

RENT ARREARS AND WELFARE REFORM UPDATE

Report of the Head of Operations (Income Management & Customer Service)

1. SUMMARY

- 1.1 This report gives details on:
- Week 22 (w/e 02.09.18) 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. MATTERS FOR CONSIDERATION

- 4.1 Current tenant rent arrears for week 22 (week ending 2nd September 2018) were £1,476,891 and £17,762 lower than the DORIS target figure of £1,494,653. Current arrears are around the expected levels taking into account historic trends where arrears rise at the start of the year. It is expected that they will continue to rise as more tenants receive Universal Credit.
- 4.2 As at 1st August there are 102 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.
- 4.3 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 27th July 2018. These figures are sent quarterly from DCC.

Type	Number of awards	Total amount allocated
Benefit Cap	5	£14,051.96
Disabled	46	£40,630.42
House move / rent deposit	1	£150.00
Income taper	6	£5,805.67
Non-dependent deduction	2	£859.04
Under occupancy	78	£34,875.34
Universal Credit housing costs	6	£2,409.01
Totals	144	£98,781.44

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 moves to full service these claimants will have to reapply for the benefit to be paid under the full service rules. The work coaches will guide the claimants through this process and the internal transition team will ensure the claim is moved across seamlessly so that the payments and alternative payment arrangements (APA'S) in place are not affected.

We have now received notification from the DWP that these tenants will transition between the 19th September and 14th November 2018.

Only families with 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 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.

- 4.10 As at 10th September 2018 we have 457 Universal Credit claimants:
Families – 162
Couples – 20
Singles – 275
- 4.11 The payment dates for APA's and Direct Deductions from the DWP will be sent **every 28 days** to us via DSS. We have to allow up to 2 weeks for the payment to show on the rent account. The last payment schedule was sent by the DWP on 28 August 2018. The next schedule will be sent on 25 September 2018 and then 23 October 2018 and every 28 days thereafter, equating to 13 payments per year.
- 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.

he 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

