

RENT ARREARS AND WELFARE REFORM UPDATE

Report of the Managing Director

1. SUMMARY

1.1 This report gives details on:

- Week 42 (w/e 20.01.19) position on rent arrears.
- Detail of Discretionary Housing Payments.
- Welfare Reforms and how we are mitigating the impacts.

2. RECOMMENDATION

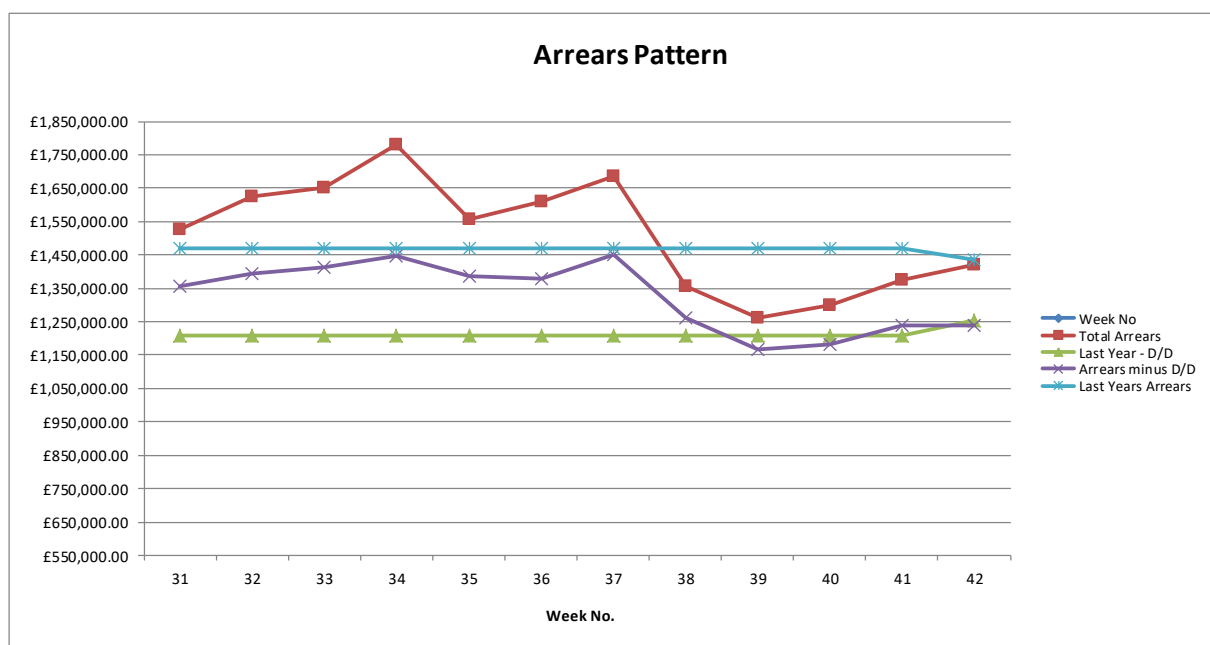
2.1 Operational Board notes the report.

3. REASON(S) FOR RECOMMENDATION

3.1 To ensure the Operational Board is provided with up to date performance on rent arrears and work on welfare reforms to monitor performance within this area of responsibility delegated from the Board of Derby Homes.

4. MATTERS FOR CONSIDERATION

4.1



** There were no figures available for last year's arrears until week 42 due to the implementation of Open Housing. An arrears figure of £1,470,409 was used on the graph for the missing weeks as that was the last known arrears figure before the system went down.

Current tenant rent arrears for week 42 (week ending 20th January 2019) were £1,419,091 and £300,909 lower than the DORIS end of year target figure of £1,720,000.

Current arrears are better than expected levels following the 'Christmas rent free weeks' which produced a reduction of over £450,000 and current arrears as at week 42 were £16,884 less than the same week last year.

- 4.2 As at 1st November 2018 there were 93 tenants affected by the Overall Benefit Cap. The Money Advice Team continues to work with these tenants to help them to manage their money on a reduced income.
- 4.3 We continue to support vulnerable tenants affected by the under-occupancy charge. To date we have applied for 50 Single Discretionary Applications of which 47 have been awarded; 40 have received the award for 12 months and 7 for a six month period.
- 4.4 Below is a table showing where the DHP awards are being granted and amounts obtained for Derby as at January 2019. These figures are sent quarterly from DCC.

Type	Number of awards	Total amount allocated
Benefit Cap	38	£64,717.37
Combination of reforms	7	£6,704.53
Disabled	17	£10,227.77
Income taper	39	£31,543.62
LHA reforms	232	£132,079.38
House move / rent deposit	55	£12,845.16
Non-dependent deduction	7	£2,524.75
Other	26	£11,131.25
Rent restrictions	22	£11,595.02
Under occupancy	426	£201,403.84
Universal Credit housing costs	0	£0.00
Totals	869	£484,772.69

4.5 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

- 4.7 Derby went live on 25 January 2016 to single new claims only. Prior to the full service date of 11th July 2018 we had 183 Universal Credit cases.

Only families with with 2 or less children will be able to claim UC as the DWP software is not yet in place to limit benefit to 2 children. Those with larger families will stay on legacy benefits until the software is in place this is now expected to be sometime during 2019.

- 4.8 Derby Job Centre moved to full service on 11th July 2018. From Monday 16th July Derby Homes staff have co-located at the Job Centre on a daily basis. As part of the evidence gathering exercise the work coaches complete, our tenants are directed to see our staff in order for us to discuss rent payments, advanced payments from the DWP, claim Council Tax Support and Council Tax Hardship, and availability of Local Assistance if required. At this time we are able to verify Housing Costs and apply for APA's digitally for the tenant.
- 4.9 Derby Homes is now a Trusted Partner and had access to the Landlord Portal from 20th June 2018. This allows us to verify tenants' housing costs so that the DWP can pay their Universal Credit entitlement as quickly as possible. We will also have the ability to request APA's through the portal if we think the tenant is unable to pay us themselves.
- 4.10 As at 20th January 2019 we have 924 Universal Credit claimants:
Families – 389
Couples – 49
Singles – 486
- 4.11 The payment dates for APA's and Direct Deductions from the DWP will be sent every 28 days to us via DSS. We have to allow up to 2 weeks for the payment to show on the rent account.
- 4.12 The claims made at the Derby Job Centre will be processed locally at the service centre on Pride Park which will enable more collaborative partnership working going forward. Our partnership remains strong with the DWP and Job Centre with monthly meetings scheduled to discuss co-location and any other issues that arise.
- 4.13 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.

5. OTHER OPTIONS CONSIDERED

- 5.1 Not applicable.

IMPLICATIONS

6. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

- 6.1 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.

7. RISK IMPLICATIONS

- 7.1 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:

Julie Eyre/ Income Manager / 01332 888393 / julie.eyre@derbyhomes.org

Background Information: None

Supporting Information: None

Managing Director	Maria Murphy	05.02.2019
-------------------	--------------	------------