

## **RENT ARREARS AND WELFARE REFORM UPDATE**

Report of the Head of Income Management & Advice Services

### **1. SUMMARY**

1.1 This report gives details on:

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

### **2. RECOMMENDATION**

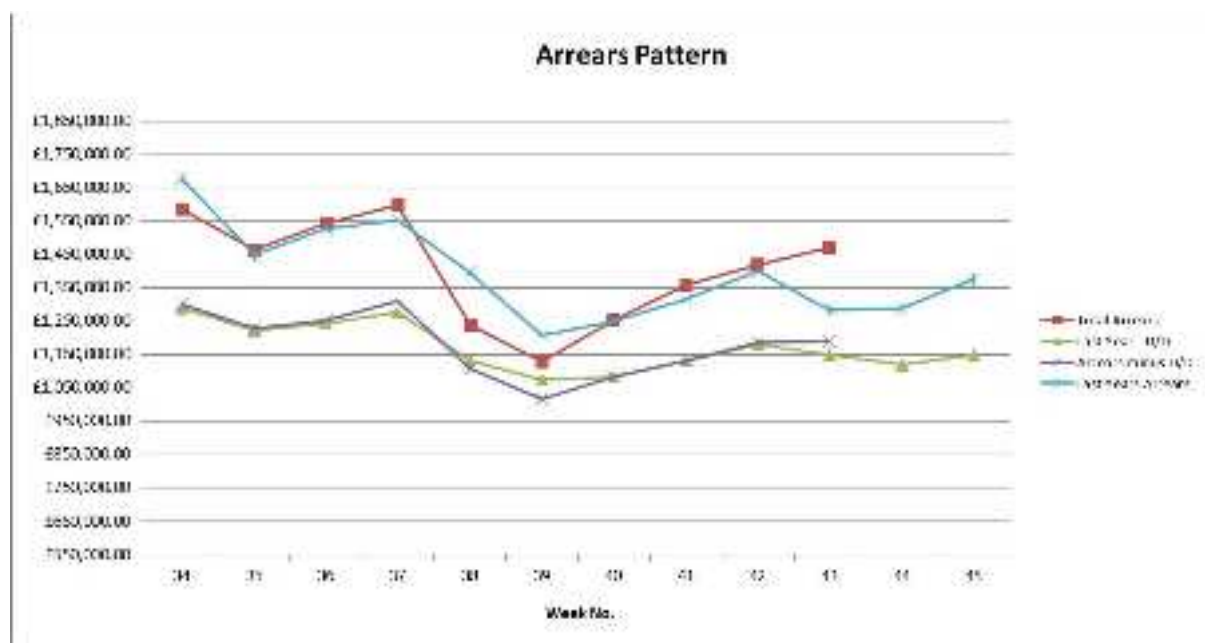
2.1 Derby Homes Operational Board notes the report and agrees to continue receiving further update reports.

### **3. REASON(S) FOR RECOMMENDATION**

3.1 To ensure the Operational Board are 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 January (week 43 ending 29 January 2017) were £1,471,181 against the January target of £1,650,239. We are under the January target by £179,058 and the monthly target status is blue. When compared with the end of year target of £1,500,000 the current arrears are £28,819 under the end of year target figure. Current arrears continue to be managed despite the influence of external and economic factors which make the task more challenging.
- 4.2 The graph below shows our performance on a weekly basis against last year's arrears levels.



- 4.3 As at 1 January 2017 there are 1033 tenants affected by the under occupancy charge and we have helped 279 downsize to avoid the charge.
- 4.4 As at 1 January 2017 there are 120 tenants who are affected by the Overall Benefit Cap and 49 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 apply 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
<b>Benefit Cap</b>	<b>5</b>	<b>£5,825.61</b>
<b>Combination of Reforms</b>	<b>2</b>	<b>£2,770.85</b>
<b>Disabled</b>	<b>141</b>	<b>£115,819</b>
<b>Foster Carer</b>	<b>1</b>	<b>£198.77</b>
<b>Income Taper</b>	<b>16</b>	<b>£14,540.54</b>
<b>Non dependant deductions</b>	<b>3</b>	<b>£1,867.82</b>
<b>Under occupation</b>	<b>360</b>	<b>£174,104.37</b>
<b>UC with Housing costs</b>	<b>9</b>	<b>£2,343.41</b>
<b>LHA</b>		
<b>No Welfare Reform</b>		
<b>Other</b>		
<b>Total</b>	<b>537</b>	<b>£317,470.37</b>

- 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.
- 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 25 January 2016 to single new claims only. At 31 December 2016 we had 122 Universal Credit cases. The caseload consists of 18 introductory tenancies, 21 tenancies affected by under occupancy, 20 which already have a court order at the time they claimed Universal Credit.
- 4.10 We have applied for 68 managed monthly payments of Housing costs direct to Derby Homes, to date 62 have been authorised for payment.
- 4.11 We have applied for 49 direct deductions, 38 have been authorised and we are awaiting payment.
- 4.12 We have applied for 18 DHPs 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.

## **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.

### **8. RISK IMPLICATIONS**

- 8.1 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](mailto:julie.eyre@derbyhomes.org)

Background Information: None  
Supporting Information: None