



**NORTHAMPTON**  
BOROUGH COUNCIL

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### **OVERVIEW AND SCRUTINY COMMITTEE**

**9<sup>th</sup> September 2013**

#### **BRIEFING NOTE: Rent Collection and Welfare Reform**

## **1 INTRODUCTION**

- 1.1 Committee requested at a previous meeting that a report be presented to the September O&S detailing progress on issues around rent collection and the impact of legislation changes as a result of welfare reform.

## **2 UPDATE**

1. RENT ARREARS- As at the end of July 2013 total rent arrears were slightly higher than at the same time in 2012, but when consideration is given to the increase in rent debit the position is slightly improved when compared to 2012 with the arrears as a % of the rent debit being 3.4% as opposed to 3.52% at the end of July 2012.
2. There has though been a noticeable increase in Officer activity to ensure that the current position is maintained and structural changes to deal with this are proposed in the Housing restructure which will be implemented during the month of September
3. An indication of the increased activity is illustrated by the fact that 675 notices of Seeking Possessions have been served between April and July 2013 as opposed to 273 during the same period in 2012.
4. There has also been an increase in the number of arrears cases submitted for a court hearing with 84 cases submitted during 2013 as opposed to 47 during the same period in 2012, this is further reflected in the increase of evictions during the period up from 17 in 2012 to 24 in 2013
5. WELFARE REFORM- The two significant changes in legislation that have impacted on NBC are the Under Occupancy charge whereby tenants lose benefit for any bedrooms that they are deemed not to have a use for and Benefit Capping whereby tenants are limited to the amount of benefit they are entitled to.
6. NBC has been proactive in dealing with these issues and has employed three members of staff within landlord services to deal with them, two of these officers are employed as visiting officers and they contact all affected tenants to offer advice and assistance in relation to the welfare reform changes
7. In relation to UNDER OCCUPANCY 85 tenants have moved to a smaller property to avoid any future charges, 19 have moved by way of a mutual exchange for the same reason and a further 138 have indicated a wish to

move and are registered and eligible for priority bidding under the Choice based letting schemes

8. From September we will be employing 2 Mutual Exchange Officers to assist tenants in moving to properties of a size that will not attract under occupancy charges
9. At present any tenants moving for reasons of Under Occupancy are given financial assistance to help meet any moving costs associated with moving to a new property
10. In addition a significant number of the remainder of affected tenants have indicated that they wish to remain in the property and pay the extra charge, currently some 291 are doing this and have no arrears on their account.
11. There are however 450 tenants who to date have not registered for a move and we continue to monitor these cases closely and to date have served 144 NSPs due to the tenant not making payments nor registering for a move.
12. BENEFIT CAPPING – this began to be introduced in Northampton on 15<sup>th</sup> July 2013 and we are being informed by the DWP of each case as and when they identify them and they have undertaken to inform us of all such cases by the end of September this year.
13. To date we have been informed of 10 cases by the DWP but our own records indicate that we will have 26 such cases and we have spoken to each of the 26 affected tenants to explain the implications of the changes and the requirement to pay any shortfall in rent as a result of the changes.

### **3 RECOMMENDATION**

- 3.1 **That the Committee note the content of this report**

### **4. BACKGROUND PAPERS**

- 4.1 None

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