

**ANGUS COUNCIL**  
**COMMUNITIES COMMITTEE**  
**3 MARCH 2015**  
**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 at week 40 (28 December 2014) is at **8.45%**, which is a slight increase from the 8.14% previously reported to Committee in January 2015. This increase is not unexpected as previous trends show an increase at this time of year and this has been the case for some years. 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 40 (28 December 2014) for current rent arrears levels. The levels have increased since previously reported to Committee. Efforts are ongoing to pursue outstanding monies and since April 2014 there have been over 22,973 actions taken including over 5,038 visits to tenants or ex tenants. Since April 2014, 120 court actions have been taken. There have been 68 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 26.47% of decrees obtained have ended with an eviction.

Housing benefit of £226,139.38 was paid to tenants in week 40 and this has decreased from £231,030.06, which was paid in week 27 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
<b>(30 June 2014) Week 14</b>	>3000	2	£6,809.81	0	£0.00	1	£3,100.68	1	£3,629.45	4	£13,539.94
	2000 to 3000	16	£36,113.92	4	£9,396.85	3	£7,049.63	2	£4,521.70	25	£57,082.10
	1000 to 2000	133	£178,938.53	52	£69,453.19	40	£53,233.56	3	£3,710.48	228	£305,335.76
	500 to 1000	155	£133,784.62	143	£102,322.27	94	£66,976.36	16	£11,707.56	408	£314,790.81
	250 to 500	171	£61,542.35	129	£45,439.63	108	£39,040.39	16	£6,131.19	424	£150,668.79
	<250	643	£50,912.81	431	£38,688.03	398	£37,847.33	37	£4,646.42	1509	£132,094.59
		<b>1120</b>	<b>£468,102.04</b>	<b>759</b>	<b>£265,299.97</b>	<b>644</b>	<b>£207,247.95</b>	<b>75</b>	<b>£34,346.80</b>	<b>2598</b>	<b>£974,996.76</b>
<b>(29 September 2014) Week 27</b>	>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
		<b>1104</b>	<b>£464,316.24</b>	<b>749</b>	<b>£268,251.92</b>	<b>652</b>	<b>£203,101.64</b>	<b>78</b>	<b>£27,593.62</b>	<b>2583</b>	<b>£963,263.42</b>
<b>(28 December 2014) Week 40</b>	>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
		<b>1147</b>	<b>£499,311.10</b>	<b>794</b>	<b>£278,538.78</b>	<b>704</b>	<b>£219,267.63</b>	<b>74</b>	<b>£30,829.58</b>	<b>2719</b>	<b>£1,027,947.09</b>

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 14 (30 June 2014)	Arrears Value	£974,996.76	£765,253.58	£1,740,250.34	84653.35
	No. Of Cases	2598	1969	4567	330
Week 27 (27 September 2014)	Arrears Value	£963,263.42	£852,046.83	£1,815,310.25	75059.91
	No. Of Cases	2583	2110	4693	126
Week 40 (28 December 2014)	Arrears Value	£1,027,947.09	£932,420.33	£1,960,367.42	145057.17
	No. Of Cases	2719	2268	4987	294

### 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 40 (30 Dec 2013)	485	279	£120,234.79	(£9,779.37)
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	(£1,2496.24)
Week 40 (28 December 2014)	534	256	£98,743.47	£1418.45

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

The decrease in arrears within this group from December 2013 to December 2014 stands at £21,491.32. It is expected that the figures will be relatively consistent from now on.

## **FORMER TENANTS ARREARS**

Table 4, below summarises Former Tenants Arrears, showing the position since 30 June 2014 to 31 December 2014.

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, 21 tenancies have been abandoned and these tenancies had outstanding arrears of £15,745.78. 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 10 tenancies terminated with arrears of £2,750.15 where tenants were deceased.

5 tenants have been evicted since the last report to Committee, with arrears totalling £13,370.39.

## **LEAN REVIEW**

The Housing Division intend to carryout a LEAN review of arrears processes and procedures over the course of the next year to identify practical and effective ways of improving 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 Dispersed tenants accommodation	Number of cases	Balance Amount Former Temporary tenants accommodation	Number of cases	Total of former tenant arrears
<b>(30 June 2014) Week 14</b>	>3000	5	£18,636.85	4	£18,572.73	0	£0.00	9	£37,209.58
	2000 to 3000	28	£66,642.62	3	£7,705.45	3	£6,597.88	34	£80,945.95
	1000 to 2000	119	£164,950.77	28	£38,902.71	25	£34,669.69	172	£238,523.17
	500 to 1000	123	£88,660.69	65	45,724.33	57	£39,058.48	245	£173,443.50
	250 to 500	146	£53,203.63	81	£29,126.36	126	£44,698.81	353	£127,028.80
	<250	399	£40,715.95	250	£21,068.48	507	£46,318.15	1156	£108,102.58
	<b>Sum:</b>	<b>820</b>	<b>£432,810.51</b>	<b>431</b>	<b>£161,100.06</b>	<b>718</b>	<b>£171,343.01</b>	<b>1969</b>	<b>£765,253.58</b>
<b>(29 September 2014) Week 27</b>	>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
	<b>Sum:</b>	<b>903</b>	<b>£482,175.96</b>	<b>487</b>	<b>£190,762.06</b>	<b>720</b>	<b>£179,108.81</b>	<b>2110</b>	<b>£852,046.83</b>
<b>(28 December 2014) Week 40</b>	>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
	<b>Sum:</b>	<b>999</b>	<b>£533,654.46</b>	<b>549</b>	<b>£218,175.59</b>	<b>720</b>	<b>£180,590.28</b>	<b>2268</b>	<b>£932,420.33</b>