

 <p>Northwards Housing North Manchester's Council Homes</p>		Report to: Northwards Housing Board 27 January 2015		Item No: <h1>8a</h1>	
Title:		Welfare Reform Update			
Date:		19 January 2015			
Author:		Tracy Langton		Tel No:	720 5886
E mail:		Tracy.langton@northwardshousing.co.uk			
Confidential:		No			
For: (Please tick action required)		NOTING ✓		DISCUSSION	
				APPROVAL	
PURPOSE OF REPORT					
To provide headline figures on performance, and to outline actions being taken to mitigate the impact of Welfare Reform on Northwards tenants.					
RECOMMENDATION					
The Board is asked to note the update.					
IMPLICATIONS					
Risk Management		RR-07e Failure to prepare and mitigate any negative impact as a result of the government's Welfare Reform legislation			
Regulatory & legal compliance		Northwards must ensure that the risks to delivery of financial plans are identified and effectively managed.			

Consultation/Consideration:

	Yes, No or N/A:	Name:	Date:
Sub-Committee:	N/A		
Area Panel:	N/A		
Task Groups:	N/A		
Ward Councillors:	N/A		

Northwards Housing Welfare Reform Headline Figures January 2015 (Q3 stats provided)	
	As at end Q3 2014
Total amount of rent arrears (<i>all arrears cases</i>)	£2,293,224.49
Total number of arrears cases	5765
Value of additional arrears since “bedroom tax” was introduced to end Q3 December 2014	£549,663.67
The rent collection from under occupied properties at end Q3 December 2014	97%
Numbers of under-occupying tenants requesting rehousing	163
Number of under-occupying tenants who have been rehoused up to end Q3	47 (with 7 offers outstanding)
Total value of DHP (in cash terms for Q1, 2 and 3)	£256,079

The main source of revenue loss is due to the fall in Housing Benefit income stands at around 4% loss compared to the same period last year.

End Q3 rent collection end of year stats 98.7% which is above expectation by 7%. This is an achievement given the loss in income from bedroom tax shortfall, the onset of Universal Credit with circa 61 cases.

Of note last time was the increase in legal fees which have seen the cost of possession proceedings go from £100 to issue to £250. This will invariably impact on our legal budget and has been flagged with MCC as a risk and could potentially more than double legal fees. The budget for all legal action was £60K 2013/2014

This year to the end of Q3 we have spent circa £53K on legal fees.

Universal Credit

61 cases to date.

Rent is the largest source of income for almost all social housing providers and collecting the rent at the lowest possible cost to the business is a top priority for most landlords. The roll out of Universal Credit poses a significant challenge in this area for Northwards.

With the onset of Universal Credit at Northwards from the 22 September 2014, we have established close links with the DWP Partnership Manager in the two job centre areas that provide a service to Northwards' tenants. These are job centres at Cheetham Hill and Newton Heath.

Universal Credit merges the main six benefits including housing benefits and is payable to the tenant monthly in arrears. The first group of tenants to transfer is those in the category of single and couple job seekers with non-complex needs.

To date we now have 61 cases. Of the cases to date all with the exception of two have pre-existing rents arrears with a cumulative total of over £18,000.

A more in depth study of the rent collection rates amongst this group is currently being undertaken to study the payment patterns of those on UC over a month.

Staff have received in depth training on how to calculate UC claims and there is more to follow.

An end to HB direct to the landlord. Will see an increase in transaction costs, increased legal costs and from what we can gauge this far significant staff time and effort in administering and understanding the new processes.