

RENT ARREARS AND WELFARE REFORM UPDATE

Report of the Head of Income Management & Advice Services

1. SUMMARY

1.1 This report gives details on:

- End of Year position on rent arrears.
- Detail of Discretionary Housing Payments.
- Welfare Reforms and how we are mitigating the impacts.

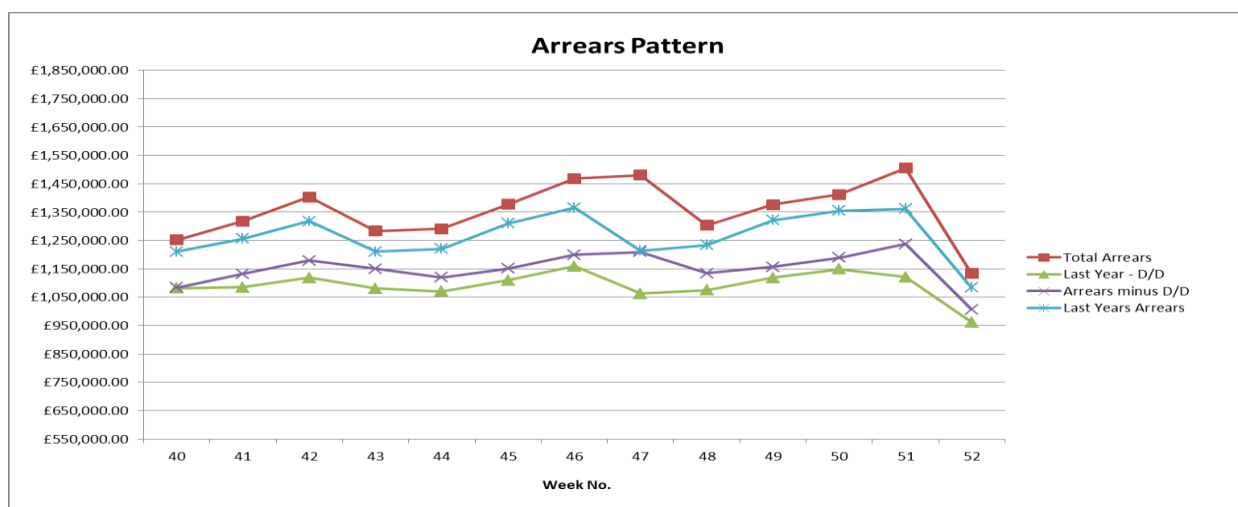
2. RECOMMENDATION

2.1 The Operational Board notes the report.

3. MATTER FOR CONSIDERATION

3.1 Current tenant rent arrears for March (week 52 week ending 3rd April 2016) were £1,133,098 against a target of £1,250,000. We are under of target by **£116,902** and the monthly target status is blue. Considering the external and economic factors this is excellent performance.

3.2 The graph below shows our performance on a weekly basis against last year's arrears levels.



3.3 As at 1 March 2016 there are 1,074 tenants affected by the under occupancy charge and we have helped 256 downsize to avoid the charge.

3.4 As at 1 March 2016 there are 29 tenants who are affected by the Overall Benefit Cap and 22 of these are currently in arrears.

3.5 Below is a table showing where the DHP awards are being granted and amounts obtained. Year to date up to 25.01.16. The year-end figure was not available at the time of writing this report.

Reason for the award	Number of awards	Amount allocated
Benefit cap	4	£3,163.33
Combination of reforms	31	£29,486.94
Disabled	144	£111,472.18
Income taper	8	£4,184.85
Non-dependent deductions	3	£1,513.22
Under occupancy	356	£139,469.96
Totals	546	£289,290.48

3.6 The new Discretionary Housing Benefit policy has now been agreed and tenants are able to apply twice a year for this funding. The first payment will be awarded for a period of six months and the second for a three month period. This means that all tenants affected by the under occupancy charge will have a rent liability for three months of the year.

3.7 The latest analysis of refusals for the award is showing that applications are starting to be declined as tenants are unable to show hardship. The Income Advisors work with tenants who have their applications declined to apply for a review of the decision and pro-actively discuss future options with tenants who have been unsuccessful with their claim.

3.8 Universal Credit

Universal Credit is a new benefit that has started to replace six existing benefits and tax credits with a single monthly payment. Universal Credit will eventually replace:

- Income based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Income Support
- Working Tax Credit
- Child Tax Credit
- Housing Benefit

3.9 Derby went live on 25 January 2016 to single new claims only. As at 23 March 2016 we have 26 Universal Credit cases. The caseload consists of 6 introductory tenancies, 7 tenancies affected by under occupancy, 5 which already have a court order, 4 of which were behind the order at the time they claimed Universal Credit.

3.10 We have applied for

- 7 managed monthly payments of Housing costs direct to Derby Homes, to

date 3 have been authorised and 2 payments have been received by Derby Homes.

- 4 direct deductions, 2 have been authorised and we are awaiting payment.
- 7 DHP's for those also affected by the under-occupancy charge.

3.11 A new structure has been introduced in the Income Team to help mitigate the impacts of Universal Credit and other reforms our tenant's maybe affected by.

3.12 The Head of Income Management and Advice is leading on an organisation project to manage the impact of the reforms for both tenants and the business.

3.13 Officers have established a good working relationship with the DWP and staff at the Job Centre. Shadowing at the Job Centre started on Friday 8 April 2016.

4. **FINANCIAL AND BUSINESS PLAN IMPLICATIONS**

Welfare Reform has a critical impact on Derby Homes' business if rent is not collected. Forecasts for arrears and write offs have been written into the HRA Business Plan and Risk Register

5. **RISK IMPLICATIONS**

As above.

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

Consultation
Legal and Confidentiality
Council
Personnel
Environmental
Equalities Impact Assessment
Health & Safety
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