

ANGUS COUNCIL

COMMUNITIES SERVICES COMMITTEE

28 FEBRUARY 2017

ARREARS UPDATE – HOUSING REVENUE ACCOUNT

BACKGROUND

Members have been regularly informed of progress and action on tackling rent arrears and are aware of the challenges currently facing the Council in securing regular rent payments. This information report provides an update on performance at Angus wide level and local Community Housing Team level.

If, as a result of continuing rent arrears, the Council has to take action and evict, tenants concerned may present themselves to the Council as homeless. Under the Housing (Scotland) Act 1987, the Council would be required to provide them with temporary accommodation whilst their homelessness application is assessed. The Council seek to conduct an assessment as early as possible and People Directorate is fully informed of progress, including steps taken to avert any eviction. Angus Council, however, remain committed to providing support with rent payment but if not utilised by tenants, the Council must ultimately enforce the tenancy conditions agreed through the Scottish Secure Tenancy Agreement; making it clear that rent payment is a priority and failure to keep up rent payments will result in utilisation of the full range of sanctions available to the Council

CURRENT RENT ARREARS

The Divisional performance on current rent arrears as a percentage of the net debit at week 40 (2 January 2017) is at 8.72% which is a significant increase from the 7.21% previously reported to Committee for week 26 (26 September 2016).

Table 1 provides details of our performance for current rent arrears levels. The actual levels have increased since previously reported to Committee. Efforts are ongoing to pursue outstanding monies and since April 2016 there have been over 26,698 actions taken including over 6,448 visits to tenants or ex tenants. Since April 2016, 141 court actions have been taken. There have been 124 cases, where the Council have been awarded a decree by the Court since April 2016.

The Division are continuing to take strong action against tenants for non-payment and some tenants have been evicted. Approximately 10% of decrees obtained have ended with an eviction.

Housing benefit of £227,936.57 was paid to tenants in week 40 and this has decreased very slightly from £237,136.15 which was paid in week 26 at last time of reporting. These are very much snapshot figures.

Table 1 – Current tenant arrears by Community Housing Team

Week Number	Bandings for Rent Arrears	No of cases	Balance Amount Arbroath, Carnoustie and Monifieth CHT Area	No of cases	Balance Amount Forfar and Kirriemuir CHT Area	No of cases	Balance Amount Montrose and Brechin CHT Area	No of cases	Balance Amount Dispersed Accommodation	Total Number of Cases	Total Arrears
(02/07/2016) Week 14	>3000	7	£22,692.62			1	£3,286.50			8	£25,979.12
	2000 to 3000	11	£25,225.25	1	£2,373.96	6	£16,167.61			18	£43,766.82
	1000 to 2000	116	£159,192.84	51	£64,572.48	68	£88,277.13	2	£2,192.70	237	£314,235.15
	500 to 1000	190	£136,278.10	146	£105,299.35	96	£69,337.49	10	£7,039.88	442	£317,954.82
	250 to 500	167	£60,010.46	156	£57,142.82	129	£46,369.72	14	£5,060.55	466	£168,583.55
	<250	611	£53,655.67	453	£38,296.76	393	£36,001.72	21	£2,174.55	1478	£130,128.70
		1102	£457,054.94	807	£267,685.37	693	£259,440.17	47	£16,467.68	2649	£1,000,648.16
(02/10/2016) Week 26	>3000	6	£21,473.94			2	£6,883.28	1	£3,124.62	9	£31,481.84
	2000 to 3000	20	£46,067.32	1	£2,554.52	9	£20,636.75	1	£2,243.17	31	£71,501.76
	1000 to 2000	108	£152,994.92	71	£89,995.98	67	£91,048.37	6	£7,879.97	252	£341,919.24
	500 to 1000	206	£146,885.48	153	£107,979.79	118	£85,643.94	18	£12,635.37	495	£353,144.58
	250 to 500	196	£70,354.72	146	£52,369.77	145	£50,903.14	13	£4,830.59	500	£178,458.22
	<250	599	£54,972.30	449	£42,850.65	425	£41,621.80	48	£5,009.93	1521	£144,454.68
		1135	£492,748.68	820	£295,750.71	766	£296,737.28	87	£35,723.65	2808	£1,120,960.32
(02/01/2017) Week 40	>3000	2	£7,835.74			1	£3,929.38	1	£3,738.65	4	£15,503.77
	2000 to 3000	22	£53,451.47	3	£7,095.06	15	£35,340.14	1	£2,344.86	41	£98,231.53
	1000 to 2000	117	£160,142.85	90	£119,284.89	74	£96,007.08	9	£11,001.79	290	£386,436.61
	500 to 1000	202	£144,912.50	143	£104,165.28	143	£102,593.09	15	£10,871.23	503	£362,542.10
	250 to 500	203	£74,722.31	173	£61,734.02	138	£48,852.20	20	£7,030.78	534	£192,339.31
	<250	626	£57,171.78	491	£45,535.52	405	£37,589.72	39	£4,733.39	1561	£145,030.41
		1172	£498,236.65	900	£337,814.77	776	£324,311.61	85	£39,720.70	2933	£1,200,083.73

Table 2 summarises the movement in the arrears values and number of cases over the period for both current and former tenants.

Arrears Summary		Current Tenants	Former Tenants	Totals	Movement Increase/Decrease
	No. Of Cases	2613	2549	5162	-1430
Week 14 (2 July 2016)	Arrears Value	£1,000,648.16	£1,168,545.96	£2,169,194.12	£78,074.02
	No. Of Cases	2649	2631	5280	118
Week 26 (2 October 2016)	Arrears Value	£1,120,960.32	£1,188,319.94	£2,309,280.26	£140,086.14
	No. Of Cases	2808	2684	5492	212
Week 40 (2 January 2017)	Arrears Value	£1,200,083.73	£1,261,393.65	£2,461,477.38	£152,197.12
	No. Of Cases	2933	2830	5763	271

Housing Benefit Size Criteria Restriction for Working Age Claimants

This can fluctuate depending upon changes of tenant's circumstances. This will show discretionary housing payments, welfare fund payments, cases affected and ongoing arrears balances.

Table 3 summarises the tenants affected by the Housing Benefit Size Criteria Restriction for Working Age Claimants, shown by levels of current arrears. As a comparison, figures are shown for the last year.

Arrears Summary	Number of Tenants Affected	Tenants in Arrears	Amount outstanding	Movement Increase/(Decrease)
Week 53 (28 March 2016)	520	352	£68,624.62	(£20,711.01)
Week 14 (2 July 2016)	489	187	£64,862.79	(£3,761.83)
Week 26 (02 October 2016)	503	200	£70,877.65	£6,014.86
Week 40 (02 January 2017)	498	192	£58,845.54	(£12032.11)

Universal Credit

Members should be aware due to the fluctuations in income that tenants could be in and out of receipt of universal credit in different weeks. This will be difficult to monitor and report on separately as a result. Any implications from Universal Credit will, of course, reflect in the overall arrears position and indicative figures are shown on the following page.

No of UC Claims	No of Alternative Payment Arrangements		No of cases in rent arrears	No of Rent Accounts		
	Requests	Received		Overall cases	< 8 weeks arrears	>8 weeks arrears
142	57	33	57	37	101	4

FORMER TENANTS ARREARS

Table 4, below summarises Former Tenants Arrears, showing the position since 2 July 2016 to 2 January 2017

These have increased since the last report to Committee and this is reflected in the tables below. Since former tenants arrears were last reported to Committee, 53 tenancies have been abandoned and these tenancies had outstanding arrears of £51,614.14. This can make collection difficult e.g. no addresses to enable pursuit of arrears. Again, these cases can be nearing the final stages in the arrears recovery processes and tenants leaving prior to being evicted. There have also been 52 tenancies terminated with arrears of £16,533.37 where tenants were deceased.

8 tenants have been evicted since the last report to Committee, with arrears totalling £15,513.14

Report Author: Vivien Smith, Head of Planning and Place

Email: CommunitiesBusinessSupport@angus.gov.uk

Table 4 – Angus Council former tenant arrears.

Week No.	Bandings	Number of cases	Balance Amount Former tenants	Number of cases	Balance Amount Former Dispersed tenants accommodation	Number of cases	Balance Amount Former Temporary tenants accommodation	Number of cases	Total of former tenant arrears
(2 July 2016) Week 14	>3000	10	£34,939.02	10	£46,090.75	3	£15,180.37	23	£96,210.14
	2000 to 3000	46	£110,931.99	15	£36,404.99	2	£4,372.98	63	£151,709.96
	1000 to 2000	168	£234,170.18	63	£86,587.02	32	£43,522.71	263	£364,279.91
	500 to 1000	178	£128,300.97	115	£81,859.97	61	£41,820.00	354	£251,980.94
	250 to 500	188	£67,862.02	156	£54,679.56	126	£44,515.24	470	£167,056.82
	<250	561	£54,643.55	402	£37,997.83	495	£44,666.81	1458	£137,308.19
	Sum:	1151	£630,847.73	761	£343,620.12	719	£194,078.11	2631	£1,168,545.96
(2 October 2016) Week 27	>3000	10	£34,839.02	10	£46,233.31	3	£15,180.37	23	£96,252.70
	2000 to 3000	46	£110,986.69	16	£38,796.86	2	£4,372.98	64	£154,156.53
	1000 to 2000	170	£235,533.48	64	£87,066.23	32	£43,522.71	266	£366,122.42
	500 to 1000	191	£137,414.49	118	£84,041.02	61	£41,820.00	370	£263,275.51
	250 to 500	197	£71,131.47	151	£52,894.48	126	£44,467.24	474	£168,493.19
	<250	590	£57,499.80	402	£38,151.83	495	£44,367.96	1487	£140,019.59
	Sum:	1204	£647,404.95	761	£347,183.73	719	£193,731.26	2684	£1,188,319.94
(2 January 2017) Week 40	>3000	9	£31,735.83	9	£42,259.25	3	£15,180.37	21	£89,175.45
	2000 to 3000	53	£127,456.18	16	£38,485.56	2	£4,372.98	71	£170,314.72
	1000 to 2000	182	£253,984.03	70	£95,404.22	32	£43,522.71	284	£392,910.96
	500 to 1000	207	£149,240.65	129	£91,960.53	60	£41,190.22	396	£282,391.40
	250 to 500	218	£78,205.61	162	£56,744.12	126	£44,419.24	506	£179,368.97
	<250	628	£61,277.57	431	£41,770.04	493	£44,184.54	1552	£147,232.15
	Sum:	1297	£701,899.87	817	£366,623.72	716	£192,870.06	2830	£1,261,393.65