

RENT ARREARS AND WELFARE REFORM UPDATE

Report of the Head of Income Management & Advice Services

1. SUMMARY

1.1 This report gives details on:

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

2. RECOMMENDATION

2.1 Derby Homes Operational Board notes the report.

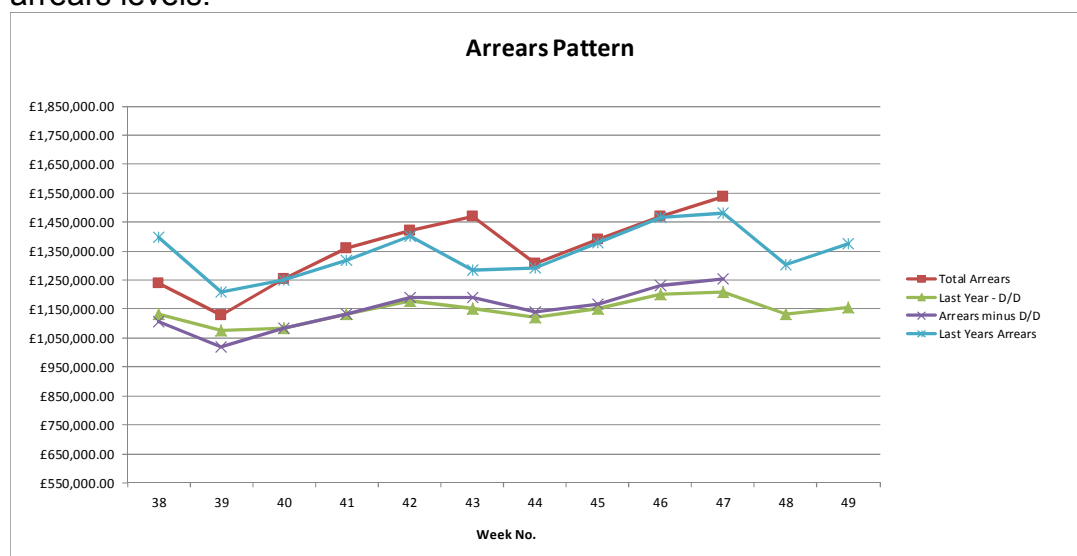
3. REASON(S) FOR RECOMMENDATION

To ensure the Operational Board is provided with up to date position on rent arrears and work on welfare reforms.

4. MATTER FOR CONSIDERATION

4.1 Current tenant rent arrears for February (week 47 ending 26th February 2017) were £1,539,244 against the February target of £1,846,739. We are under the February target by £307,459 and the monthly target status is blue. The current climate continues to be challenging as the effect of welfare reforms begin to increase and affect household incomes.

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



- 4.3 As at 1st March 2017 there are 1024 tenants affected by the under occupancy charge and we have helped 294 downsize to avoid the charge.
- 4.4 As at 1st March 2017 there are 130 tenants who are affected by the Overall Benefit Cap and 115 of these are currently in arrears. Since the lower rate was applied in Derby there is a dedicated Income Advisor working directly with the tenants to help them to budget and applying for Discretionary Housing Payments where appropriate.
- 4.5 Below is a table showing where the DHP awards are being granted and amounts obtained up to 10/01/17.

Type	Number of awards	Amount allocated
Benefit Cap	5	£5,825.61
Combination of Reforms	2	£2,770.85
Disabled	141	£115,819.00
Foster Carer	1	£198.77
Income Taper	16	£14,540.54
Non dependant deductions	3	£1,867.82
Under occupation	360	£174,104.37
UC with Housing costs	9	£2,343.41
LHA		
No Welfare Reform		
Other		
Total	537	£317,470.37

- 4.6 The latest analysis of refusals for the award is showing that applications are starting to be declined as tenants are unable to show hardship, no Housing Benefit in payment or incorrect or/ incomplete form.
- 4.7 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.

Universal Credit

- 4.8 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
- 4.9 Derby went live on 25th January 2016 to single new claims only. As at 27.02.17 we have 150 Universal Credit cases. The caseload consists of 22 introductory tenancies, 33 tenancies affected by under occupancy, 23 which already have a court order at the time they claimed Universal Credit.

- 4.10 We have applied for 74 managed monthly payments of Housing costs direct to Derby Homes, to date 63 have been authorised for payment.
- 4.11 We have applied for 61 direct deductions, 45 have been authorised and we are awaiting payment.
- 4.12 We have applied for 27 DHP's for those also affected by the under-occupancy charge.
- 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.
- 4.14 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.
- 4.15 Officers have established a good working relationship with the DWP and staff at the Job Centre. The Universal Credit Income Recovery Officer now hot- desks at the Becket Street Job Centre each Wednesday.
- 4.16 The current information that we have is that Derby will go onto the digital roll out in April 2018. When Derby goes live 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.

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
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:

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

Background Information: None

Supporting Information: None