Residential Rent Arrears Policy

May 2015

Aisling Sims

Summary description of the proposed change

- What is the change to policy/service/new project that is being proposed?
- How does it compare with the current situation?

The Welfare Reform Act became law in March 2012 and introduced a number of major changes to the way people receive housing and other welfare benefits.

The introduction of Universal Credit due in late 2015 will replace most existing benefits and also limit the total amount a household can claim.

The Act also brought in the new ‘size criteria’. Since April 2013, the housing benefit for working age households has been cut if they are thought to be under occupying their property.

For these reasons it is proposed to amend the current Residential Rent Arrears Policy to reflect these changes and permanently adopt the increased level of support and the provision of a dedicated Welfare Reform Team to help prevent tenants falling into arrears.

Summary of evidence used to support this assessment

- Eg: Feedback from consultation, performance information, service user records etc.
- Eg: Comparison of service user profile with Medway Community Profile

As of 31st March 2014 tenant rent arrears stood at £236,803.

The introduction of the Welfare Reform Team and the related support provided to tenants has shown to be highly successful over the past 2 years.

Between April 2013 and March 2015 the number of households affected by the size criteria from fell from 292 to 210. This was done by facilitating moves to more appropriate properties and helping customers to gain employment.

During the year 2013/14 the team supported tenants to receive £50,725.16 worth of discretionary housing payments and assisted residents to claim backdated Housing Benefit totaling £52,783.40.
Over the past year 2014/15 the team continued this support and helped tenants to claim £41,644.60 of discretionary housing payments and £68,356.87 of backdated Housing Benefit payments. With the increase of support given to residents the number of evictions have decreased from 13 during 2013/14 to 10 in 2014/15.

Currently, Housing Services are in the top quartile for income collection and are in the medium quartile for the total of arrears in comparison with similar sized organisations.

3 What is the likely impact of the proposed change?
Is it likely to:
- Adversely impact on one or more of the protected characteristic groups?
- Advance equality of opportunity for one or more of the protected characteristic groups?
- Foster good relations between people who share a protected characteristic and those who don’t?

<table>
<thead>
<tr>
<th>Protected characteristic groups</th>
<th>Adverse impact</th>
<th>Advance equality</th>
<th>Foster good relations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>✔</td>
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<tr>
<td>Disability</td>
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<td>Gender reassignment</td>
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<td>Marriage/civil partnership</td>
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<td>Pregnancy/maternity</td>
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<td>Race</td>
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<td>Religion/belief</td>
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<tr>
<td>Sex</td>
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<tr>
<td>Sexual orientation</td>
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<tr>
<td>Low income groups</td>
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</table>

4 Summary of the likely impacts
- Who will be affected?
- How will they be affected?

The proposed changes to the Residential Rent Arrears Policy will only serve
Diversity impact assessment

to advance equality, by offering greater support to those who do or are likely to fall into rent arrears. Access to support from the team will be available to all Medway Council tenants and contact details/information will be advertised in various ways including leaflets, Housing Matters, in letters.

No adverse impacts have currently been identified through internal consultation and the proposed changes will be consulted at the Tenancy Services Forum and any adverse impacts identified through this will trigger a review of the DIA and where appropriate mitigating actions will be built into the policy.

5 What actions can be taken to mitigate likely adverse impacts, improve equality of opportunity or foster good relations?
- Are there alternative providers?
- What alternative ways can the Council provide the service?
- Can demand for services be managed differently?

The introduction of the Welfare Reform Team to closely work with vulnerable tenants in arrears will help negate the impact of the enforcement side of the policy on vulnerable groups, by supporting them to resolve any financial issues they have.

Improvements to the sign up process that identify potentially vulnerable customers will prevent them from falling into rent arrears at the earliest stage.

6 Action plan
- Actions to mitigate adverse impact, improve equality of opportunity or foster good relations and/or obtain new evidence

<table>
<thead>
<tr>
<th>Action</th>
<th>Lead</th>
<th>Deadline or review date</th>
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</thead>
<tbody>
<tr>
<td>Consult on changes with residents through resident engagement mechanisms</td>
<td>Income Manager</td>
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<tr>
<td>To improve the equality of opportunity, Housing Services must develop a more comprehensive sign up process to prevent arrears at the beginning of a tenancy.</td>
<td>Income Manager</td>
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<tr>
<td>To improve the equality of opportunity Housing Services must progress projects to both increase the employability of lower income and benefit dependent households and enable digitally excluded households accessing online services.</td>
<td>Policy and Business Development Manager</td>
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</tbody>
</table>

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7 Recommendation
The recommendation by the lead officer should be stated below. This may be:
- to proceed with the change implementing action plan if appropriate
- consider alternatives
- gather further evidence
If the recommendation is to proceed with the change and there are no actions that can be taken to mitigate likely adverse impact, it is important to state why.

Housing services recommend proceeding with the change and implementing the action plan.

8 Authorisation
The authorising officer is consenting that:
- the recommendation can be implemented
- sufficient evidence has been obtained and appropriate mitigation is planned
- the Action Plan will be incorporated into service plan and monitored

Assistant Director
Stephen Gaimster

Date
8 June 2015

Contact your Performance and Intelligence hub for advice on completing this assessment
RCC: phone 2443 email: annamarle.lawrence@medway.gov.uk
C&A: phone 1031 email: paul.clarke@medway.gov.uk
BSD: phone 2472 or 1490 email: corps@medway.gov.uk
PH: phone 2636 email: david.whiting@medway.gov.uk
Send completed assessment to the Corporate Performance & Intelligence Hub (CPI) for web publication

March 2014