



# Presentation to C&E Scrutiny Rent Arrears

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# Purpose of the Presentation

- » **A look at the wider context of Welfare Reform**
- » **Exploring the data further**
- » **Looking at the Cash Flow issues**
- » **Plotting the current position**
- » **Plotting the way ahead – managing the risks**

# UC and Rent Arrears – The Anecdotes





Chartered  
Institute of  
Housing

The government must take a step back on UC”. As criticism of UC continues to grow, ministers must not fall into the trap of seeing major issues with the policy as minor glitches.”

theguardian

UC sends rent arrears soaring and Ministers are coming under intense pressure to put the brakes on the government’s flagship welfare reform programme, following damning new evidence that it is leaving thousands of low-paid workers unable to pay their rent



INDEPENDENT

Ministers urged to overhaul 'fundamentally flawed' UC as tenants accrue millions in debt and nearly 75% of tenants on UC in debt compared with less than a third of all other tenants



Joint call to change the flawed Universal Credit system as tenants are already in over £1m debt.

The logo for itv NEWS, consisting of the text 'itv NEWS' in white on a dark teal rectangular background.

Welsh housing association tenants on UC in £2m rent arrear debt.

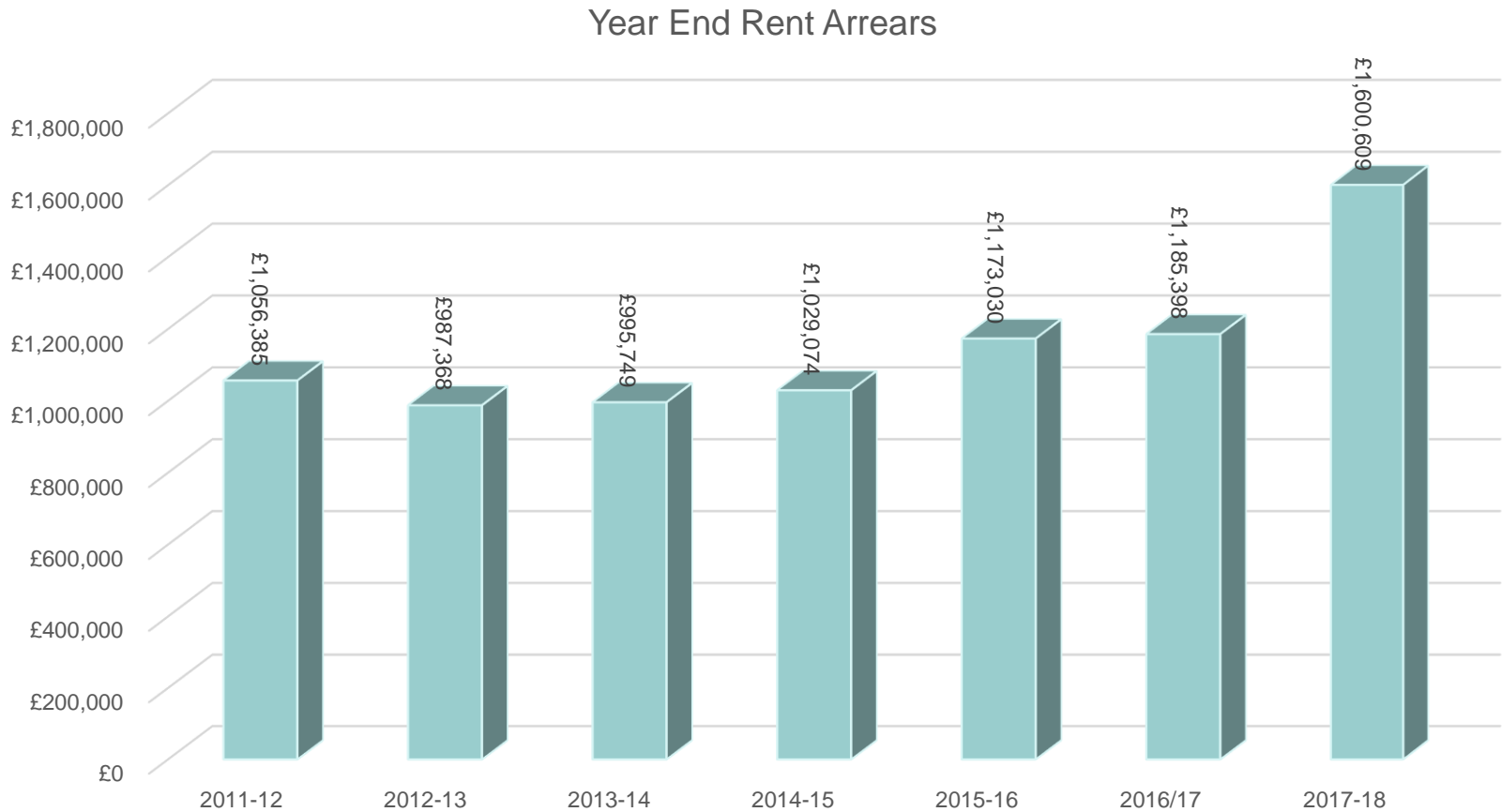
The logo for BBC, consisting of the letters 'B', 'B', and 'C' in white on black rectangular backgrounds.

UC leaves thousands of Londoners in rent arrears as more than 70% of council tenants in London on UC are in rent arrears.

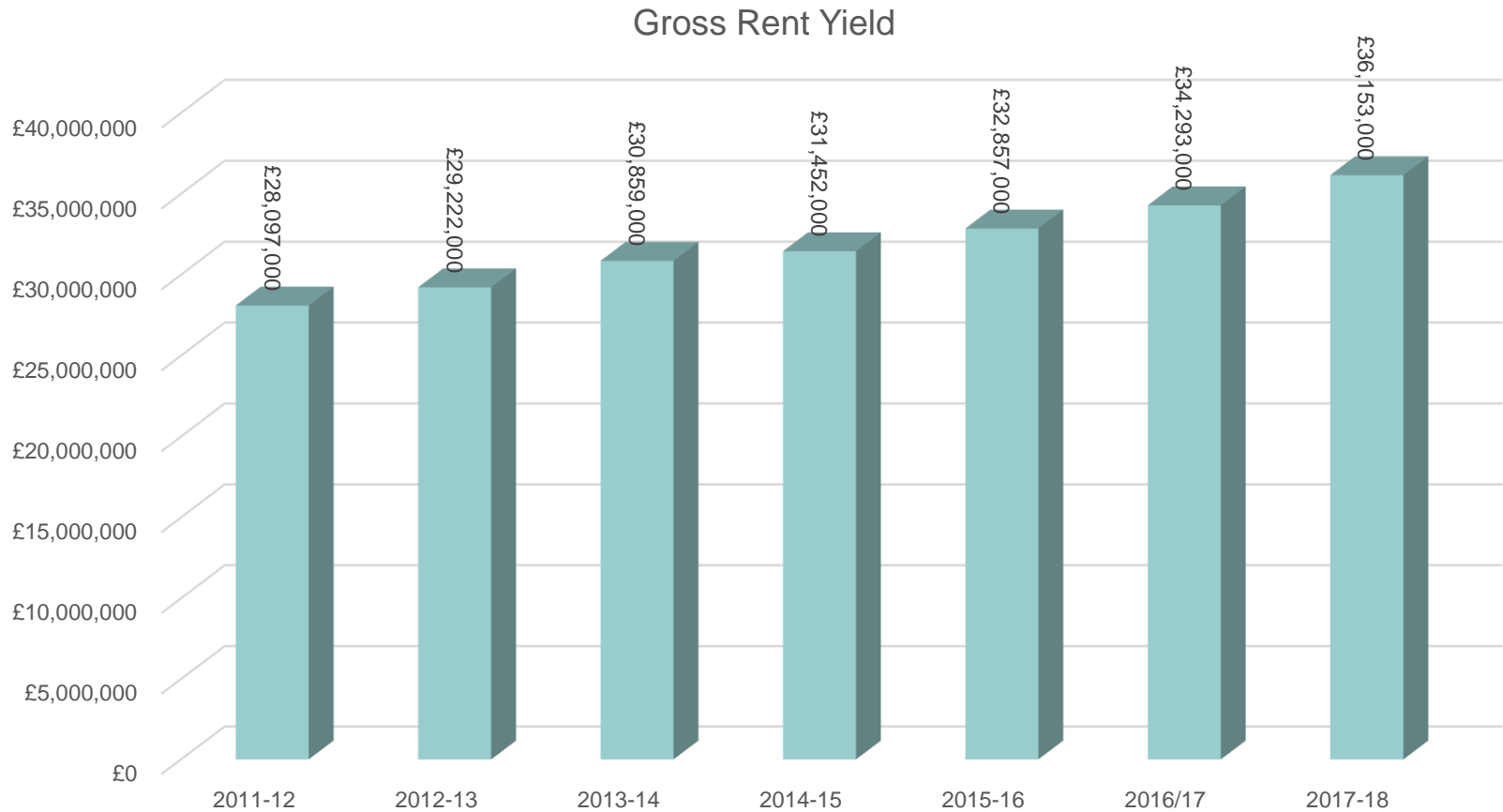


Warning of 'unsustainable' strain due to universal credit rent debt.

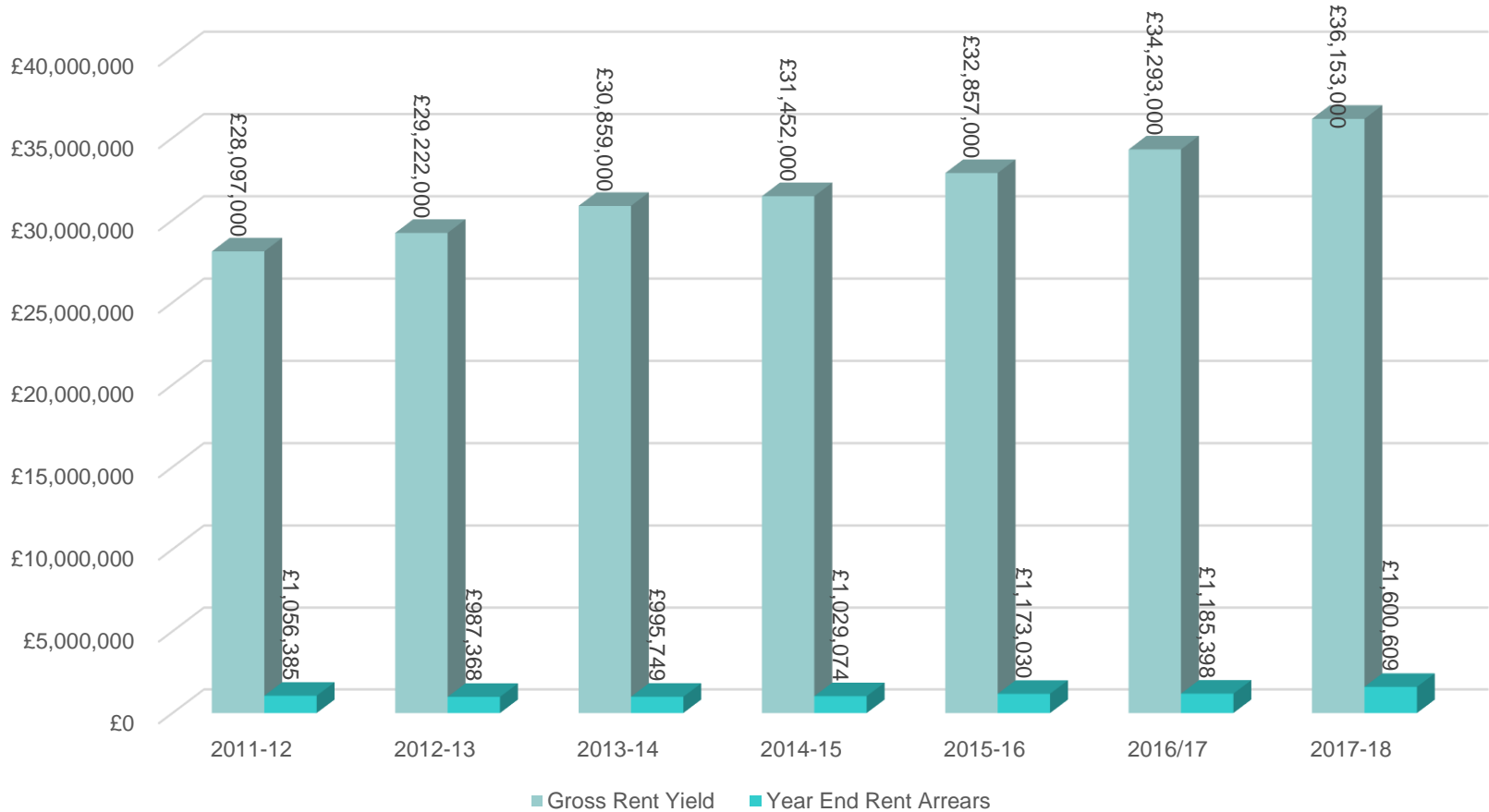
# Rent Arrears – Year End Position



# Rent Yield – By Financial Year



# Yield v Arrears

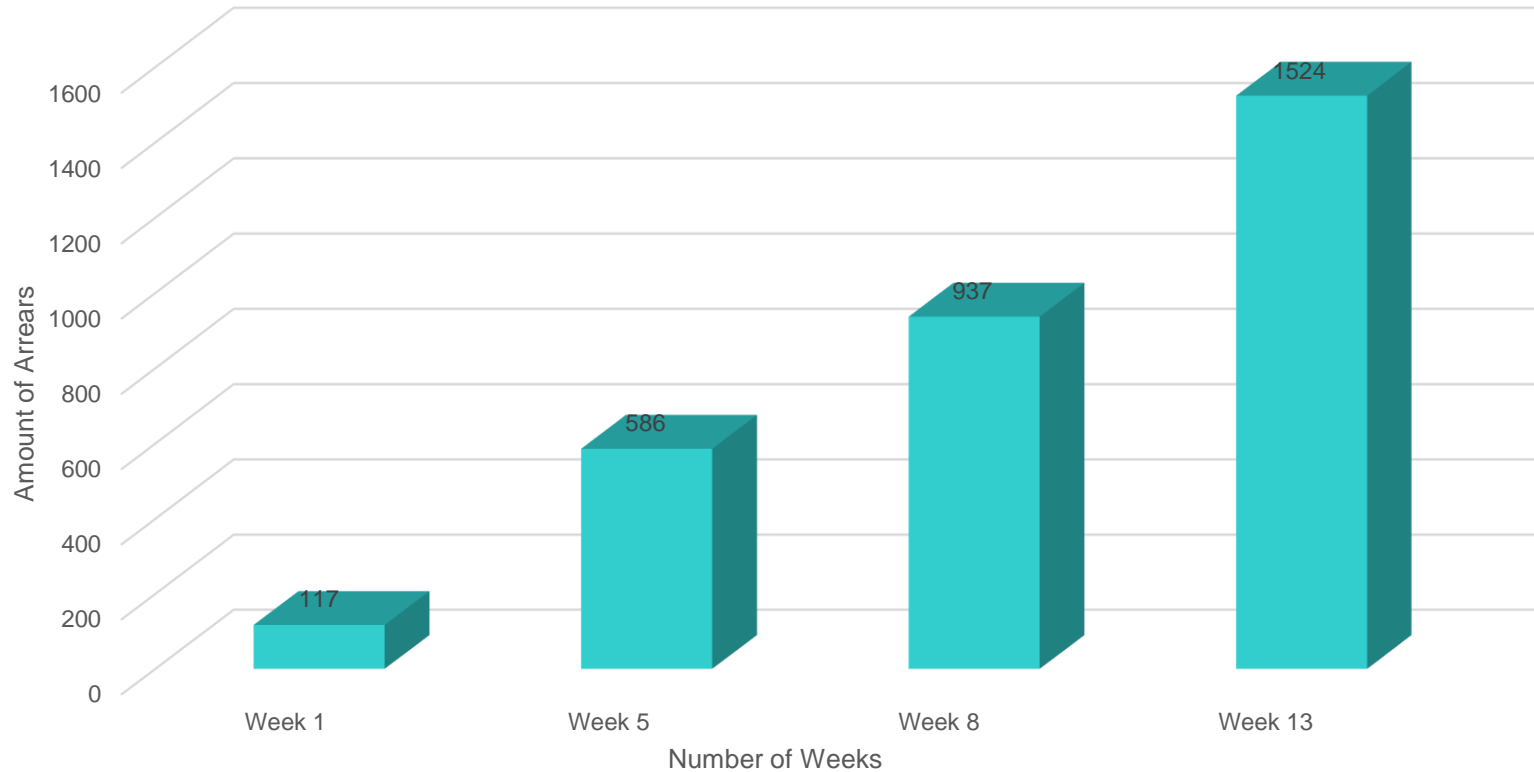




# UC & Cash Flow issues?



Potential Rent Arrears For Tenants On Universal Credit



# Rent Arrears for UC and HB claimants

## UNIVERSAL CREDIT

- » Total Arrears of **£661,552**
- » Average arrears of **£1,473**

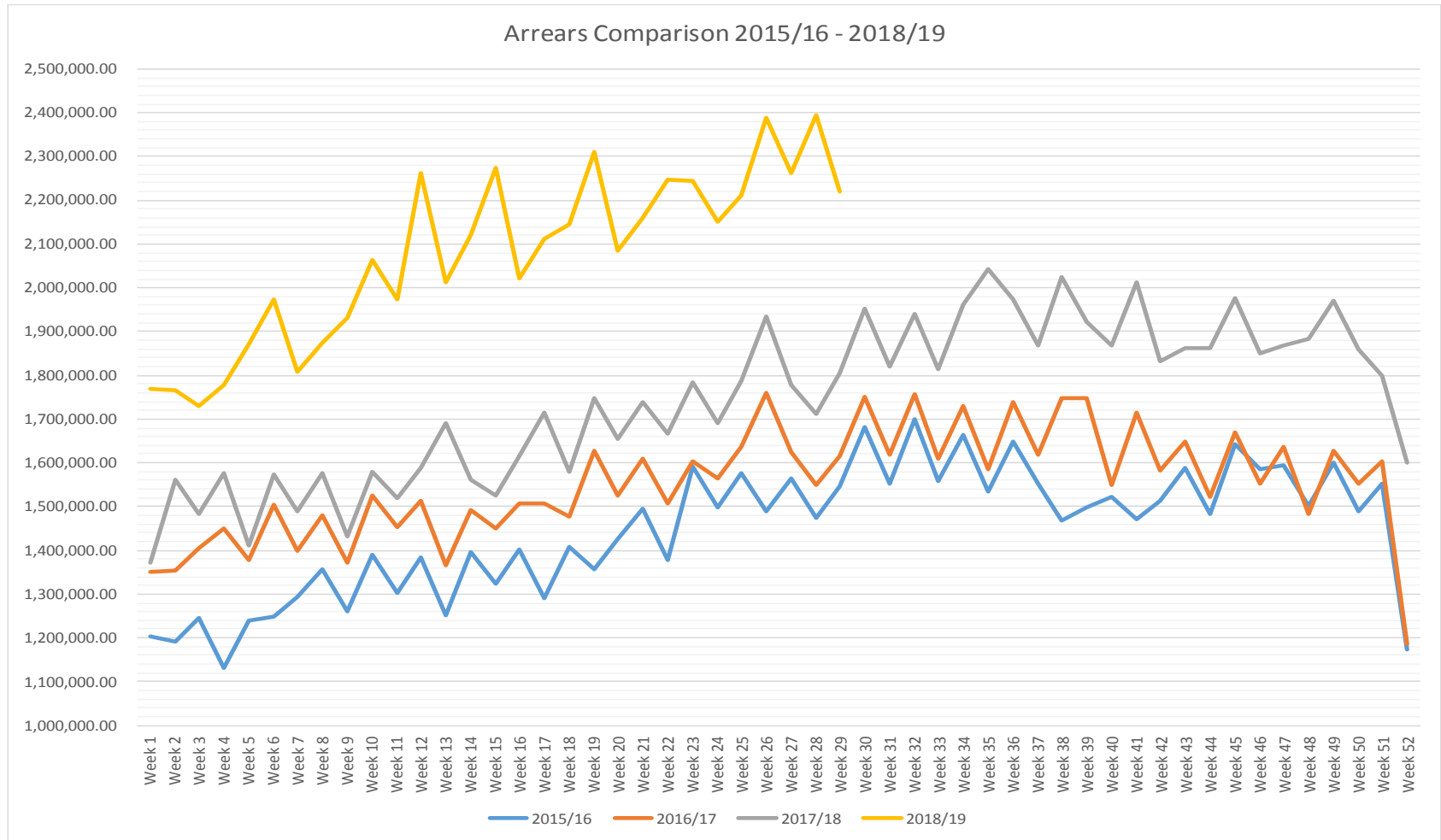
**HIGH RISK**

## HOUSING BENEFIT

- » Total Arrears of **£438,608**
- » Average arrears of **£334**



# Plotting the current position



# Mitigating the risks – What are we doing?

- » **Knowing the full extent of rent arrears and developing data sets and trends**
- » **Increasing resource levels to tackle increases in caseload**
- » **Engaging with tenants and having honest conversations about importance of paying rent**
- » **Tackling rent arrears quickly and robustly for those who do not engage or pay**
- » **Shortening the recovery process before cases progress to court**



# Mitigating the risks – What are we doing?

- » **HIT Team - better management of cases owing lower levels of arrears – nipping it in the bud.**
- » **Signing up to the DWP Landlord Portal to fast track UC arrear cases into managed payments**
- » **Investment in new technology to help with protect HRA income streams, reduce arrears by predicting risks and targeting tenants who need greater intervention to pay**



