

RENT ARREARS AND WELFARE REFORM UPDATE

Report of the Head of Operations

1. SUMMARY

1.1 This report gives details on:

- Week 30 (w/e 28.10.18) position on rent arrears.
- Detail of Discretionary Housing Payments.
- Welfare Reforms and how we are mitigating the impacts.

2. RECOMMENDATION

2.1 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 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. MATTER FOR CONSIDERATION

- 4.1 Current tenant rent arrears for week 30 (week ending 28th October 2018) were £1,592,449 and £358,159 lower than the DORIS target figure of £1,950,608. Current arrears are continuing to rise as expected taking into account historic trends where arrears rise at the start of the financial year and continue to rise until QTR 3. Universal Credit cases are beginning to contribute to the increase in rent arrears, but the increase appears to be less than expected which suggests the mitigation work being done by the Welfare Reform Team is helping to reduce the expected increase.
- 4.2 As at 11th October 2018 there are 97 tenants affected by the Overall Benefit Cap. The Money Advice Team continue to work with these tenants to help them to manage their money on a reduced income.
- 4.3 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.
- 4.4 Below is a table showing where the DHP awards are being granted and amounts obtained up to 30th September 2018. These figures are sent quarterly from DCC.

Type	Number of awards	Total amount allocated
Benefit Cap	12	£23,582.34
Disabled	59	£53,167.79
House move / rent deposit	3	£347.66
Income taper	9	£7,314.45
Non-dependent deduction	4	£1,398.95
Under occupancy	118	£56,094.12
Universal Credit housing costs	6	£2,409.01
Totals	211	£144,314.32

4.5 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

- 4.7 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. When Derby move to full service these claimants will have to reapply for the benefit to be paid under the full service rules. The transition is now completed with all claims moved over to full service.

Only families 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 this is now expected to be early 2019.

- 4.8 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 APA's digitally for the tenant.
- 4.9 Derby Homes are now a Trusted Partner and have access to the Landlod Portal from 20th June 2018. This allows us to verify tenants housing costs so that the DWP can pay them 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.
- 4.10 As at 19th November 2018 we have 705 Universal Credit claimants:
Families – 299
Couples – 30
Singles – 376

- 4.11 The payment dates for APA's & Direct Deductions from the DWP will be sent **every 28 days** to us via DSS.
- 4.12 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.

- 4.13 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.

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 (Welfare Reform) / 01332 888393/ Email julie.eyre@derby.gcsx.gov.uk

Background Information: None

Supporting Information: None

This report has been approved by the following officers:

Head of Service (Operational Board reports) Managing Director	Clare Mehrbani Maria Murphy	22/11/18
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