

RENT ARREARS AND WELFARE REFORM UPDATE

Report of the Head of Income Management & Advice Services

1. SUMMARY

1.1 This report gives details on:

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

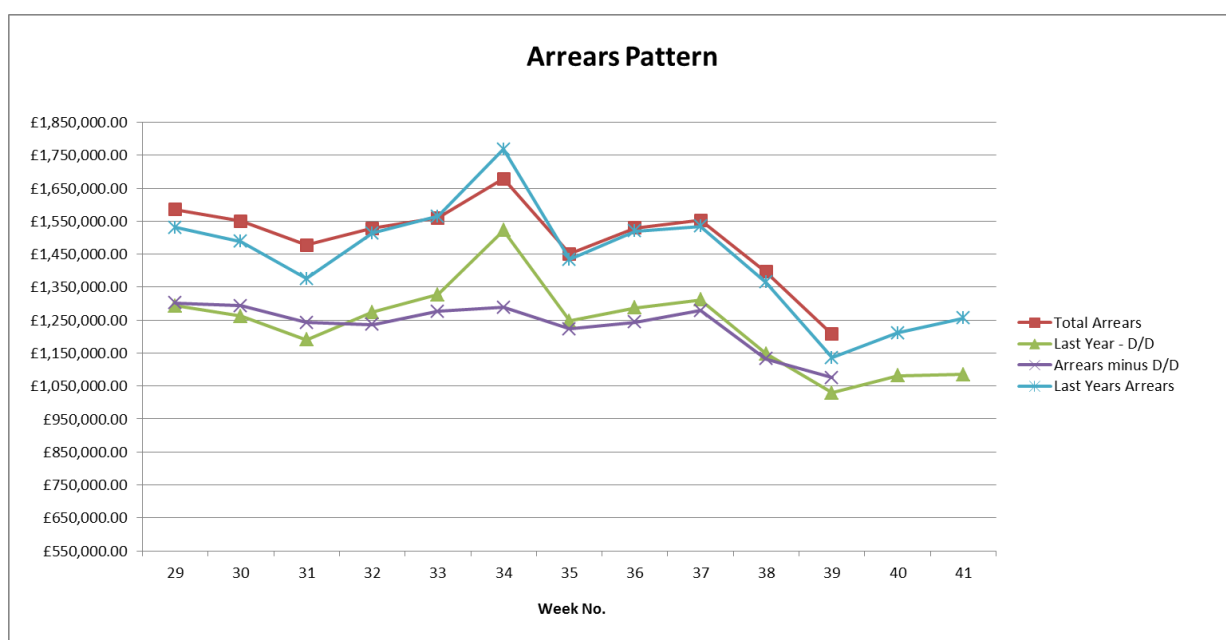
2. RECOMMENDATION

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

3. MATTER FOR CONSIDERATION

3.1 Current tenant rent arrears for December (week 39 week ending 3rd January 2016) were £1,207.019 against a target of £1,317.000. We are ahead of target by **£109,981** 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 December 2015 there are 1107 tenants affected by the under occupancy charge and we have helped 249 downsize to avoid the charge. Targeted work continues to support tenants with options.
- 3.4 As at 1 December 2015 there are 38 tenants who are affected by the Overall Benefit Cap and 25 of these are currently in arrears. Targeted work is on-going to support these tenants with money advice.
- 3.5 Below is a table showing where the DHP awards are being granted and amounts obtained. Year to date up to 25 January 2016.

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 in 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. Targetted work is being undertaken to support these tenants with options, money advice.
- 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.
- 3.8 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.
- 3.9 **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

- 3.10 Derby went live on 25 January 2016 to single new claims only. At the time of writing this report Derby Homes had no tenants claiming Universal Credit.
- 3.11 Training has been provided by the Department of Work and Pensions to all frontline staff.
- 3.12 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.
- 3.13 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. 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