

**CITY BOARD
20 JUNE 2013**

ITEM B10

DIRECT DEBIT PILOT

Report of the Acting Chief Executive of Derby Homes.

1. SUMMARY

- 1.1 One element of the Welfare Reform Act sees the introduction of Universal Credit from October 2013. Tenants will gradually migrate from the old Welfare system to Universal Credit. This benefit will be paid monthly or fortnightly in arrears and housing costs will be paid directly to the tenant, who in turn will need to be paying their landlord the rent for that month.
- 1.2 At their meeting on 18 October 2012 the City Board were advised that a direct debit pilot commenced in June 2012 to assess which new tenants had access to bank accounts that supported direct debits so that the rent could be paid by this method. Detail of the pilot were provided for the period 1 June -30 September 2012.
- 1.3 This report updates the City Board on the detail of tenants who have access to bank accounts which facilitate direct debits and who would be able to pay by this method when migrated onto Universal Credit.

2. RECOMMENDATION

- 2.1 To note and comment on the content of this report.

3. MATTER FOR CONSIDERATION

- 3.1 The information contained in this report is from 1 June 2012 – 31 March 2013.
- 3.2 During this period 904 tenancies were signed up across the City.
- 3.3 Of these 821 new tenants have access to a bank account.
- 3.4 Of the 821 tenants who had a bank account 738 supported direct debits.
- 3.5 The tenants whose bank accounts did not support direct debits and those with no bank account have been referred to the Financial Inclusion Team to help them access a basic bank account.
- 3.6 During this period 145 tenants were signed up to pay their rent by direct debit, this equates to 16%.
- 3.7 The main reason given for not signing new tenants to pay by direct debit was that they were in receipt of full Housing Benefit and therefore were not required to pay rent. This however will change as and when these tenants migrate onto Universal Credit between October 2013 and 2017.

- 3.8 It is now standard practise at sign up to collect this data and sign tenants to pay their rent by direct debit where practicable.

The areas listed below have no implications directly arising from this report:

Consultation
Financial and Business Plan
Legal and Confidentiality
Council
Personnel
Environmental
Equalities Impact Assessment
Health & Safety
Risk
Policy Review

If Board Members or others would like to discuss this report ahead of the meeting please contact:

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Background Information: none

Supporting Information: none