

RENT ARREARS AND WELFARE REFORM UPDATE

Report of the Managing Director

1. SUMMARY

1.1 This report gives details on:

- Week 50 (w/e 17.03.19) position on rent arrears.
- Detail of Discretionary Housing Payments('DHP').
- Welfare Reforms and how we are mitigating the impacts.

2. RECOMMENDATION

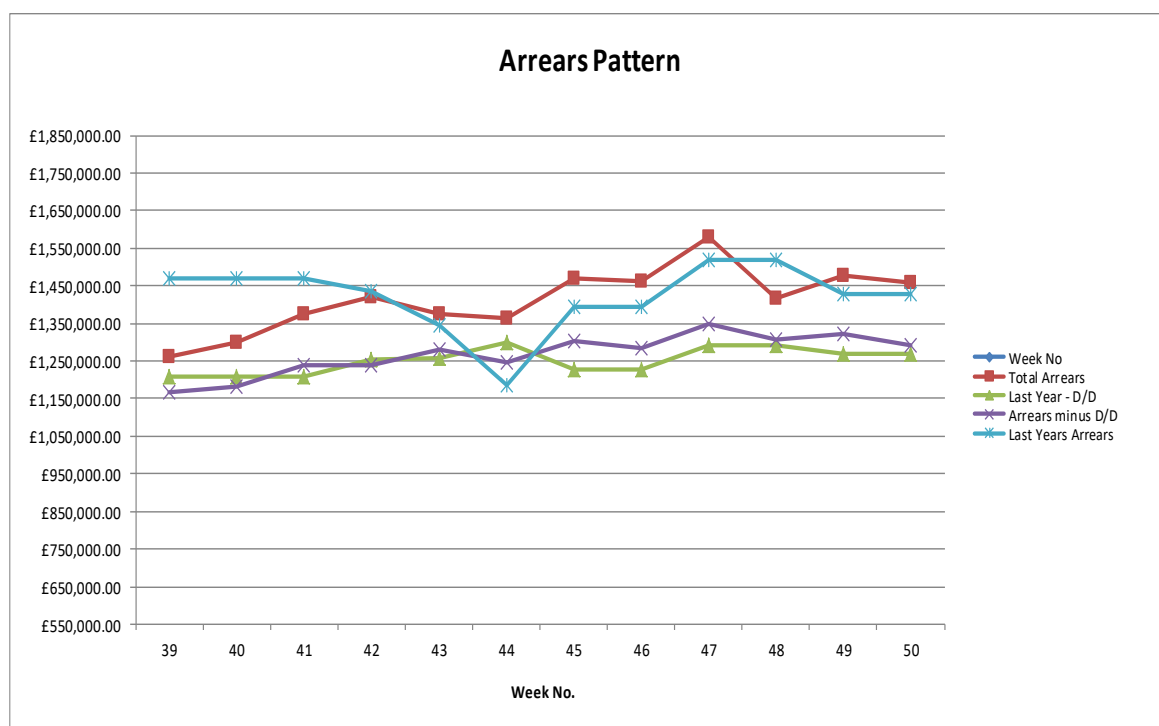
2.1 Operational Board notes the report.

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



- 4.2 Current tenant rent arrears for week 50 (week ending 17th March 2019) were £1,449,386 and £270,614 lower than the DORIS end of year target figure of £1,720,000.
- 4.3 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 50 were just slightly higher by £31,428 than the same week last year. This is excellent considering the additional number of tenants now claiming Universal Credit ('UC').
- 4.4 As at 1st February 2019 there were 87 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.
- 4.5 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.
- 4.6 Below is a table showing where the DHP awards are being granted and amounts obtained for Derby as at end of Dec 2018 (Q3). These figures are sent quarterly from Derby City Council.

Type	Number of awards	Total amount allocated
Benefit Cap	21	£31,772.23
Disabled	65	£57,463.53
House move / rent deposit	8	£1,092.00
Income taper	15	£12,628.59
Non-dependent deduction	4	£1,503.32
Under occupancy	173	£75,110.00
Universal Credit housing costs	6	£2,409.01
Totals	292	£181,978.68

4.7 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

- 4.8 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.

- 4.9 The DWP software has now been upgraded and from February 2019, families with more than 2 children have been able to claim UC.
- 4.10 From 15 May 2019 benefit rules are changing for mixed-age pension couples. In most circumstances this means that both members of a couple will need to have reached State Pension age to be eligible to make a new claim to Pension Credit or Housing Benefit. If your household circumstances change on, or after, 15 May 2019 and 1 partner is below pension age, you may be subject to the new Pension Credit and Housing Benefit rules. Depending on your new circumstances, your entitlement to one or both may end.
- 4.11 The process of moving people who receive the six old style benefits to Universal Credit is known as Managed Migration. Harrogate has been chosen to pilot the Managed Migration of up to 10,000 claimants in July 2019 once regulations have been passed in Parliament. Full Managed Migration for the whole Country is expected to be completed by December 2023.
- 4.12 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 Alternative Payment Arrangement digitally for the tenant.
- 4.13 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.
- 4.14 As at 1st February 2019 we have 975 Universal Credit claimants:
- Families – 512
 - Couples – 56
 - Singles – 407
- 4.15 The payment dates for APA's and Direct Deductions from the DWP will be sent every 28 days to us via DWP. We have to allow up to 2 weeks for the payment to show on the rent account.
- 4.16 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.
- 4.17 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 Collection rates in 2018/19 on current tenant arrears is better than forecasted and budgeted within the Councils HRA Business Plan.
- 6.2 At the time of writing the report the current tenant arrears were (week 50) £1.45m. With one rent free weeks due prior to the end of March, it is possible that the year end current tenants arrears figure will be in the region of £1.25m to £1.35m.
- 6.3 This translates through to the actual arrears levels being around £370,000 to £470,000 lower at year end than forecasted £1.72m.

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:

Jaz Sanghera/ Income Manager / 01332 888459 / jaz.sanghera@derbyhomes.org

Background Information: None

Supporting Information: None

This report has been approved by the following

Managing Director	Maria Murphy	
Director of Housing Services	Clare Mehrbani	28.03.2019
Finance Director/Derby Homes Accountant	Michael Kirk	27.03.2019
Company Solicitor	Taran Lalria	27.03.2019