

ANGUS COUNCIL

NEIGHBOURHOOD SERVICES COMMITTEE – 20 AUGUST 2009

ARREARS UPDATE – HOUSING REVENUE ACCOUNT TENANTS

REPORT BY DIRECTOR OF NEIGHBOURHOOD SERVICES

<p>ABSTRACT: This report updates Members on current rent arrears levels and activities being undertaken to tackle arrears in Angus.</p>
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1. RECOMMENDATION

1.1 It is recommended that Members:

- i. Note the current performance information provided at Appendix A;
- ii. Note the progress to date in pursuing serious arrears;
- iii. Agree that a updated strategy on former tenant arrears is brought to the next meeting of the Neighbourhood Services Committee;
- iv. Note the progress being made on addressing the issues raised in the independent review report;
- v. Agree that a Memorandum of Understanding is developed by the Director of Neighbourhood Services with the Directors of Corporate Services and Social Work and Health on Housing benefit and tenancy support issues.

2. BACKGROUND

2.1 Members have been kept informed of performance on tackling rent arrears and are aware of the challenges currently facing the Council in securing regular rent payments. Members have also raised their concerns about the significant levels of arrears which cases presented to Committee have been associated with. This report provides an update on performance at the Angus wide level and the local community housing team level and provides evidence of action and progress.

3. PERFORMANCE

3.1 The tables contained within Appendix A provide details of our performance at 5 July 2009 in comparison with performance since 8 March 2009 as previously reported to Committee.

4. HOUSING (SCOTLAND) ACT 1987 IN RELATION TO HOMELESSNESS

4.1 If a tenant is evicted, the tenant concerned may present themselves to the Council as homeless. In terms of the current legislation the Council would be required to provide them with temporary accommodation while their homelessness application is assessed. The Council will be seeking to conduct an assessment as early as possible and the Social Work and Health Department will be fully informed of the progress of any eviction including steps taken to avert the eviction.

5. RECENT ACTION

5.1 At the end of the financial year 2007/2008 the council reported current tenants' rent arrears as a percentage of net rent due was 13.6%. During the third quarter of the financial year 2008/2009 this had fallen to 12% at the present time the figure stands at 11.04%.

5.2 The number of current tenants in arrears has reduced from 2,543 reported on 8 March 2009 to 2,260 on 29 March 2009, and now stands at 2,367. In monetary terms this represents a reduction of £110,956.53 from 8 March 2009 and £82,561.03 since 29 March 2009.

5.3 **Former Tenant Arrears**

5.4 Members will have noted that as the attention being focussed on tackling current tenant arrears has increased, so there has been a proportionate increase in the number of former tenants who have outstanding balances and the overall outstanding balance has increased. It is clear that within the staffing resources available, the current approach, whilst bringing in some resources, is not achieving the level of success sought. As a result Members are asked to approve that the Director of Neighbourhood Services and Director of Corporate Services bring forward an updated strategy to tackle former tenant arrears, and that that strategy considers the role of externalising collection of these debts, in line with the practice of other authorities.

5.5 **Independent Arrears Review Update**

Report 295/09 set out the findings of an independent review on rent arrears. In total there were twelve main findings:

1. Speed up process for legal action by delegating approval to Head of Housing.
2. Elected members should scrutinise performance regularly.
3. Update the strategy before the end of 2009.
4. Carry out a full self-assessment by Sept/Oct 2009.
5. Ensure a stronger focus on the beginning and end of tenancies as key stages to prevent both current and former tenants arrears.
6. Focus on getting arrangements as early as possible with tenants in arrears.
7. Schedule the Service Improvement Group for twice a year (May and December) and establish sub-groups to work on specific issues.
8. Complete the work already set out by the Housing benefit sub-group and implement.
9. Complete local Community Housing Team plans by mid-May and monitor throughout the year.
10. Assess the business case for two more income maximisation/money advice workers to be placed in the main housing offices.
11. Use the ACCESS teams to do outbound calling where possible.
12. Produce new procedural guidance for staff and quality assure the key processes.

Members are asked to note that action has and is being taken on all of the findings, and some are now complete.

5.6 Findings 1 and 2 are now complete with finding 2 being rolled forward through this report, Updates on findings 3 and 12 reports will be submitted to the next cycle of meetings. On finding 4 this will begin in September. Finding 5 is complete and being actioned and the check list will be reported as part of the new procedural guidance in finding 12. Finding 6 will also be included in the report on finding 12.

5.7 The Service Improvement Group is scheduled to meet as set out in finding 7. In relation to finding 8, this report takes the matter further and proposes the development of a Memorandum of Understanding between the Director of Neighbourhood Services and the Director of Corporate Services on housing benefit matters, to ensure this income source is maximised, its performance understood and its significant impact on the recorded and reported arrear fully understood. It is further recommended that given there is considerable cross over with clients who receive services from the Director of Social Work and Health that the Director of that department be party to and included in the negotiations and consequent Memorandum of Understanding. This will also confirm Council's Commitment to supporting people in financial hardship and reinforce the wider corporate parenting duty the Council has statutory responsibility for.

5.8 In relation to finding 9, Community Housing Team Plans are complete and targets for performance are set for the year ahead. In relation to finding 10, Members set out their views on this issue and since the initial report was discussed in April, discussions have begun with the Director of Social Work and Health to provide housing support at critical points in the tenancy and arrears journey with a view to preventing arrears from increasing, increasing income and preventing eviction action being progressed. Finally in relation to finding 11 a proposal will be submitted to the next Neighbourhood Services Committee for consideration.

5.9 In addition to these actions, Members agreement to update the approach to Former Tenant Arrears is sought in this report. Members can be assured that considerable action is being

taken and will be taken to improve the policies, procedures and strategies being utilised to tackle arrears in Angus.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no financial implications for the Council arising directly from the recommendation in this report.
- 6.2 Members should note however that should any evictions be actioned and should such tenants present themselves thereafter as homeless, costs would be incurred in respect of temporary accommodation. Such costs would be met from the appropriate budget provision within either the Housing Revenue Account or the General Fund Other Housing budget depending on the outcome of the assessment of their homelessness application.

7. HUMAN RIGHTS IMPLICATIONS

- 7.1 All implications, particularly with regard to Articles 1 and 8 of the First Protocol of the European Convention on Human Rights: protection of property and the right to respect for private and family life have been considered in preparation of this report. The recommendations are considered to be proportionate.

8. CONSULTATION

- 8.1 The Chief Executive, the Director of Corporate Services, Director of Social Work and Health the Head of Finance and the Head of Law and Administration have been consulted in the preparation of this report.

9 EQUALITIES IMPLICATIONS

- 9.1 The issues dealt within this report have been the subject of consideration from the equalities perspective (as required by the legislation). An equalities impact assessment is not required.

10. CONCLUSION

- 10.1 The Council is ensuring that every effort is being made to encourage and support tenants with rent payment with the proposed Memorandum of Understanding putting the issue and response to arrears firmly within the context of the body corporate and a wider corporate parenting/responsibility duty.
- 10.2 Angus Council remains committed to providing support with rent payment but ultimately where this is not utilised by tenants Angus Council must enforce the tenancy conditions agreed through the Scottish Secure Tenancy Agreement and make it clear that rent payment is a priority and that failure to keep up rent payments will result in the utilisation of the full range of sanctions available to the Council. Members are also asked to note that further and ongoing work is being done to ensure that the momentum on tackling arrears is maintained and where further improvements can be made these will be thoroughly investigated as set out in this report.

**RON ASHTON
DIRECTOR OF NEIGHBOURHOOD SERVICES**

NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above Report.

Hsg/NS/AMcK/MK

Appendix A – Performance tables

Table 1 – Angus Council current tenant arrears

Bandings for rent arrears	Balance due at 8 March 2009 and (number of cases)	Balance due at 29 March 2009 and (number of cases)	Balance due at 5 July 2009 and number of cases
>£3000	£70,212.62 (18)	£62,508 (17)	£50,193.11 (14)
£2000 - £3000	£126,621.45 (53)	£121,216 (51)	£103,633.09 (44)
£1000 - £2000	£296,512.37 (213)	£289,441 (209)	£249,813.01 (181)
£500 - £1000	£264,586.91 (375)	£262,474 (368)	£233,251.48 (332)
£250 - £500	£137,053.54 (386)	£135,138 (371)	£143,759.34 (388)
<£250	£121,982.61 (1498)	£117,797 (1244)	£125,362.94 (1408)
Total	£1,016,969.50 (2543)	£988,574 (2260)	£906,012.97 (2367)

Table 2- Current tenant arrears by Arbroath, Carnoustie and Monifieth Community Housing Team area.

Bandings for rent arrears	Balance due at 8 March 2009 and (number of cases)	Balance due at 29 March 2009 and (number of cases)	Balance due at 5 July 2009
>£3000	£31,772.28 (8)	£31,520 (8)	£2,4967.46 (7)
£2000 - £3000	£72,123.42 (31)	£65,652 (28)	£4,9974.95 (21)
£1000 - £2000	£110,453.37 (83)	£108,684 (81)	£9,6115.56 (70)
£500 - £1000	£122,644.24 (172)	£119,119 (165)	£10,8228.52 (152)
£250 - £500	£56,259.32 (161)	£58,120 (159)	£65,241.10 (174)
<£250	£49,307.97 (589)	£47,894 (495)	£47,733.14 (525)
Total	£442,560.60 (1044)	£430,989 (936)	£392,260.73 (949)

Table 3 - Current tenant arrears by Forfar and Kirriemuir Community Housing Team area.

Bandings for rent arrears	Balance due at 8 March 2009 and (number of cases)	Balance due at 29 March 2009 and (number of cases)	Balance due at 5 July 2009 and (number of cases)
>£3000	£24,521.38 (7)	£27,460 (8)	£21,549.66 (6)
£2000 - £3000	£34,600.37 (14)	£36,204 (15)	£3,5945.13 (15)
£1000 - £2000	£120,659.65 (83)	£113,152 (78)	£103,114.09 (73)
£500 - £1000	£67,620.02 (97)	£71,715 (101)	£61,995.93 (89)
£250 - £500	£37,667.56 (103)	£37,480 (103)	£36,869.14 (101)
<£250	£37,908.99 (470)	£36,551 (402)	£40,732.02 (469)
Total	£322,977.97 (774)	£322,562 (707)	£300,165.97 (753)

Table 4 - Current tenant arrears by Montrose and Brechin Community Housing Team area.

Bandings for rent arrears	Balance due at 8 March 2009 and (number of cases)	Balance due at 29 March 2009 and (number of cases)	Balance due at 5 July 2009 and (number of cases)
>£3000	£13,918.96 (3)	£3,528 (1)	£3,675.99 (1)
£2000 - £3000	£19,897.66 (8)	£19,360 (8)	£17,713.01 (8)
£1000 - £2000	£65,399.35 (47)	£67,604 (50)	£50,583.36 (38)
£500 - £1000	£74,322.65 (106)	£71,639 (102)	£63,067.03 (91)
£250 - £500	£43,126.66 (122)	£39,536 (109)	£41,649.10 (113)
<£250	£34,765.65 (439)	£33,351 (347)	£36,897.78 (414)
Total	£251,430.93 (725)	£235,018 (617)	£213,586.27 (665)

Table 5 – Angus Council former tenant arrears.

Bandings for rent arrears	Balance due at 8 March 2009 and (number of cases)	Balance due at 29 March 2009 and (number of cases)	Balance due at 5 July 2009 and (number of cases)
>£3000	£58,197.93 (16)	£47,100 (13)	£56,773.97 (15)
£2000 - £3000	£85,828.63 (35)	£55,721 (22)	£72,524.61 (29)
£1000 - £2000	£144,314.72 (108)	£119,316 (90)	£137,288.34 (103)
£500 - £1000	£109,511.85 (150)	£97,402 (133)	£114,601.54 (154)
£250 - £500	£66665.89 (186)	£60,877 (169)	£65,901.94 (184)
<£250	£52,970.15m (574)	£45,488 (484)	£523,19.74 (560)
Total	£517,489.17 (1069)	£425,904 (911)	£499,410.14 (1045)

Table 6 – Current tenant arrears for dispersed accommodation.

Bandings for rent arrears	Balance due at 8 March 2009 and (number of properties)	Balance due at 29 March 2009 and (number of cases)	Balance due at 5 July 2009
>£3000	£8,171.71 (2)	£6,589 (1)	£0 (0)
£2000 - £3000	0 (0)	0 (0)	£0(0)
£1000 - £2000	0 (0)	£5,904 (4)	£3,007.94 (2)
£500 - £1000	£2,450.74 (4)	£6,004 (9)	£3,188.69 (5)
£250 - £500	£2,659.58 (8)	£5,721 (17)	£2,179.99 (6)
<£250	£3,290.76 (36)	£2,094 (23)	£2,470.27 (30)
Total	£16,572.79 (50)	£26,312 (54)	£10,846.89 (43)

Table 7 – Former dispersed accommodation tenant arrears.

Bandings for rent arrears	Balance due at 8 March 2009 and (number of cases)	Balance due at 29 March 2009 and (number of cases)	Balance due at 5 July 2009 and (number of cases)
>£3000	£11,117.18 (3)	£6,715 (2)	£1,3477.18 (3)
£2000 - £3000	£10,092.12 (4)	£10,087 (4)	£9,907.12 (4)
£1000 - £2000	£17,460.58 (14)	£18,005 (14)	£19,200.14 (15)
£500 - £1000	£30,498.49 (43)	£27,064 (38)	£32,024.06 (45)
£250 - £500	£20,720.53 (57)	£22,322 (61)	£22,252.06 (62)
<£250	£15,850.15 (177)	£14,345 (161)	£16,873.87 (191)
Total	£105,739.05 (298)	£98,538 (280)	£113,734.43 (320)

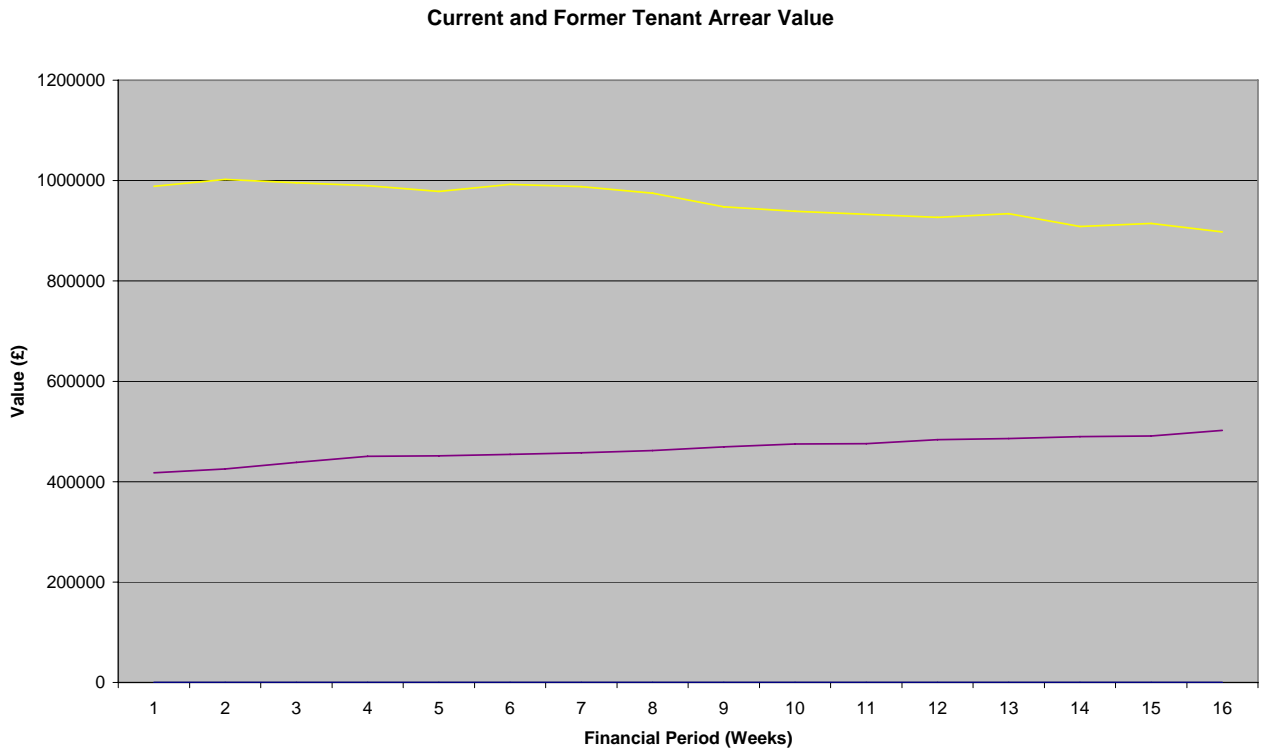
Table 8 – Current arrears in temporary accommodation.

Balance due at 4 January 2009 and number of properties	Balance due at 29 March 2009 and number of properties	Balance due at 5 July 2009 and (number of cases)
£5,026.15 (17)	£3,211 (15)	£4,216.17 (16)

Table 9 – Former tenant arrears for temporary accommodation.

Bandings for rent arrears	Balance due at 8 March 2009 and (number of cases)	Balance due at 29 March 2009 and (number of cases)	Balance due at 5 July 2009 and (number of cases)
>£3000	£0 (0)	£0 (0)	£0 (0)
£2000 - £3000	£6,781.09 (3)	£6,781 (3)	£6,781.09 (3)
£1000 - £2000	£34,512.36 (25)	£34,512 (25)	£33,420.20 (24)
£500 - £1000	£36,098.87 (50)	£37,772 (53)	£3,6735.55 (51)
£250 - £500	£38,057.64 (107)	£39,222 (111)	£40,361.95 (115)
<£250	£41,436.54 (453)	£42,016 (459)	£43,425.99 (472)
Total	£156,886.50 (638)	£160,303 (651)	£160,724.78 (665)

Chart One – Current and Former Tenant Arrears (Current Yellow (top), Former, Purple (bottom))



EQUALITY SCREENING

Policy Control Document

Name of Policy, Procedure or Report

ARREARS UPDATE INCLUDING SERIOUS ARREARS - HOUSING REVENUE ACCOUNT TENANTS

Lead Department/Service

Housing Division

What is the aim of the policy, procedure or report?

This report updates Members on current rent arrears levels, brings to the Committee's attention very serious arrears cases and seeks approval, on an individual basis, to seek decree for eviction and payment.

Is this a new or a review of an existing policy, procedure or report?

Ongoing report

Screening Process

Has the policy, procedure or report already been assessed for its impact on people from different racial backgrounds, people of different genders and people with disabilities.

Yes No

If Yes, unless there have been significant changes, no further action is required. Please sign and date immediately below and retain for reference.

If No, does the policy, procedure or report involve or have consequences for the people the council serves or employs?

Yes No

If yes, proceed to Step 1 of the Full Impact Assessment on page 2.

If no, please state why not

If no, The policy, procedure or report is not relevant and no further action is required.

Please sign and date immediately and keep for reference

Name: Alan McKeown

Signature: _____

Date: 20/07/09