

ANGUS COUNCIL
POLICY AND RESOURCES COMMITTEE
28 NOVEMBER 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 27 is at 7.81% (2 October 2017) which is a significant decrease from the 8.72% previously reported to Committee for week 40 (2 January 2017).

Table 1 provides details of our performance for current rent arrears levels. The actual levels have varied since previously reported to Committee. Efforts are ongoing to pursue outstanding monies and since April 2017, there have been over 13076 actions taken including over 3261 visits to tenants or ex tenants. Since April 2017, 121 court actions have been taken. There have been 27 cases, where the Council have been awarded a decree by the Court since April 2017.

The Division are continuing to take strong action against tenants for non-payment and some tenants have been evicted. Approximately 12% of decrees obtained have ended with an eviction.

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
(02/01/2017) 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
(02/04/2017) Week 52	>3000	6	£23,125.56			1	£3,022.79	1	£4,676.99	8	£30,825.34
	2000 to 3000	21	£50,337.58	7	£16,415.18	14	£33,138.36	3	£6,342.68	45	£106,233.80
	1000 to 2000	113	£156,366.49	77	£103,814.53	65	£90,757.19	7	£10,004.20	262	£360,942.41
	500 to 1000	209	£148,782.61	158	£118,513.20	142	£104,589.98	7	£5,228.95	516	£377,114.74
	250 to 500	215	£78,653.40	156	£55,927.00	146	£54,416.83	13	£4,415.55	530	£193,412.78
	<250	646	£46,847.03	485	£39,586.30	411	£35,930.66	41	£3,515.02	1583	£125,879.01
		1210	£504,112.67	883	£334,256.21	779	£321,855.81	72	£34,183.39	2944	£1,194,408.08
(02/10/2017) Week 27	>3000	3	£12,132.13			2	£7,660.12			5	£19,792.25
	2000 to 3000	13	£31,095.56	4	£9,885.51	15	£33,162.23	1	£2,459.24	33	£76,602.54
	1000 to 2000	109	£147,360.57	95	£122,083.33	76	£103,255.40	2	£2,317.91	282	£375,017.21
	500 to 1000	177	£124,873.50	143	£104,718.07	127	£92,326.59	13	£9,353.42	460	£331,271.58
	250 to 500	181	£64,227.72	157	£56,767.73	124	£45,743.95	17	£5,506.90	479	£172,246.30
	<250	615	£53,153.16	476	£41,777.07	439	£35,291.36	43	£5,108.05	1573	£135,329.64
		1098	£432,842.64	875	£335,231.71	783	£317,439.65	76	£24,745.52	2832	£1,110,259.52

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 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
Week 52 (2 April 2017)	Arrears Value	£1,194,408.08	£1,142,369.36	£2,336,777.44	-£124,699.94
	No. Of Cases	2944	2603	5547	-216
Week 27 (2 October 2017)	Arrears Value	£1,110,259.52	£1,293,400.27	£2,403,659.79	£66,882.35
	No. Of Cases	2832	2876	5708	161

UNIVERSAL CREDIT

The caseload at this time is not having any immediate cause for concern, however, the divisions involved in collection of monies are monitoring this carefully. 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 will be reported in future reports, based on availability of information. A snapshot of current cases shows a relatively small increase in arrears based on arrears balances from when they went on to universal credit to their current rent arrears.

Number of weeks in Arrears	Number of Cases	Arrears Balance (Start of UC Claim)	Current Arrears Balance on Accounts
Rent Clear	15	£6,723.62	-£1452.66
Less than 8 weeks	53	£22,067.50	£12,796.85
Over 8 weeks	86	£95,787.06	£114,132.47
Totals	154	£124,578.18	£125,476.66

FORMER TENANTS ARREARS

Table 3 below summarises Former Tenants Arrears, showing the position since 2 January 2017 to 2 October 2017

These have increased since the last report to Committee and this is reflected in the table below. Since former tenants' arrears were last reported to Committee, 52 tenancies have been abandoned and these tenancies had outstanding arrears of £40,464.84. 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 44 tenancies terminated with arrears of £11,445.57 where tenants were deceased.

16 tenants have been evicted since the last report to Committee, with arrears totalling £39,463.98

Table 3 – 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 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
(2 April 2017) Week 52	>3000	7	£24,338.58	9	£43,036.44	3	£15,180.37	19	£82,555.39
	2000 to 3000	45	£107,469.23	17	£40,798.26	3	£6,702.06	65	£154,969.55
	1000 to 2000	153	£212,408.45	69	£94,506.87	34	£46,078.44	256	£352,993.76
	500 to 1000	172	£122,322.69	124	£88,753.56	60	£41,150.22	356	£252,226.47
	250 to 500	177	£63,421.34	152	£53,415.07	126	£44,419.24	455	£161,255.65
	<250	535	£52,081.10	428	£42,476.52	489	£43,810.92	1452	£138,368.54
	Sum:	1089	£582,041.39	799	£362,986.72	715	£197,341.25	2603	£1,142,369.36
(2 October 2017) Week 27	>3000	10	£36,407.30	9	£43,036.77	3	£15,180.37	22	£94,624.44
	2000 to 3000	56	£132,941.30	20	£49,456.89	3	£6,986.67	79	£189,384.86
	1000 to 2000	176	£245,906.90	84	£115,131.55	33	£45,245.75	293	£406,284.20
	500 to 1000	192	£136,428.10	133	£95,700.29	60	£41,314.17	385	£273,442.56
	250 to 500	199	£70,655.68	173	£60,673.98	126	£44,427.24	498	£175,756.90
	<250	640	£63,671.08	468	£46,400.18	491	£43,836.05	1599	£153,907.31
	Sum:	1273	£686,010.36	887	£410,399.66	716	£196,990.25	2876	£1,293,400.27

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