

**ANGUS COUNCIL**

**POLICY AND RESOURCES COMMITTEE**

**09 OCTOBER 2018**

**ARREARS UPDATE – HOUSING REVENUE ACCOUNT**

**1. BACKGROUND**

- 1.1 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.
- 1.2 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.

**2. CURRENT RENT ARREARS**

- 2.1 The Divisional performance on current rent arrears as a percentage of rent due at week 52 is at 7.66% (26 March 2018) which is a decrease from the 7.74% for week 52 (31 March 2017). This is a good improvement in the current climate given that other authorities have seen increases. We are one of only 9 councils out of 27 benchmarking partners to have a reduction in arrears over the last year.
- 2.2 Table 1 provides details of our performance for current rent arrears levels. The actual levels have varied. Efforts are ongoing to pursue outstanding monies and since January 2018, there have been over 3157 actions taken including over 1381 visits to tenants or ex tenants. Since January 2018, 26 court actions have been taken. There have also been 16 cases, where the Council have been awarded a decree by the Court in this period.
- 2.3 The Division are continuing to take strong action against tenants for non-payment and some tenants have been evicted. Approximately 2% 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		Balance Amount Forfar and Kirriemuir CHT Area		Balance Amount Montrose and Brechin CHT Area		Balance Amount Dispersed Accommodation	Total Number of Cases	Total Arrears
			No of cases		No of cases		No of cases				
<b>(02/10/2017) Week 27</b>	>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
		<b>1098</b>	<b>£432,842.64</b>	<b>875</b>	<b>£335,231.71</b>	<b>783</b>	<b>£317,439.65</b>	<b>76</b>	<b>£24,745.52</b>	<b>2832</b>	<b>£1,110,259.52</b>
<b>(01/01/2018) Week 40</b>	>3000	2	£8,823.53			1	£3,077.28			13	£11,900.81
	2000 to 3000	18	£43,490.66	10	£21,867.60	7	£17,328.19			107	£82,686.45
	1000 to 2000	108	£146,666.46	82	£109,424.20	93	£124,443.91	4	£4,894.25	361	£385,428.82
	500 to 1000	191	£136,120.71	156	£113,926.59	119	£86,181.23	26	£16,758.87	477	£352,987.40
	250 to 500	178	£62,885.96	141	£50,822.55	113	£39,713.47	25	£8,399.20	811	£161,821.18
	<250	607	£52,551.99	495	£45,088.76	457	£38,116.68	30	£3,775.09	1978	£139,532.52
		<b>1104</b>	<b>£450,539.31</b>	<b>884</b>	<b>£341,129.70</b>	<b>790</b>	<b>£308,860.76</b>	<b>85</b>	<b>£33,827.41</b>	<b>2863</b>	<b>£1,134,357.18</b>
<b>(26/03/2018) Week 52</b>	>3000	6	£22,084.08	1	£3,047.33	1	£3,398.86			8	£28,530.27
	2000 to 3000	15	£36,244.12	13	£30,334.47	13	£30,740.29	1	£2,107.92	42	£99,426.80
	1000 to 2000	114	£153,974.17	87	£118,431.68	94	£123,260.35	5	£7,291.25	300	£402,957.45
	500 to 1000	193	£138,085.97	159	£119,033.25	127	£92,260.18	17	£11,438.58	496	£360,817.98
	250 to 500	179	£63,577.45	157	£56,553.50	136	£49,039.10	15	£5,860.93	487	£175,030.98
	<250	615	£45,278.10	537	£40,836.41	459	£33,456.28	14	£841.55	1625	£120,412.34
		<b>1122</b>	<b>£459,243.89</b>	<b>954</b>	<b>£368,236.64</b>	<b>830</b>	<b>£332,155.06</b>	<b>52</b>	<b>£27,540.23</b>	<b>2958</b>	<b>£1,187,175.82</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 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
Week 40 (1 January 2018)	Arrears Value	£1,134,357.18	£1,363,649.40	£2,498,006.58	£94,346.79
	No. Of Cases	2863	2990	5853	145
Week 52 (26 March 2018)	Arrears Value	£1,187,241.67	£1,171,191.22	£2,358,432.89	<b>-£139,573.69</b>
	No. Of Cases	2959	2428	5387	<b>-466</b>

### 3. UNIVERSAL CREDIT

3.1 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 decrease in arrears based on arrears balances from when the tenants 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	130	£6,536.44	<b>-£18,370.87</b>
Less than 8 weeks	333	£101,182.66	£84,205.16
Over 8 weeks	516	£641,219.40	£593,246.95
<b>Totals</b>	<b>979</b>	<b>£748,938.50</b>	<b>£659,081.24</b>

### 4. FORMER TENANTS ARREARS

4.1 Table 3 below summarises Former Tenants Arrears, showing the position since 01 January 2018 to 31 March 2018.

4.2 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, 20 tenancies have been abandoned and these tenancies had outstanding arrears of £17,260.22. 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 18 tenancies terminated with arrears of £7072 where tenants were deceased. Three tenants have been evicted since the last report to Committee, with arrears totalling £6,269.91.

### 5. REPORTING PERIODS

5.1 Given the current fluctuations being seen due to posting of payments from Universal Credit, along with the implications of reporting around the Christmas period and also the direct debit payment patterns, it is recommended that for consistency purposes, it would be better to report twice yearly rather than 3 times a year. This will allow members to be able to look at the best comparative data for consistent periods. Reports would be provided at weeks 27 and 52 of the rental year.

Contact for further information:  
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Table 3 – 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
<b>(2 October 2017) Week 27</b>	>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
	<b>Sum:</b>	<b>1273</b>	<b>£686,010.36</b>	<b>887</b>	<b>£410,399.66</b>	<b>716</b>	<b>£196,990.25</b>	<b>2876</b>	<b>£1,293,400.27</b>
<b>(1 January 2018) Week 40</b>	>3000	12	£44,259.84	9	£42,789.37	3	£15,180.37	24	£102,229.58
	2000 to 3000	61	£145,963.00	20	£49,167.08	3	£6,986.67	84	£202,116.75
	1000 to 2000	192	£266,933.70	85	£116,846.98	33	£45,245.75	310	£429,026.43
	500 to 1000	208	£147,229.20	143	£102,676.96	60	£41,024.39	411	£290,930.55
	250 to 500	208	£73,804.56	183	£64,027.15	126	£44,388.84	517	£182,220.55
	<250	675	£66,687.65	478	£46,611.06	491	£43,826.83	1644	£157,125.54
	<b>Sum:</b>	<b>1356</b>	<b>£744,877.95</b>	<b>918</b>	<b>£422,118.60</b>	<b>716</b>	<b>£196,652.85</b>	<b>2990</b>	<b>£1,363,649.40</b>
<b>(26 March 2018) Week 52</b>	>3000	12	£44,259.84	7	£33,799.37	3	£15,180.37	22	£93,239.58
	2000 to 3000	61	£146,799.81	17	£41,044.49	2	£4,924.03	80	£192,768.33
	1000 to 2000	157	£222,386.43	81	£111,808.81	14	£19,837.47	252	£354,032.71
	500 to 1000	192	£135,890.13	149	£107,379.93	23	£15,485.50	364	£258,755.56
	250 to 500	189	£67,146.75	171	£60,081.65	52	£18,395.87	412	£145,624.27
	<250	632	£63,354.27	431	£42,685.83	235	£20,730.67	1298	£126,770.77
	<b>Sum:</b>	<b>1243</b>	<b>£679,837.23</b>	<b>856</b>	<b>£396,800.08</b>	<b>329</b>	<b>£94,553.91</b>	<b>2428</b>	<b>£1,171,191.22</b>