

CITY BOARD
18 OCTOBER 2012

ITEM B7

DIRECT DEBIT PILOT

Report of the Director of Housing and Customer Services

1. SUMMARY

- 1.1 The City Board were updated on the Welfare Reform Act at their meeting on 18 April 2012.
- 1.2 One element of the act sees the introduction of Universal Credit from October 2013. Tenants will gradually migrate from the old welfare system to Universal Credit, this benefit will be paid monthly or fortnightly in arrears and housing costs will be paid directly to the tenant, who in turn will need to be paying their landlord the rent for that month.
- 1.3 The City Board were advised that a pilot was due to start in June 2012 to assess which new tenants had access to bank accounts that supported direct debits so the rent can be paid by direct debit.

2. RECOMMENDATION

To note and comment on the content of this report.

3. MATTER FOR CONSIDERATION

- 3.1 The information contained in this report is from 1 June – 30 September 2012.
- 3.2 During this period 442 tenancies were signed up across the city.
- 3.3 Of these 398 new tenants have access to a bank account. 40 did not have access to a bank account and 4 were having their rent paid for by Social Services.
- 3.4 Of the 398 tenants who had a bank account 337 supported direct debits.
- 3.5 The tenants whose bank accounts did not support direct debits and those with no bank account have been referred to the Financial Inclusion Team to help them access a basic bank account.
- 3.6 During this period 80 tenants were signed up to pay their rent by direct debit, this equates to 18%.
- 3.7 The main reason given for not signing new tenants to pay by direct debit was that they were in receipt of full Housing Benefit and therefore were not required to pay rent. This however will change as and when these tenants migrate onto Universal Credit between October 2013 and 2017.

3.8 The pilot has now become standard practise at sign up.

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:

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Background Information: none

Supporting Information: none