

COMMUNITY & SOCIAL AFFAIRS COMMITTEE

21 JANUARY 2015

REPORT OF HEAD OF COMMUNITIES & NEIGHBOURHOODS

CLOCKWISE HOUSING RENT PAYMENT ACCOUNT

1 PURPOSE OF REPORT

- 1.1 Members approve the new “jam jar” rent accounts being offered by Clockwise credit union and the benefits they can bring to the residents of the Borough.

2.0 RECOMMENDATIONS

- 2.1 **Members consider the proposals within the report, relating to the Credit Union and approve the provision to open 50 rent accounts with Clockwise at £10 per account**
- 2.2 **Members note and support the continued work with Clockwise Credit union to alleviate money concerns and debt issues.**

3. KEY ISSUES

- 3.1 Members will already be familiar with the work MBC undertakes regarding financial inclusion and the good links with agencies to provide free money advice, debt support and access to affordable credit and savings products
- 3.2 Arrangements have been made with the East Midlands Credit Union for tenants to set up ‘jam jar’ accounts. We were part of the task group set up to look at proactive providing a financial vehicle that will allow tenants to manage their rent payments and future Universal Credit (UC) payments.
- 3.3 UC, when introduced, will mean that all eligible housing costs will be paid direct to the claimant as part of their other ‘benefits’ in a one off payment (made one month in arrears), and they will be expected to manage all their own income and outgoings. Many claimants may not have bank accounts and the accounts being set up by DWP, through the Post Office, do not allow for Direct Debits.
- 3.3 The Credit Union account ‘guarantees’ rent payments and prevents tenants from overdrawing and getting into debt. This will secure the Councils rent and also the tenant’s tenancy. It will also put the tenant in touch with a low cost provider of loans instead of them having to succumb to the clutches of door step lenders.
- 3.4 These accounts may not be suitable for all tenants but will certainly be useful for anyone who may have difficulty in managing their personal budgets.
- 3.5 Both the DWP and a wide range of Housing Organisations support the payment of Housing Benefit and Local Housing Allowance to Credit Unions, recognising that it is a good mechanism to help secure tenancies and prevent homelessness.
- 3.6 An initial charge to open an account is made to the landlord, but this is a charge for banking services in the same way that high street banks charge for business banking. The Credit Union will invoice MBC direct for payment of this charge

3.7 With Clockwise now playing an important role within “Me & My learning” and the recent announcement that UC will be rolled out in Melton early Feb 2015 now is a good time for the Council to actively encourage as many tenants struggling with their finances to speak to the Credit Union regarding the rent account deposit accounts.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 Although there are no direct policy and corporate implications arising from this report. It is clear that a number of residents in Melton are affected by rent arrears. Some of the clear priorities that relate to this report are:

People

- Improving the well-being of vulnerable people

Well Run Council

- To provide high performing services that are efficient and meet customers’ needs

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 There is a requirement for a small working budget to open the rent accounts. No other resources will be required. The £500 required will be found from existing housing revenue account budgets.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 There are no legal implications directly arising from this report.

7.0 COMMUNITY SAFETY

7.1 There are no community safety issues with regard to this project or the recommendations in this report.

8.0 EQUALITIES

8.1 An Equalities Impact Assessment is not required for this report. Projects and initiatives are subject to their own Equality Analysis..

9.0 RISKS

9.1 The risks are considered in the table below


Probability



Very High A				
High B				

Risk No.	Description
1	Funding or officer commitment requirements needed to support these accounts / services or campaigns are not available.

Significant C				
Low D				
Very Low E		1		
Almost Impossible F				
	IV Negligible	III Marginal	II Critical	I Catastrophic


Impact

10.0 CLIMATE CHANGE

10.1 There are no climate change issues directly arising from this report.

11.0 CONSULTATIONS

11.1 Consultation has taken place with the Tenants' Forum Executive Committee.

12.0 WARDS AFFECTED

12.1 All wards affected

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Date: 23rd December 2014

Appendices: N/A