

Accredit: MIST – Maximising income; sustaining tenancies assessment report

Monmouthshire Housing Association

JANUARY 2023

Strictly private and confidential

Contents

Section	Page number
1 Introduction _____	1
2 Context and service overview _____	3
3 Executive summary of our assessment _____	4
4 Performance _____	6
5 Service highlights _____	9
6 Quality case reviews _____	15
7 Meeting with residents _____	17
8 Confidence and closing remarks _____	17
9 Recommendations _____	18
Appendix A: Assessment against accreditation standards _____	20

1 Introduction

Monmouthshire Housing association (MHA) applied to be accredited under HQN's Accredit MIST programme.

HQN's accreditation programme assesses service delivery and outcomes against a range of challenging quality standards, covering the following six modules:

- 1 Customers and communities – customer focuses, response to priorities and access to relevant services, including money advice and helps with preparing for welfare reform
- 2 Income collection – collection and accounting of rent, service charges and other housing-related income
- 3 Arrears management – prevention and recovery of current/former tenant rent arrears and other debt, including incentives for payment and measures to prevent eviction and abandonment due to rent arrears
- 4 Welfare reform – including the administration of HB and UC and partnerships with benefit providers, preparation for welfare reform and management of changes to the benefit system
- 5 Financial wellbeing – measures to address financial exclusion in the community and to support the financial wellbeing of residents. This includes helping customers to maximise their income through access to money management and welfare benefit advice
- 6 Value for money – strategies to achieve effectiveness, efficiency and economy of services.

Our assessment always considers these standards in the context of topical challenges, including the cost-of-living crisis.

Organisations that meet the standards are accredited and receive an award and appropriate recognition in the housing sector.

Following the award, an interim assessment is carried out to ensure that standards are being maintained.

The accreditation process and award are designed to give confidence to residents, officers and other stakeholders that the service is well run and is delivering positive outcomes and value for money.

The process is subject to scrutiny by HQN's Accredit panel. All panel members have a wealth of experience and expertise and the panel includes at least one representative from an accredited organisation.

Accredited organisations have access to expert support and a network of organisations working to the same high standards of service delivery and performance.

The assessment took place following a service review during December 2022 carried out by HQN associate, Tony Newman. 3

This is our assessment report, setting out the context, our overall assessment against the quality standards and the assessor's recommendation to the Accredit panel.

The report is based on information provided by MHA and our findings during the assessment.

We would like to thank the officers and residents of MHA, together with representatives from partner agencies, who took part in the assessment, for their enthusiastic, honest and positive approach.

We would particularly like to thank the residents who gave their time to speak to us.

It is important to note that where accreditation is awarded to an organisation, it is also recognition of the contribution from all teams involved, service delivery partners and residents.

Note: The Renting Homes (Wales) Act (2016)

On 1 December 2022 the [Renting Homes \(Wales\) Act \(2016\)](#) came into effect. The act introduces changes covering:

- Housing contracts
- Property maintenance
- Communication between landlords and residents.

The act also introduces new terminology. For example, from 1 December 2022, tenancy agreements became “occupation contracts” and tenants are now “contract holders.”

As our assessment process began before the act came into effect, in the interests of consistency and continuity with MHA's submitted documents, we have used the terms “tenancy agreement” and “tenant” in this report.

2 Context and service overview

- MHA's stock is located in Monmouthshire in the south-east of Wales and is profiled as follows:
 - 3,615 general needs
 - 357 supported/specialist housing
 - 233 leaseholders.
- MHA does not operate a shared ownership scheme
- 1,177 customers are in receipt of universal credit (UC)
- Of the UC accounts, 427 are on Alternative Payment Arrangements (APA). Thus, around 36% of UC claimants have some proportion of their benefit paid direct to MHA for ongoing rent liability and/or arrears
- 936 customers are in receipt of full Housing Benefit (HB) and 418 receive partial HB
- The Community Voice Committee (CVC) provides scrutiny and governance overview and helps to shape and influence continuous improvement. The CVC has a direct link to the MHA board and works closely with other MHA committees
- The specialist income team (IT) manages all housing income streams, with the service charges and leasehold officer about to transfer into that team during our assessment
- The IT comprises six income officers (IO) and a specialist officer who manages former tenant arrears (FTA) and repair recharges. The IOs operate on a geographical "patch" basis
- The IT also includes a tenancy solutions co-ordinator (TSC). This is a relatively new position and provides a link between the IT and neighbourhoods team (NT) to help sustain tenancies.
- Neighbourhood officers (NOs) deal with other tenancy matters.
- MHA's customer services team can also deal with low-level payment and arrears enquiries and can take payments
- Alongside the specialist income officers, customers have access to a money and welfare benefit advice team (Moneywise). The Moneywise team comprises three full time officers, located within the inclusion team
- New homes and ending tenancies specialists sit within the sustainable tenancies team.
- The new homes team carries out pre-tenancy work, including Experian checks
- A specialist officer is responsible for leaseholder and service charges. As mentioned earlier, he was about to join the IT as we carried out our assessment
- There are positive relationships between MHA teams and external agencies providing advice and support

- MHA's support and wellbeing team provides support for people across the MHA operating area and not solely for MHA customers. IOs can make referrals directly into the support team
- A gateway referral system is in place with Monmouthshire County Council (MCC) for vulnerable people, including those with mental health problems. Based on our case reviews, this seems to work effectively
- MHA has a partnership with the local branch of MIND to provide care and support for people with mental health issues. We met with a representative from MIND during the assessment and she was highly positive about the relationship and joint working with MHA
- MHA has a strong relationship with MCC's welfare benefit service for the administration of HB and DHP
- MHA continues to work closely with DWP on the expansion of UC and has a positive relationship with the local Jobcentre and DWP partnership manager. We met with the DWP partnership manager, who confirmed that the organisations work well together, with any issues identified and addressed swiftly
- MHA is still developing a dedicated customer portal. In the meantime, customers have access to a range of online tools through the MHA website. Customers can pay online and report repairs and any anti-social behaviour
- The Civica CX housing system provides the core functionality for effective arrears management with an escalation policy programmed into the system
- MHA uses the Rentsense system to identify and prioritise accounts requiring action
- The Voicescape system is used for automated voice messages and Deeplake for text messaging
- For routine possession cases, IOs present their own possession cases in court
- MHA operates two "rent free" weeks at Christmas. These appear to be valued highly by customers.

Our assessor found everyone that he interviewed at MHA to be knowledgeable, highly motivated and customer focused

3 Executive summary of our assessment

Following the assessment, HQN's assessor considers that service strengths outweigh weaknesses in all six modules and recommends that MHA is awarded accreditation.

Our assessment of MHA's service against each module, is summarised in the table below.

Module	Assessment
Customers and communities	<p>MHA demonstrates a clear customer focus, is responsive to local priorities and is continuously developing effective partnerships with other agencies to design and deliver services. This includes advice and support to establish and sustain successful tenancies.</p> <p>Customers have been involved in reviewing and redesigning the income service and at the time of reporting, MHA is finalising its new customer care charter, which will incorporate further opportunities for customers' voices to be heard.</p>
Income collection	<p>MHA demonstrates an efficient collection and accounting of rent, service charges and other housing-related income. MHA sets rents in line with Welsh Government guidelines.</p>
Arrears management	<p>MHA demonstrates effective measures to prevent and recover current tenant debt. We found the case management to be swift, effective and supportive. MHA's focus on tenancy sustainment is clear.</p> <p>The presence of a specialist team enables a sustained focus on arrears prevention and recovery.</p>
Welfare reform	<p>MHA demonstrates effective administration/management of rent accounts where HB or UC are being claimed, has positive partnerships with welfare benefit providers and expert advice and support is available through MHA specialists and external partners.</p> <p>With a sharp increase in UC claimants since the arrival of Covid-19, these services have been critical to supporting households in hardship.</p>
Financial wellbeing	<p>MHA, demonstrates effective measures to address financial exclusion and enhance financial wellbeing in the community, including helping customers to maximise their income through money management and welfare benefit advice.</p> <p>MHA's offer is strong and includes practical support with debts, budgeting, reducing energy costs, digital inclusion and help to access training and work opportunities.</p>
Value for money	<p>MHA applies a robust, strategic focus on achieving effectiveness, efficiency and economy of services. Performance and costs appear to be managed effectively. We have made some recommendations regarding expanding the performance management framework.</p>

This assessor's report will be submitted to HQN's Accredit panel. The panel will meet to scrutinise and discuss the report and decide whether to accept the assessor's recommendation.

In Appendix A, we provide more detail regarding the standards under each module.

In the following sections, we summarise the key findings from our assessment, followed by our conclusions and recommendations.

4 Performance

In the following sections, we summarise MHA's performance trends and compliance with HQN's accreditation standards.

The table below shows MHA's performance trends, over the past five years, against recognised key performance indicators.

Indicator	2017/18	2018/19	2019/20	2020/21	2021/22
% of rent collected (incl arrears b/f)	100.56%	99.14%	98.90%	99.91%	97.94%
% of rent collected (excl arrears b/f)	102.1%	99.94%	100.34%	101.36%	99.8%
Total rent collected	£16.88m	£17.06m	£18.11m	£18.89m	£19.33m
Current arrears as % of debit	0.81%	1.54%	1.51%	1.96%	1.97%
Current arrears value	£136k	£263k	£274k	£370k	£380k
FTA value	£261k	£230k	£211k	£189k	£220k
Total arrears (current and former)	£397k	£493k	£485k	£559k	£600k
FTA collected	N/A	N/A	N/A	N/A	£108k
FTA collected %	N/A	N/A	N/A	N/A	N/A
FTA as % of debit	1.55%	1.35%	1.17%	1%	1.13%
Value of rent written off	£3k	£68k	£46k	£30k	£9k

Indicator	2017/18	2018/19	2019/20	2020/21	2021/22
Evictions for rent arrears	7	6	5	0	0
Revenue generated through financial inclusion work	£430k	£513k	£791k	£558k	£582k

Performance trends – key points

- MHA's rent collection reduced slightly in 2021/22. The in-year collection rate remains comparatively strong, with over 100% collected for three of the past five years
- MHA's current rent arrears ratio has increased over recent years but remains comparatively strong at 1.97%. This is well below the target of 3% set in anticipation of the challenges of welfare reform
- Between 2017/18 and 2021/22, the total debt (current and former tenants) increased by almost 50%. With FTA reducing over that period, the bulk of this increase has been current tenant debt
- Between 2017/18 and 2019/20 the cash value of current arrears more than doubled. MHA attributes this, in part, to the impact of welfare reform and issues associated with the early stages of the Covid-19 pandemic, including the suspension of legal action. This is certainly a factor in common amongst other HQN clients and we appreciate that it will take time to bring some accounts back on track, without recourse to possession action
- Arrears levels continued to climb between 2019/20 and 2021/22
- After four years of steady reduction, at the end of 2021/22 MHA reported an increase in the value of FTA
- Even before the suspension of legal action and evictions due to Covid-19, MHA reported comparatively low levels of evictions for rent and we are pleased to note that no households were evicted during 2020/21 or 2021/22. This is reflective of MHA's ethos of sustaining tenancies and only seeking possession in cases where such action is reasonable and proportionate
- A key factor in sustaining tenancies is MHA's offer to support customers' financial wellbeing both through in-house advice and support and through an extensive partnership network. Between 2017/18 and 2021/22 this work generated around £2.8m in extra revenue. We met with some of MHA's partners and comment on these positive relationships later in this report.

Performance trends – observations

There is some concern amongst MHA managers regarding the increase in arrears, especially as households are experiencing rising costs. However, it is also accepted that to some degree, this is reflective of the policy of no evictions into homelessness. In our case reviews, we saw a number of accounts where the arrears are higher than usual as MHA is working to sustain the tenancy and avoid possession action.

Bearing the above in mind and with a planned rent rise of 6.5% in 2023/24, in the context of the rising cost-of-living, it may be necessary for MHA to moderate some performance expectations for the coming year.

One reason for pursuing HQN accreditation is to seek reassurance that the service plans and configuration will help to drive future improvement. Based on our findings, summarised in the rest of this report and on the assumption that MHA delivers against its plans, we feel that we can provide that reassurance.

MHA is aware of the core issues affecting rent performance, especially following an internal service review that took place during 2020/21.

Overall, we found that MHA has a clear performance focus, corporately, at team level and amongst individual officers.

MHA uses performance outcomes to inform its team and corporate plans.

A monthly action plan is in place for the income service.

Regular one-to-ones are used to focus on performance against targets and on any areas where officers and teams need to improve through training and development.

Performance is reported regularly to the executive team and to residents.

MHA's monitoring of quantitative performance outcomes is balanced with a collective concern for the wellbeing of residents and an understanding of the challenges that many households are facing, especially those in financial hardship. This ethos proved valuable during the Covid-19 pandemic and will also be material in supporting customers and communities through the cost-of-living crisis.

We are confident that MHA's strategic and operational focus on effective income management has helped to mitigate the impact of welfare reform and especially the expansion of UC, on performance, tenancies and households.

Sensibly, MHA models the impact of rent increases on arrears levels and has developed an income risk map, with RAG ratings and listing mitigation measures for each risk.

The presence of a well-led, motivated specialist team enables a sustained performance focus on income, whilst retaining effective operational links with the officers responsible for other housing management and tenancy issues. Alongside effective external partnerships, we consider that this equips the service well for the future.

There are some opportunities for improvement with regard to MHA's performance management and we include some recommendations later in the report.

5 Service highlights

In evaluating MHA's service against HQN's accreditation standards, we examined the self-assessment bid, together with supporting documents. We then carried out an online assessment, including interviews, focus groups and case reviews.

Rather than repeat the contexts of MHA's own self-assessment in this report, we present below a summary of service highlights.

Strategic framework

- Corporate leadership and direction appear robust and reflective of published strategies and plans. MHA's executive team is keen to strengthen continuously all services in line with published corporate values
- There appears to be effective integration of discrete strategies and policies across MHA's component services and departments. This enhances joint working between officers and teams and we found examples of this during our case reviews. However, there is no financial inclusion strategy or similar document. This is a missed opportunity as we found MHA to have a strong offer in support of financial wellbeing
- In terms of systems and staff adjustment, the move to home working necessitated by the Covid-19 lockdown appears to have been handled well at MHA and a hybrid working policy is now in place
- MHA is explicit regarding its aims to support households to sustain their tenancies. In 2015 the Ministry of Housing Communities and Local Government (previously the Department of Communities and Local Government) estimated the average cost of an eviction to the taxpayer as between £24,000 and £26,000. The business case for reducing court/eviction costs and sustaining tenancies is therefore compelling, particularly acknowledging MHA's local authority partners' duties under the Homelessness Reduction Act (2017).

Customer communication and engagement

- The overall offer to customers is strong across all tenure types with a variety of teams and specialist officers available to advise and support customers
- The offer of advice and support is prominent in MHA's communication regarding income and payments

- There is a sense that customers are listened to and involved in shaping the strategic framework. A working group of customers acts as a critical friend to the IT and was involved in the 2020 service review
- MHA's communications team works closely with customers and runs campaigns and projects to provide information and advice on topical issues
- Through the CVC, there are opportunities for customer involvement within the governance structure and is used to scrutinise and test resolutions to key issues
- Information to customers appears to be generally clear and easy to understand. MHA's website contains useful information and key rent issues are presented prominently. There is also a helpful "frequently asked questions" page, covering rent and payment issues
- Efforts are made to use customer profiling to provide information in appropriate formats. Although Monmouthshire is not an especially diverse area, officers have access to a translation service where necessary
- MHA is using Cadcorp software to map and profile neighbourhoods, so that resources and information can be directed to where they are most needed. The profiling system identifies debt hotspots and areas of digital exclusion, alongside other useful data. These are used as the basis for targeted campaigns
- Customers have been involved in specific communication projects. For example, after consultation with residents, MHA updated the rent statement to include space for narrative text to convey specific topical messages
- The "In it together" newsletter is well presented and covers a range of useful issues for MHA customers, including financial wellbeing
- We found a clear customer focus amongst managers and officers, in line with the stated corporate values. This was in evidence in the variety and quality of support offered to customers and communities during the Covid-19 pandemic and also during the early stages of the current cost-of-living crisis
- The residents with whom we spoke confirmed that charges are clearly set out in documents such as the annual rent letter and quarterly statements. This view is supported by MHA's customer surveys.

Income collection

- A clear rent and service charge setting policy is in place, aligned with Welsh Government direction. Whilst we evidenced no concerns with regard to rent and service charge setting, readers should note that we have not carried out a detailed audit of this function
- The annual rent change letter and arrears correspondence promote the availability of money advice and support in-house and through external partners
- Customers have a comprehensive range of payment options, including online. Direct Debit (DD) is promoted and MHA operates a fully flexible, paperless DD system, with the IOs able to set up DD's themselves. MHA also accepts recurring card payments

- We understand that service charges have been de-pooled and disaggregated from rent and are set out clearly for tenants
- MHA's policy is for service charges to cover the cost of the service provided. Service charges are variable with adjustments made each year to account for the costs incurred and any variances during the previous twelve months
- The service charges and leasehold officer works hard to achieve this and provided some examples of interventions to reduce costs to the customer. He visits customers regularly to explain their service charges and provide advice on reducing the cost
- Leaseholders are offered help with budgeting and interest-free payment plans for any major works. There appears to be a positive relationship between MHA and its leaseholders.

Arrears management

- A rent plan is in place to drive continuous improvement. The plan reflects positive practice and there is a track record of delivery against planned improvements
- MHA's income policies and procedures incorporate positive practice, with a clear focus on prevention from the start of a tenancy and measures to help people to sustain their tenancy
- The policy and procedure incorporate elements designed to identify and manage risk at an early stage and to reduce the potential for rent arrears and other tenancy breaches
- A specialist income team is in place. In our experience this configuration helps to establish a performance focus on income management and enhances the capacity for effective integration between housing management functions to sustain tenancies
- A specialist officer manages FTA and sundry debts such as repair charges and garage debts. MHA recognises that there is still work to do but the procedures for managing these revenue streams are based on best practice and Voicescape is now being used as part of the FTA process
- MHA's central customer services team can also deal with low-level payment and arrears enquiries and can take payments. However, rent accounts are not routinely checked if a customer calls regarding another matter such as repairs. This is a missed opportunity to engage customers in addressing debt or payment issues
- Regular multi-team meetings take place to discuss performance joint working initiatives and to plan prioritised actions
- Officers told us that they feel valued and supported, with IOs trusted to make decisions regarding case management
- Officers have access to comprehensive training and development opportunities. All housing and communities staff have received training in trauma informed practice
- MHA is keen to support staff wellbeing. Officers can access a wellbeing and counselling service and MHA has made a cost-of-living payment to all staff

- MHA recognises the value of effective pre-tenancy work in identifying risk and ensuring that support is in place for new tenants where appropriate. The aim is to establish a payment culture through promoting the importance of paying rent on time every time. Key positive features of MHA's pre-tenancy work include:
 - Working with MCC to operate a suspensions panel. The panel helps prospective tenants to address any debt that is preventing them from being re-housed, so that they can be “unsuspended” from the waiting list. Solutions include hardship payments and DHP
 - Affordability checks and credit assessments carried out for potential tenants
 - Profiling information is gathered to identify customers who need an enhanced level of service (eg, due to vulnerability) and/or have particular communication needs. Referrals are made to internal support where necessary
 - Benefit claimants are supported to make a new claim or submit change of circumstance documentation to continue an existing claim. MHA's triage approach to UC has proven effective in mitigating the impact of the expansion of the new benefit across the customer base
 - Offering help to access furniture and white goods through local charities, social enterprise partners and recycling centres
 - Introducing pre-tenancy training. This is in the early stages of implementation
 - New tenancies are monitored closely and settling-in visits address any outstanding tenancy or payment issues
 - We were told that MHA operates the highest void standard in Wales.
- The CX housing system, alongside Rentsense provides the core functionality for effective arrears management, based on prioritising accounts requiring intervention. At the time of our assessment, MHA was piloting Mobysoft's Rent Text facility, which is integrated with the Rentsense system
- MHA also uses predictive arrears forecasting to anticipate service demand
- The housing system includes the facility to "flag" accounts with alerts to issues such as vulnerability or specific communication needs. Conditional alerts also warn users of the risk of tenancy failure. Users cannot access the account unless they acknowledge that they have seen the alert
- The income manager carries out quality checks on arrears case management
- Our case reviews found that even before Covid-19 MHA only takes possession action when it is reasonable and proportionate to do so with eviction very much a last resort
- Referrals are made for money advice prior to court action
- Equality impact and vulnerability assessments are carried out prior to legal action taking place
- The income manager carries out a telephone interview with tenants who are scheduled for legal action as an additional attempt to reach resolution

- For routine possession action, income officers present the cases in court. This saves on legal costs, ensures that judges have ready access to someone who is familiar with the policies and procedures, and builds the capacity and confidence of the officers
- Possession claim online (PCOL) is used to manage court cases
- MHA has a positive relationship with local courts and judges. We understand that MHA is usually successful in securing the orders that officers request in court.

Welfare reform and financial wellbeing

- Effective partnerships both internally across teams and with external agencies are critical in maximising rent collection preventing arrears and sustaining tenancies. We found examples of MHA officers and teams working together to support customers including help for those whose livelihoods and wellbeing has been affected by Covid-19 and the cost-of-living crisis
- MHA also has positive partnerships with the Department for Work and Pensions (DWP) partnership manager, local Jobcentre Plus staff and local authority benefits teams
- MHA has a positive relationship with Monmouthshire County Council for the administration and distribution of discretionary housing payments (DHP) and access to the tenancy hardship fund (the equivalent of the household support fund in England)
- Where the tenancy is no longer suitable, MHA works with MCC to provide financial support to help people to move on to more appropriate housing
- MHA's "right size" initiative promotes and supports downsizing to help households move to more affordable property
- MHA held a summit on the emerging cost-of-living crisis and as a result has established a multi-team support group to drive interventions to help households in hardship
- Alongside the specialist income officers customers have access to the Moneywise team, who provide money management and welfare benefit advice
- MHA's wellbeing service is available to provide support for customers and officers. The service offers 24/7 access to confidential telephone support regarding mental health and wellbeing family matters relationships managing debt workplace issues and also rights as a consumer
- MHA is an active member of the Monmouthshire Financial Inclusion Network, Employability Partnership and Alleviating Poverty Group. MHA has also established an internal Inequality and Poverty action group
- Directly and through its partners, MHA has a comprehensive over-arching support offer for those in hardship. This support is likely to prove critical in helping customers, households and communities to navigate through the escalating cost-of-living crisis and includes the following:

- General money and budgeting advice through the Moneywise team. The money advisers are all IMA-accredited
 - Strong partnerships with local Citizens Advice and Stepchange
 - Help to access and manage welfare benefit including UC, HB and making claims for Personal Independence Payments (PIP) and Disability Living Allowance (DLA)
 - Access to MHA's £25k internal hardship fund
 - Support to address digital exclusion and to help people access online services – MHA secured £500k funding to support digital inclusion through the IConnect project
 - Help to secure furniture and white goods
 - Shared resources to provide advice on managing utility bills and access to hardship funds and grants for those in hardship including fuel poverty. MHA has access to the HACT energy fund and is an accredited fuel voucher distributor. At the time of our assessment, MHA had distributed over £5k of energy vouchers
 - Linked to the above, MHA is a partner in the Warm Wales project, which seeks to expand the availability of energy advice and energy management solutions, including rural communities and households that are off grid
 - Support with accessing employment and training opportunities, particularly through the Workwise project.
- MHA has around 1,250 tenants with communal energy and/or heating charges to pay. The service charges and leasehold officer has worked hard to mitigate the impact of energy cost rises on this cohort of customers, some of whom face increases of 400-500%. For example, customers have been supported to move to charges based on actual costs rather than estimates from the utility company. This has helped to reduce costs.

Value for money

- MHA publishes a comprehensive value for money (VfM) statement for residents and other stakeholders
- The VfM statement includes the latest satisfaction ratings across a range of indicators. Based on Welsh Government comparative data, in terms of perceived value for money from rent and service charges, MHA ranks joint 5th out of 35 registered providers in Wales
- MHA participates in numerous national and local forums for sharing best practice, including HQN's specialist Rent Income Excellence Network (RIEN).

6 Quality case reviews

We reviewed 16 rent accounts in detail with MHA's income manager. Some of these were quite complex and reflective of MHA's diligence in seeking to sustain successful tenancies, sometimes in the face of challenging issues.

Case reviews – strengths

Overall, we found MHA's case management to be strong, with the following positive features:

- A supportive, empathetic but persistent approach from MHA officers. As one IO told us, *"I don't think any of us give up"*
- Generally effective pre-tenancy work including a triage assessment of risk and support needs for new tenants alongside effective monitoring during the early stages of the new tenancy
- Payment taken at sign-up in line with MHA's policy
- Effective use of system flags to alert officers to customers who may require an enhanced level of service (eg, due to vulnerability)
- Sensitive support for vulnerable residents including referrals to MHA's specialist colleagues and external partners
- Prompt action to address payment issues in line with documented policies and procedures, including early phone calls and text messages to minimise the risk of arrears escalating
- A focus on using the customer's preferred method of contact. This includes text, email and WhatsApp
- Officers continued to seek contact with customers throughout Covid-19 restrictions to try to resolve any debt issues. We saw some excellent examples of support from MHA, including helping a tenant to access Welsh Government Covid support funding of £3,740
- Clear non-judgemental notes summarising the action taken and any agreement that has been reached
- A clear ethos of sustaining tenancies through proactive advice and support. We found numerous cases where MHA officers had worked diligently to prevent arrears escalating throughout the tenancy and to avoid legal action and possible eviction
- Payment arrangements based on an assessment of affordability
- A balanced approach to the use of direct payments from benefit with swift applications for UC alternative payment arrangements (APAs) where appropriate
- Proactive support to help people to claim for DHP and from other hardship funds and grants
- Effective referrals for money and benefit advice including for new tenants

- Effective joint working between teams and with partner agencies including DWP and local authority benefit teams
- Referrals to the IConnect project to address digital exclusion
- Positive interventions to manage complex and sensitive tenancy issues especially for vulnerable customers and those experiencing hardship. Examples include:
 - Helping a vulnerable tenant with mental health problems to address multiple debts and cope with bereavement. Through the Workwise team, the tenant was supported to set up her own business. As a result of MHA's interventions, arrears of £3,500 have been cleared
 - Supporting a tenant in poor mental and physical health with money advice and help to resolve HB issues
 - Effective liaison with MCC to support a vulnerable tenant and avoid escalation to legal action.
- Compliance with the Ministry of Justice Pre-Action Protocol for Possession Action. Our case reviews showed that court action is only taken as a last resort with persistent efforts to avoid escalation. Where legal action is necessary, MHA continues to seek engagement with the tenant throughout the process, including additional out-of-hours visits
- We reviewed a case that is about to proceed to court. It is clear that MHA has made every effort to avoid this. Such cases are considered by a multi-agency housing intervention panel to explore alternatives to legal action
- We were impressed with a case where MHA requested that, rather than stipulate regular payments, the court set a target payment date under the terms of a suspended possession order. As a result, the debt was cleared in full.

Case reviews – opportunities for improvement

For the cases we reviewed, we found very few weaknesses. We did identify some opportunities for improvement and summarise these below. We suggest that MHA incorporates these observations into its own quality checks:

- Some customers are paying regularly by DD but monthly in arrears rather than in line with the tenancy agreement. We understand that 80% of DD payers are paying in arrears
- In some of the cases we reviewed it is not clear whether payment arrangements have been agreed based on an assessment of income and expenditure. It will be helpful for MHA to run some quality sample checks on payment plans to ensure that they are affordable and realistic
- The suspension of legal action and subsequent delays in securing court dates have had an impact on collection rates and arrears levels. This is not a weakness as such but it would be useful to determine the materiality of this issue on performance

- MHA has not recently explored the potential for incentives and rewards in promoting a payment culture. Although there is not yet a compelling case that such initiatives make a difference to collection and arrears performance, we suggest that exploring and discussing some existing models and options may yield some fresh ideas to drive engagement and encourage payment.

7 Meeting with residents

During our assessment, we held a focus group with customers. Unfortunately, only three were able to meet with us.

Of course, such a small group can hardly be deemed representative of the wider customer base but the group's feedback is interesting in the context of our other findings and MHA may find it useful to dig deeper into the issues raised by this focus group.

The key points from the discussions are presented below:

- Some customers provided examples of their involvement to date including reviewing documents
- They agree that there is scope for further resident involvement in service development and would welcome the opportunity for further involvement
- There was general agreement that account information from MHA is clear and easy to understand and that communication between MHA and its customers is generally good with officers demonstrating an empathetic and supportive tone
- The group highlighted MHA's help and support during the first phase of the Covid-19 pandemic. In particular, they welcomed the welfare calls and suggested that this might be a valuable approach during the cost-of-living crisis
- One customer was particularly positive regarding her personal experience with the Workwise project. This has helped her to qualify as a classroom assistant
- All three customers suggested that MHA could be better at promoting the availability of the full range of financial and digital inclusion support for residents.

8 Confidence and closing remarks

Based on our findings during this review, our confidence levels are high regarding the shape and direction of the service and in terms of continuing improvement to both performance and outcomes for customers.

MHA and its income management service are well-led with a clear direction corporately and at an operational level.

As reported above, we found many strengths and comparatively few weaknesses in MHA's rent income management.

Where we have identified weaknesses and opportunities for improvement, MHA has already captured remedial actions in its strategic and operational plans.

We are confident that completing these actions will drive improvement to collection rates and arrears levels. However, in the face of the current economic situation, it may be necessary for MHA to moderate some performance expectations in the short term

We have some recommendations for MHA which we hope will enhance the service further and which we summarise in the following section.

9 Recommendations

We acknowledge that some of these recommendations are already on MHA's radar since our assessment and initial feedback.

Our assessor will be happy to discuss these further and provide positive practice examples where necessary.

- Review, periodically, HQN's income management toolkits as self-assessment tools to continue to identify further service enhancements
- Develop a financial inclusion/wellbeing strategy to demonstrate and communicate the value of this work to MHA its customers and communities
- As part of the strategy, we suggest that there is scope to report more fully on the positive outcomes including the social value of MHA and partners' work to address financial and digital exclusion
- Update the rent plan to be more specific on target dates for actions
- Complete and publish the planned customer care charter
- Update the performance reporting framework to:
 - Include a wider range of metrics (including current and former tenant collection rates)
 - Add more commentary to performance reports to include the impact of external factors on performance.

We can provide some further ideas and examples if required

- Carry out regular demand analyses to ensure that appropriate resources are available to meet demand. This will be particularly important in respect of the provision of money advice and help with welfare benefit as we anticipate rising demand in light of increasing household costs
- Linked to the above, with rents rising in the context of the cost-of-living crisis, review the level of hardship funding available to residents. In short, is £25k sufficient for the coming year?
- We share MHA's concern regarding the cohort of customers affected by a significant interest in their communal energy/heating charges. Continue to engage with those customers to provide advice and support
- Continue to expand the digital offer to customers including development of the online customer portal. We suggest consulting with customers to identify additional digital services and functionality that they would like to see
- Update the website to include more info, such as:
 - The Renting Homes Act changes which took effect in December 2022
 - Links to sources of advice and support, including short videos on topics such as budgeting and money management
 - We also note that the “tenant tools” link appears to be dead.
- Review the accounts where customers are paying regularly by DD but in arrears with a view to agreeing a revised plan that brings the payments in line with the tenancy agreement thus reducing arrears
- Ensure that rent accounts are checked and any payment/account issues addressed when customers call regarding other issues. We are not advocating refusing to carry out repairs but such calls can be a valuable opportunity to engage the customer in resolving debts
- With MHA officers reporting an increased presentation of mental health issues, carry out a self-assessment of the service against the Money and Mental Health Policy Institute (MMHPI) checklist for social landlords. We are confident that much of the MMHPI recommended practice is already in place at MHA but this will prove a valuable exercise. The checklist is available [here](#)
- MHA has not recently explored the potential for incentives and rewards in promoting a payment culture. Although there is not yet a compelling case that such initiatives make a difference to collection and arrears performance, we suggest that exploring and discussing some existing models and options may yield some fresh ideas to drive engagement and encourage payment.

Appendix A: Assessment against accreditation standards

The table below presents our assessment of MHA for each module.

Module assessment	How is this achieved?
<p>Module one – customers and communities</p> <p>MHA demonstrates a clear customer focus, is responsive to local priorities and is continuously developing effective partnerships with other agencies to design and deliver services.</p> <p>This includes advice and support to establish and sustain successful tenancies.</p> <p>Customers have been involved in reviewing and redesigning the income service and at the time of reporting, MHA is finalising its new customer care charter, which will incorporate further opportunities for customers' voices to be heard</p>	<ul style="list-style-type: none"> • Using research into local context and customer priorities to develop its services • Involving customers in setting clear, challenging standards for its services and monitoring performance against these standards • Engaging residents, staff and partner organisations in service design and scrutiny arrangements • Listening to customers and using formal and informal customer feedback to continuously improve services • Ensuring that services are accessible to all and that people are treated equally and fairly • Using personal contact and customer profiling to shape services and to build an understanding of why tenants get into arrears, those most at risk (including the impact of welfare reform) and debt 'hotspots' • Making useful, relevant and practical information available in different media, formats and community languages • Making offers to help explicit in all communication • Developing effective partnerships: local authorities, advice agencies, social care, health care providers – at both strategic and operational levels • Effectively promoting and publicising the availability of services, including the importance of paying rent, the consequences of non-payment and how to access advice and support.

Module assessment	How is this achieved?
<p>Module two – income collection</p> <p>MHA demonstrates an efficient collection and accounting of rent, service charges and other housing-related income.</p> <p>MHA sets rents in line with Welsh Government guidelines.</p>	<ul style="list-style-type: none"> • Setting rents and other charges in line with government guidelines • Ensuring that rent-setting and other charging policies balance affordability and protection of vulnerable people with income maximisation and business development • Explaining all charges clearly to customers including the potential for under-occupancy and the impact of other welfare reforms on housing costs • Offering a wide choice of payment methods and explaining them clearly to customers • Exploring incentives for good payers and to encourage customers to take up Direct Debit • Setting up rent accounts promptly for new and transferring tenants • Posting payments promptly onto individual accounts.
<p>Module three – arrears management</p> <p>MHA demonstrates effective measures to prevent and recover current tenant debt. We found the case management to be swift, effective and supportive. MHA's focus on tenancy sustainment is clear.</p> <p>The presence of a specialist team enables a sustained focus on arrears prevention and recovery.</p>	<ul style="list-style-type: none"> • Employing a strategic approach, with effective policies and procedures that encourage a payment culture and focus on arrears prevention and tenancy sustainment • Ensuring that income specialists and other housing staff work closely together • Taking prompt, effective recovery action and use clear communication, including personal contact • Making effective use of court action, with eviction as a last resort • Ensuring that vulnerable people and those most at risk of arrears, are supported effectively • Encouraging the customer to make contact if they miss a rent payment or have debt problems.

Module assessment	How is this achieved?
<p>Module four – welfare reform</p> <p>MHA demonstrates effective administration and management of rent accounts where HB or UC are being claimed.</p> <p>The council has positive partnerships with welfare benefit providers and expert advice and support is available through MHA specialists and external partners.</p> <p>With a sharp increase in UC claimants, particularly during the Covid-19 crisis, these services have been critical to supporting households in hardship.</p>	<ul style="list-style-type: none"> • Implementing effective service level agreements and joint working protocols with benefit providers • Helping customers proactively to claim benefit and to challenge overpayment and backdate decisions where appropriate • Promoting benefit awareness, take-up and explain the importance of advising benefit agencies and the housing provider of any changes in circumstances • Actively helping customers to understand the welfare reform programme, including timescales and to manage the potential impact on themselves and their households • Making effective use of UC direct housing payments from DWP, balancing the protection of rental income streams with appropriate support for vulnerable and low-income households • Preparing effectively for the full implementation of welfare reform, with an understanding of the risks and opportunities, a strategy for managing the changes and clear action plans.
<p>Module five – financial wellbeing</p> <p>MHA and its partners demonstrate effective measures to address financial exclusion and to enhance financial well-being in the community. This includes helping customers to maximise their income through money management and welfare benefit advice.</p> <p>MHA's offer is strong and includes practical support with debts, budgeting, reducing energy costs, digital inclusion and help to access training and work opportunities.</p>	<ul style="list-style-type: none"> • Implementing measures to raise awareness and address financial exclusion – provide money management, benefit advice, help to access ethical financial services • Helping customers to access advice and support, including direct referrals of serious or multiple debt problems to independent advice agencies • Establishing and maintaining effective partnerships with other agencies to support the financial wellbeing of customers and communities • Signposting and/or referring customers to sources of support for accessing employment and training opportunities and to address digital exclusion, fuel poverty and other issues affecting financial wellbeing.

Module assessment	How is this achieved?
<p>Module six – value for money</p> <p>MHA applies a robust, strategic focus on achieving effectiveness, efficiency and economy of services.</p> <p>Performance and costs appear to be managed effectively.</p> <p>Factors affecting performance and VfM are understood and included in service improvement plans.</p> <p>We have made some recommendations regarding expanding the performance management framework.</p>	<ul style="list-style-type: none"> • Ensuring that income management links with other strategies such as homelessness prevention, anti-social behaviour, social and financial inclusion • Understanding costs and benefits and deliver overall value for money to customers • Monitoring and managing performance effectively, with strong comparative performance and a clear understanding of what works and what doesn't • Investing in, developing and using resources efficiently, especially information technology and staff • Planning effectively for continuous improvement.

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