

ANGUS COUNCIL

COMMUNITIES SERVICES COMMITTEE

26 MAY 2015

ARREARS UPDATE – HOUSING REVENUE ACCOUNT
(As at 30 March 2015)

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 Schedule 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 at week 52 (23 March 2015) is at **8.02%**, which is a slight decrease from the **8.45%** previously reported to Committee in 3 March 2015. This decrease is welcomed, but in line with trends from previous reports from this time of year. There are additional arrears as a result of the housing benefit size criteria restriction for working age claimants, although this is stabilising due to use of discretionary housing payments.

Table 1 provides details of our performance at week 52 (30 March 2015) for current rent arrears levels. The levels have decreased since previously reported to Committee. Efforts are ongoing to pursue outstanding monies and since April 2014 there have been over 23,416 actions taken including over 7,845 visits to tenants or ex tenants. Since April 2014, 223 court actions have been taken. There have been 124 cases, where the Council have been awarded a decree by the Court since April 2014.

The Division are continuing to take strong action against tenants for non-payment and some tenants have been evicted. Approximately 21.77% of decrees obtained have ended with an eviction.

Housing benefit of £236,852.53 was paid to tenants in week 52 and this has increased from £226,139.38, which was paid in week 40 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 |
|------------------------------------|---------------------------|-------------|--|-------------|---|-------------|--|-------------|--|-----------------------|----------------------|
| (29 September 2014) Week 27 | >3000 | 3 | £10,403.25 | 1 | £3,124.01 | 0 | £0.00 | 0 | £0.00 | 4 | £13,527.26 |
| | 2000 to 3000 | 17 | £41,235.85 | 3 | £7,602.56 | 4 | £9,114.02 | 0 | £0.00 | 24 | £57,952.43 |
| | 1000 to 2000 | 136 | £182,468.15 | 59 | £77,949.17 | 27 | £36,691.56 | 3 | £4,687.30 | 225 | £301,796.18 |
| | 500 to 1000 | 165 | £119,910.33 | 124 | £88,472.82 | 99 | £71,383.33 | 16 | £10,773.42 | 404 | £290,539.90 |
| | 250 to 500 | 161 | £58,829.50 | 145 | £52,750.33 | 125 | £44,598.23 | 23 | £8,195.86 | 454 | £164,373.92 |
| | <250 | 622 | £51,469.16 | 417 | £38,353.03 | 397 | £41,314.50 | 36 | £3,937.04 | 1472 | £135,073.73 |
| | | 1104 | £464,316.24 | 749 | £268,251.92 | 652 | £203,101.64 | 78 | £27,593.62 | 2583 | £963,263.42 |
| (28 December 2014) Week 40 | >3000 | 6 | £20,790.40 | | | | | | | 6 | £20,790.40 |
| | 2000 to 3000 | 20 | £46,821.90 | 2 | £4,930.82 | 4 | £9,203.42 | 2 | £4,622.31 | 28 | £65,578.45 |
| | 1000 to 2000 | 142 | £192,320.00 | 62 | £82,638.47 | 35 | £42,782.01 | 5 | £6,201.64 | 244 | £323,942.12 |
| | 500 to 1000 | 173 | £125,412.00 | 138 | £95,950.95 | 110 | £77,185.91 | 11 | £7,697.09 | 432 | £306,245.95 |
| | 250 to 500 | 177 | £62,753.80 | 151 | £53,393.40 | 142 | £53,417.42 | 23 | £7,731.05 | 493 | £177,295.67 |
| | <250 | 629 | £51,213.00 | 441 | £41,625.14 | 413 | £36,678.87 | 33 | £4,577.49 | 1516 | £134,094.50 |
| | | 1147 | £499,311.10 | 794 | £278,538.78 | 704 | £219,267.63 | 74 | £30,829.58 | 2719 | £1,027,947.09 |
| (23 March 2015) Week 52) | >3000 | 2 | £6,461.09 | 0 | £0.00 | 0 | £0.00 | 1 | £3,730.44 | 3 | £10,191.53 |
| | 2000 to 3000 | 15 | £35,950.57 | 4 | £8,742.63 | 3 | £7,516.76 | 0 | £0.00 | 22 | £52,209.96 |
| | 1000 to 2000 | 146 | £201,563.04 | 58 | £79,850.24 | 29 | £35,742.98 | 7 | £10,076.58 | 240 | £327,232.84 |
| | 500 to 1000 | 178 | £130,875.83 | 134 | £96,079.96 | 114 | £82,085.20 | 11 | £7,376.42 | 437 | £316,417.41 |
| | 250 to 500 | 158 | £56,637.17 | 133 | £47,943.03 | 128 | £45,540.14 | 16 | £5,867.74 | 435 | £155,988.08 |
| | <250 | 538 | £44,684.82 | 363 | £36,743.87 | 362 | £31,975.39 | 41 | £5,025.44 | 1304 | £118,429.52 |
| | | 1037 | £476,172.52 | 692 | £269,359.73 | 636 | £202,860.47 | 76 | £32,076.62 | 2441 | £980,469.34 |

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 |
|-----------------------------|---------------|-----------------|----------------|----------------|-----------------------------|
| Week 27 (27 September 2014) | Arrears Value | £963,263.42 | £852,046.83 | £ 1,815,310.25 | £75,059.91 |
| | No. Of Cases | 2,583 | 2,110 | 4,693 | 126 |
| Week 40 (28 December 2014) | Arrears Value | £1,027,947.09 | £932,420.33 | £ 1,960,367.42 | £145,057.17 |
| | No. Of Cases | 2,719 | 2,268 | 4,987 | 294 |
| Week 52 (23 March 2015) | Arrears Value | £980,469.34 | £934,052.41 | £ 1,914,521.75 | -£45,845.67 |
| | No. Of Cases | 2,441 | 2,260 | 4,701 | -286 |

Housing Benefit Size Criteria Restriction for Working Age Claimants

This can fluctuate depending upon changes of tenant's circumstances. Work is ongoing to produce overall information which will be added to the welfare reform section of the Corporate Intranet. 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 52 (24 Mar 2014) | 475 | 167 | £97,218.52 | (£23,016.27) |
| Week 14 (30 June 2014) | 488 | 196 | £109,821.26 | £12,602.74 |
| Week 27 (29 September 2014)* | 529 | 253 | £97,325.02 | (£12,496.24) |
| Week 40 (28 December 2014) | 534 | 256 | £98,743.47 | £1,418.45 |
| Week 52 (23 March 2015) | 519 | 237 | £104,305.04 | £5,561.57 |

*information exchange between Housing and Revenues and Benefit Divisions are allowing more accurate information to be reported in Week 27, week 40 and week 52 in 2014.

The increase in arrears within this group from March 2014 to March 2015 stands at £7,086.52.

FORMER TENANTS ARREARS

Table 4, below summarises Former Tenants Arrears, showing the position since 5 January 2015 to 30 March 2015.

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, 17 tenancies have been abandoned and these tenancies had outstanding arrears of £13,511.49. 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 22 tenancies terminated with arrears of £6,691.72 where tenants were deceased.

9 tenants have been evicted since the last report to Committee, with arrears totalling £21,815.17.

LEAN REVIEW

As previously advised, the Housing Service intend to carry out a LEAN review of the current arrears procedure over the next 12 months to strive to improve performance and collection rates.

Contact for further information:

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Table 4 – Angus Council former tenant arrears.

| Week No. | Bandings | Number of cases | Balance Amount Former tenants | Number of cases | Balance Amount Former tenants accommodation | Number of cases | Balance Amount Former tenants accommodation | Number of cases | Total of former tenant arrears |
|------------------------------------|--------------|-----------------|-------------------------------|-----------------|---|-----------------|---|-----------------|--------------------------------|
| (29 September 2014) Week 27 | >3000 | 5 | £18,370.57 | 5 | £23,137.22 | 1 | £4,564.49 | 11 | £46,072.28 |
| | 2000 to 3000 | 31 | £73,667.58 | 6 | £14,885.89 | 3 | £6,597.88 | 40 | £95,151.35 |
| | 1000 to 2000 | 139 | £192,731.39 | 29 | £39,827.87 | 26 | £35,963.01 | 194 | £268,522.27 |
| | 500 to 1000 | 131 | £95,231.29 | 79 | £55,508.80 | 60 | £41,209.58 | 270 | £191,949.67 |
| | 250 to 500 | 161 | £58,275.87 | 92 | £33,381.42 | 126 | £44,698.81 | 379 | £136,356.10 |
| | <250 | 436 | £43,899.26 | 276 | £24,020.86 | 504 | £46,075.04 | 1216 | £113,995.16 |
| | Sum: | 903 | £482,175.96 | 487 | £190,762.06 | 720 | £179,108.81 | 2110 | £852,046.83 |
| (28 December 2014) Week 40 | >3000 | 8 | £27,725.25 | 5 | £23,137.22 | 1 | £4,564.49 | 14 | £55,426.96 |
| | 2000 to 3000 | 32 | £75,794.64 | 8 | £19,440.47 | 3 | £6,597.88 | 43 | £101,832.99 |
| | 1000 to 2000 | 150 | £208,911.96 | 38 | £51,588.45 | 28 | £38,112.92 | 216 | £298,613.33 |
| | 500 to 1000 | 150 | £110,172.25 | 83 | £58,848.45 | 58 | £39,862.14 | 291 | £208,882.84 |
| | 250 to 500 | 172 | £62,237.64 | 103 | £37,867.69 | 128 | £45,597.88 | 403 | £145,703.21 |
| | <250 | 487 | £48,812.72 | 312 | £27,293.31 | 502 | £45,854.97 | 1301 | £121,961.00 |
| | Sum: | 999 | £533,654.46 | 549 | £218,175.59 | 720 | £180,590.28 | 2268 | £932,420.33 |
| (23 March 2015) Week 52 | >3000 | 9 | £31,016.06 | 6 | £26,239.85 | 1 | £4,564.49 | 16 | £61,820.40 |
| | 2000 to 3000 | 31 | £74,103.76 | 7 | £17,277.31 | 3 | £6,597.88 | 41 | £97,978.95 |
| | 1000 to 2000 | 144 | £199,838.72 | 43 | £60,072.11 | 28 | £39,086.02 | 215 | £298,996.85 |
| | 500 to 1000 | 139 | £100,370.48 | 94 | £67,437.45 | 60 | £41,274.88 | 293 | £209,082.81 |
| | 250 to 500 | 169 | £60,405.00 | 110 | £39,655.10 | 128 | £45,307.88 | 407 | £145,367.98 |
| | <250 | 462 | £46,289.45 | 324 | £28,697.95 | 502 | £45,818.02 | 1288 | £120,805.42 |
| | Sum: | 954 | £512,023.47 | 584 | £239,379.77 | 722 | £182,649.17 | 2260 | £934,052.41 |