

Committee:	Housing Board	Agenda Item 5
Date:	4 November 2013	
Title:	Welfare Reform Update	
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Summary

1. This report is to brief members on figures for the first two quarters of 2013/14 showing the number of tenants affected by the spare room subsidy and how this is impacting on the level of rent arrears.

Recommendations

2. That the Housing Board notes this report

Financial Implications

3. None

Background Papers

4. None

Impact

- 5.

Communication/Consultation	N/A
Community Safety	N/A
Equalities	N/A
Health and Safety	N/A
Human Rights/Legal Implications	N/A
Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	N/A

Situation

6.

	Quarter 1	Quarter 2
Number of tenants affected by spare room subsidy	158	153
Number of above tenants in arrears	97	117
Average value of arrears	£387.93	£320.49
Number of tenants on discretionary Housing Benefit	29	15
Number of tenants subject to benefit cap	0	1
Number of downsizing grants paid	10	10

Nb snapshot of data as at end of quarter

7. The above table shows the number of tenants affected by the spare room subsidy and benefit cap for this financial year.
8. All tenants affected by the spare room subsidy were contacted to make sure they understood their options and the majority at that stage showed a reluctance to consider moving but would rather pay the shortfall and remain in their home. Officers have helped other tenants to apply for discretionary housing payments where they are either actively trying to move or have only a short period of time where they will be affected by the subsidy.
9. An extra officer in the rents department has been employed to specifically work with tenants to ensure they are maximising their income and making realistic decisions about their outgoings. Housing Officers have also been working with tenants to minimise those going into arrears.
10. The majority of the tenants in the table above were already in rent arrears before the subsidy and cap were implemented and the level of their arrears has not significantly increased. The number in arrears in the second quarter is showing an increase only because of the delay in receiving payments for discretionary housing benefit from the benefits department.
11. The normal arrears policies are being followed for all these tenants but we are trying to avoid court action with those that are working with the rents officer to address their arrears. We have to date only been to court for tenants affected by the subsidy where they already had significant arrears and have not been engaging with the council to reduce them. In these cases judges have granted suspended possession orders.
12. With the work that the housing department has been doing with its tenants, the overall level of tenant's rent arrears has, to date, not significantly increased since the introduction of the spare room subsidy and the benefit cap. It is anticipated that the widespread introduction of universal credit is likely to have to have a much greater impact on tenant's arrears if not carefully managed.

Risk Analysis

13.

Risk	Likelihood	Impact	Mitigating actions
2. Increase in rent arrears	2. Some risk - the longer tenants have a shortfall between their rent and their housing benefit the more likely it is that they will not continue to make up that shortfall	2. HRA spending would need to be adjusted if there was any continuing decrease in revenues	Monitoring closely the level of rent arrears and proactively working with tenants to help them manage their rent accounts. Revised arrears policy to ensure action is taken sooner if a tenant starts to fall into arrears

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.