

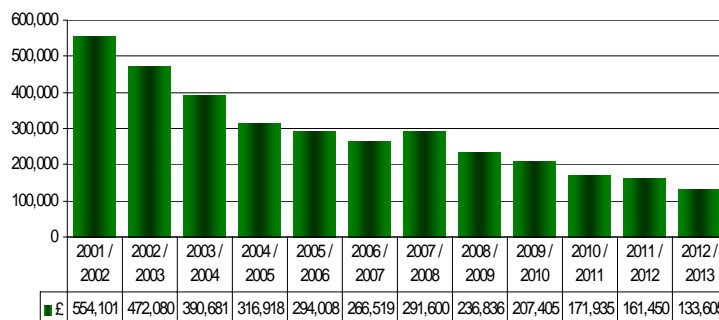
# Welfare Reform Update: Rent Arrears

Tenants Forum

**Kettering**  
Borough Council

## The Starting Point

Rent Arrears  
2001/2002 - 2012/2013



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## Bedroom Rate Restriction

- Introduced in April 2013
- **14%** deduction from Housing Benefit where a tenant is under-occupying by one bedroom
- **25%** deduction from Housing Benefit where a tenant is under-occupying by more than one bedroom

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## Bedroom Rate Restriction

- Nationally, 10% of council tenants were affected by the bedroom rate restriction when it was introduced in April (Kettering 9.78%)
- The number of council tenants in arrears rose by 21% between March and June 2013 (Kettering +15%)
- The level of rent arrears increased by 16% between March and June 2013 (Kettering +19%)

*Source: ARCH/CWAG/NFA Welfare Reform Survey October 2013*

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## Rent Arrears in Kettering

- Rent arrears are £299,483; £62,682 above target
- 1,531 tenants (41.8%) are in arrears compared to 1,396 in this week in 2012/13
- 135 tenants owe more than £500 compared to 65 in this week in 2012/13
- In-depth analysis of rent arrears cases over £500 shows that there are 34 cases at £1000+ totalling £46,874.35 and of these 28 cases have an existing court or possession order against them

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## Bedroom Rate Restriction in Kettering

- 305 council tenants (8.34%) are affected by the bedroom rate restriction
- 102 (33.5%) have clear rent accounts
- 203 (66.5%) have rent arrears of which 114 have rent arrears which appear to relate solely to the bedroom rate restriction
- Only four tenants affected by the Benefits Cap

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## Action to Support Tenants

- Robust systems for monitoring rent arrears and taking action
  - Housing Income team at full strength
  - Tenants contacted immediately when payments are missed
  - 18 evictions since April with 2 more likely before Christmas
  - 6 further applications to Court
- Welfare reform information pack sent to all tenants
- Supplement on welfare reform in 'Connect'
- Open days for tenants and advice workers

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## Action to Support Tenants

- One-to-one interviews with tenants affected by the bedroom rate restriction
  - 286 interviews completed with another 50 to do
- HomeMove
  - 9 tenants have been helped to downsize through a mutual exchange since April
- Mutual Exchanges
  - 26 tenants have moved through a mutual exchange since April

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## Action to Support Tenants

- Discretionary Housing Payments
  - Paid to 55 tenants (15% of all tenants affected by the bedroom rate restriction)
  - Writing to all tenants affected by the bedroom rate restriction
- Tenancy support
  - Tenancy Support Worker
  - LifePlan Advisor
  - Working closely with the CAB and Community Law

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## Issues

- It's still early days - what will be the impact of winter fuel bills / Christmas / competing debts on the level of rent arrears?
- How can we engage hard-to-reach tenants?
- Can we do more to increase the supply of smaller affordable homes and help more people downsize?

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