

RENT ARREARS AND WELFARE REFORM UPDATE

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

1. SUMMARY

1.1 This report gives details on:

- Week 28 (w/e 15.10.17) 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.

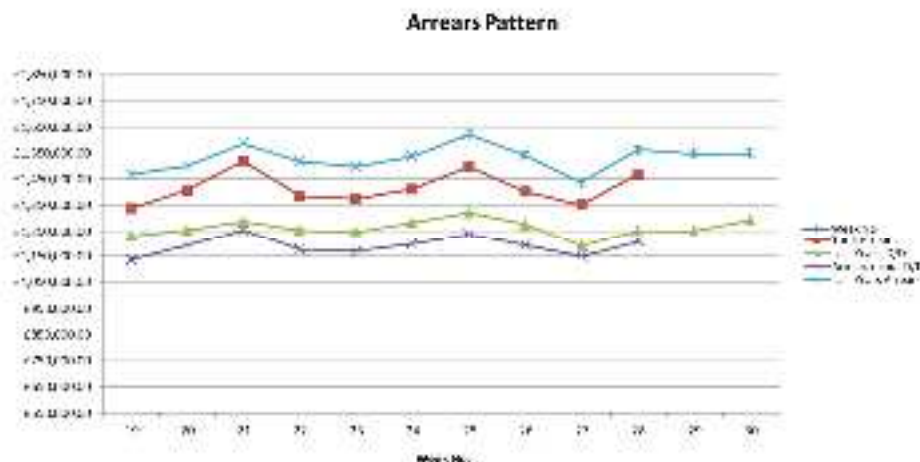
3. REASON(S) FOR RECOMMENDATION

3.1 To ensure the Operational Board 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 28 (week ending 15th October) were £1,470,409. The DORIS target for the end of September was £1758.394 and is £1766.116 for the end of October. The status is blue.

4.2 The graph below shows our performance on a weekly basis against last year's arrears levels.



- 4.3 The information for tenants affected by the spare room subsidy as at 1st October is unavailable at the time of writing this report.
- 4.4 As at 1st October 2017 there are 125 tenants who are affected by the Overall Benefit Cap and 88 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 applying for Discretionary Housing Payments where appropriate.
- 4.5 All tenants who are subject to the cap have been contacted by the Money Advice Team to discuss budgeting and money management of the lower income they receive.
- 4.6 Below is a table showing where the DHP awards are being granted and amounts obtained up to 30th September 2017. These figures are sent quarterly from DCC.

Type	Number of awards	Amount allocated
Benefit Cap	41	£51,281.02
Combination of Reforms	2	£2,896.67
Disabled	29	£23,213.55
Foster Carer	0	£0
Income Taper	5	£2,814.50
Non dependant deductions	1	£416.78
Under occupation	159	£65,830.09
UC with Housing costs	22	£6,593.07
LHA		
No Welfare Reform		
Other		
Total	259	£153,045.68

- 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 25th January 2016 to single new claims only. As at week 28 (w/e 15.10.17) we have 185 Universal Credit cases. The caseload consists of 22 introductory tenancies, 45 tenancies affected by under occupancy, 25 which already have a court order at the time they claimed Universal Credit.

- 4.10 We have applied for 94 managed monthly payments of Housing costs direct to Derby Homes, to date 83 have been authorised for payment.
- 4.11 We have applied for 77 direct deductions, 60 have been authorised and we are awaiting payment.
- 4.12 We have applied for 38 DHP's 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 Operations (Income Management & Customer Services) 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. Appointments for the Income Recovery Officer to attend the job centre have recently ceased. This has been raised with the Job Centre Manager and Partnership Manager and we are awaiting an update from them as to a way forward in the future.
- 4.16 The current information that we have is that Derby will go onto the digital roll out in April 2018. When Derby goes live 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.
- 4.17 The Income Recovery Officers managing UC cases were scheduled to shadow officers at Solihull Housing during November. This has been put back due to resourcing issues at Solihull and it is anticipated the visit will take place during December. Solihull went onto full service in July this year and also work with Open Housing, so it is expected that this will be a very informative visit.

5. OTHER OPTIONS CONSIDERED

- 5.1 No 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
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