when someone who has known the project well and developed it from the start is replaced by someone who has neither of these qualifications.
- ❖ The project has moved from serving one association to serving four. Each of the associations operates in slightly different ways, and inevitably it adds to the workload and paperwork having to deal with the differing requirements of four different associations.
- ❖ The project suffered from the theft of its personal computers and having to reconstruct its database early in the third year, and this severely hampered the project's operations.
- ❖ It is increasingly clear, as I have outlined above, that the move is towards seeing debt advice as a housing management tool rather than a social empowerment tool.

The sense in which I consider myself fortunate is that I have had the privilege of evaluating a project whose clear potential and benefits can be seen, and have found myself excited as I have considered ways of improving the project for the future, for I am left in no doubt, as a result of my evaluation, that the project has, or ought to have, a future.

I therefore set out below the basis on which I believe the project can be developed and improved for its existing and new partners for the future.

Clearly, one of my biggest concerns is the disjunction I perceive between the present outcome measures and the types of cases being referred. Without addressing this, there can be dissatisfaction all round, with staff being dissatisfied that they do not have the rewarding opportunities for

income maximisation that they seek, and with this being reflected in apparently poor outcomes.

I believe that the income maximisation service, by which I mean welfare benefits and grants advice, is an important service for RSLs to be able to offer their tenants. But:

- ❖ The income maximisation element of B-Mag's work is that least likely to impact on rent arrears. RSLs should not expect referrals for income maximisation to impact significantly on rent arrears, since the benefits are subject to the gearing effect outlined earlier, and since many of those who may most benefit may not have significant rent arrears.
- ❖ It follows that the income maximisation function of B-Mag's work should be perceived as a social rather than a housing management service to RSL tenants.
- ❖ It also follows that the source of referrals for this element of the service should not come from rent arrears procedures. The question of how referrals are made is an important one on which I have made specific recommendations below.
- ❖ Lastly, income gained for tenants is an appropriate measure for this particular element of the service provided.

However, I also believe that the B-Mag service can have a significant impact on rent arrears, a fortunate conclusion, given the increasing emphasis placed by RSLs on a service which does so impact. In order to offer this service most effectively:

- ❖ I believe greater use can be made of B-Mag's service in relation to housing benefit difficulties. I refer in particular to the issues that arise around unlawful refusals to process claims, incorrect treatment of breaks in claims, and incorrect treatment of overpayments. I have set out more fully in an appendix the most common areas where housing benefit law can be used to the mutual benefit of RSLs and their tenants.
- ❖ To this end, training should be offered to all RSLs on the relevant housing benefit law, such training targeted at specialist staff within housing management teams.

- ❖ Housing benefit and multiple debt advice are the areas of advice most likely to impact significantly on rent arrears. Such referrals are appropriately made by housing management staff, and funded as a housing management service.
- ❖ It may be appropriate to devise alternative outcome measures in these areas, as debt management is often better measured in terms of reduced expenditure than reduced income, and no existing outcome measure effectively measures successful debt management advice. It is therefore at present a function that is being carried out without outcome recognition.
- ❖ Also, there is legitimacy in looking at the measure of the effect on rent arrears where that is the purpose of the referral. A rent arrears outcome measure makes sense; it is just unfortunate that it was an outcome measure that was not negotiated with B-Mag and not in the SLA. In future, such outcome measures should be explicit if they form a central feature for securing RSL involvement.

In order to deliver the service outlined above, I would additionally recommend:

- ❖ B-Mag needs to provide training to each individual association on appropriate use of the project. This is because each RSL has its own structure, and it seems to me that the proper approach to this recommendation is to develop an understanding of the structure of each RSL, as a necessary preliminary to understanding the best way of the RSL making appropriate referrals.
- ❖ Feedback systems should be improved, to ensure that RSL partners receive regular written feedback on the progress of each individual referral.
- ❖ The Maxi project staff need to be significantly more proactive in promoting and developing the work of the project amongst the RSL tenants.

All participating RSLs indicate that they seek a wider benefit to the client through the Maxi project than can be assumed simply from rent arrears reduction. They recognise that the wider regeneration and inclusion agenda requires developing housing plus services to tenants that are beyond their core services of meeting accommodation needs.

The need for RSLs to develop these housing plus services is critical. To do otherwise means that the type of client assisted by the Maxi project would eventually be evicted due to rent arrears. Many of the same clients then become the responsibility of local councils for re-housing under homeless legislation. With the local authority committed to stock transfer the authority then meets its obligation to the evicted tenant by nominating them for re-housing to one of several RSLs contracted to supply accommodation by the authority.

B-Mag have heard of at least one client that was evicted by an association 8 months earlier for high levels of rent arrears and after a period in temporary emergency accommodation was nominated to the association that evicted him. The association concerned took several months before it noticed it had granted a new tenancy to a person they had evicted. This incident did not happen within the Maxi project.

This “revolving door” social housing is likely to develop in the sort of cases referred to the Maxi project. The Maxi project was in most cases able to suspend possession orders and actually keep the tenant in a home whilst addressing arrears through affordable payments. B-Mag suspects from anecdotal material presented by clients who are being re-housed and seek furniture grants that, some are in a “revolving door” social housing process passed from one social housing provider to another. Answers to revolving door social housing for the very poor are:

- ❖ To ensure that Maxi type advice is available to create for the tenant an option to keep the house and for the RSL to know the tenant is addressing arrears through the use of an advice service.
- ❖ A more creative option would be for public policy to recognise or develop a new landlord tenancy relationship for the social housing sector.

As new as this suggestion sounds there is a precedent for it, found in both housing benefit legislation and schedule 1 paragraph 8 of the Housing Act 1988. These exemptions essentially exclude students in university-owned residences from the conventional landlord tenant relationship. The rationale for the exemption is historic in that educational establishments are seen as providing a special source of social housing for their own student client group. Educational establishments have not dealt with the exemption in an appropriate way.

They have met with criticism from students when they find their tenant rights over disrepair for example, are greatly reduced by the effects of the exemption. However, in principle there is nothing to stop public policy from recognising that RSLs use public funds for the purpose of social housing provision.

The current RSL relationship requires the RSL to seek eviction of vulnerable client groups who have rent arrears. The RSL is expected to enforce a possession procedure more appropriate to conventional profit sector landlords. This lends itself to developments such as the revolving door social housing situation mentioned above. A new relationship could be set out in law that did not see RSLs penalised for failing to carry out evictions but compelled the tenant and landlord to avoid eviction in pure rent arrears matters. This may mean RSLs using Maxi type projects to assist by way of independent money advice to agree payment plans.

To further reward RSLs for avoiding evictions it is possible to develop a system of rewards for keeping tenants with arrears problems and over time introducing the money management principals of debt counselling.

A radical way forward is therefore that RSLs should self administer housing benefit and seek the establishment of a new landlord tenant relationship in law that recognises their social mission is to encourage open debate. B-Mag certainly hopes its own RSL partners in the Maxi project may begin to explore these issues through fora such as the BSHG (Birmingham Social Housing Group) and the Housing Corporation on a national level.