

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE - 29 JANUARY 2019

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. It should be noted that arrears recovery team also sits within Revenues and Benefits Team.
- 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 27 is at 8.38% (01 October 2018) which is an increase from the 7.66% for week 52 (26 March 2018). Although this slight increase is disappointing, it is in line with the current climate affecting other authorities. An increase in arrears at this week of reporting is not unusual.
- 2.2 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 2018, there have been over 15745 actions taken including over 2690 visits to tenants or ex tenants. Since April 2018, 120 court actions have been taken. There have also been 68 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. There have been no evictions during this period.

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 Accomm.	Total Number of Cases	Total Arrears
(01/01/2018) Week 40	>3000	2	£8,823.53			1	£3,077.28			3	£11,900.81
	2000 to 3000	18	£43,490.66	10	£21,867.60	7	£17,328.19			35	£82,686.45
	1000 to 2000	108	£146,666.46	82	£109,424.20	93	£124,443.91	4	£4,894.25	287	£385,428.82
	500 to 1000	191	£136,120.71	156	£113,926.59	119	£86,181.23	26	£16,758.87	492	£352,987.40
	250 to 500	178	£62,885.96	141	£50,822.55	113	£39,713.47	25	£8,399.20	457	£161,821.18
	<250	607	£52,551.99	495	£45,088.76	457	£38,116.68	30	£3,775.09	1589	£139,532.52
		1104	£450,539.31	884	£341,129.70	790	£308,860.76	85	£33,827.41	2863	£1,134,357.18
(26/03/2018) Week 52	>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
		1122	£459,243.89	954	£368,236.64	830	£332,155.06	52	£27,540.23	2958	£1,187,175.82
(01/10/2018) Week 27	>3000	2	£9,645.78	3	£10,112.58	2	£7,931.13			7	£27,689.49
	2000 to 3000	19	£44,308.03	16	£37,008.86	20	£45,756.91	3	£7,327.34	58	£134,401.14
	1000 to 2000	144	£191,360.11	105	£143,600.51	91	£126,233.92	9	£12,843.75	349	£474,038.29
	500 to 1000	206	£150,073.08	179	£129,164.05	132	£92,755.12	5	£3,587.96	522	£375,580.21
	250 to 500	201	£74,121.00	161	£59,099.34	151	£53,903.17	7	£2,522.46	520	£189,645.97
	<250	536	£49,892.80	478	£42,809.53	372	£34,511.34	22	£2,654.29	1408	£129,867.96
		1108	£519,400.80	942	£421,794.87	768	£361,091.59	46	£28,935.80	2864	£1,331,223.06

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 (1 January 2018)	Arrears Value	£1,134,357.18	£1,363,649.40	£2,498,006.58	£161,229.14
	No. Of Cases	2863	2990	5853	306
Week 52 (26 March 2018)	Arrears Value	£1,187,175.82	£1,171,191.22	£2,358,367.04	-£139,639.54
	No. Of Cases	2958	2428	5386	-467
Week 27 (1 October 2018)	Arrears Value	£1,331,223.06	£1,341,688.20	£2,672,911.26	£314,544.22
	No. Of Cases	2864	2700	5564	178

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 an increase in arrears based on arrears balances from when the tenants went on to universal credit to their current rent arrears of **£48,906.60** as at 31/12/2018. It should also be noted that there are 163 cases which are pending claims and the difference in arrears for these cases are **£22,881.72**.

Number of weeks in Arrears	Number of Cases	Arrears Balance (Start of UC Claim)	Current Arrears Balance on Accounts
Rent Clear	45	£15,950.65	-£8,469.53
Less than 8 weeks	237	£108,917.29	£71,407.74
Over 8 weeks	780	£513,305.99	£624,142.32
Totals	1062	£638,173.93	£687,080.53

4. FORMER TENANTS ARREARS

- 4.1 Table 3 below summarises Former Tenants Arrears, showing the position since 03 April 2018 to 01 October 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, 37 tenancies have been abandoned and these tenancies had outstanding arrears of £43,606.10. 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 24 tenancies terminated with arrears of £3,409.82 where tenants were deceased. Seven tenants have been evicted since the last report to Committee, with arrears totalling £21,206.11.

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 Dispersed tenants accommodation	Number of cases	Balance Amount Former Temporary tenants accommodation	Number of cases	Total of former tenant arrears
(1 January 2018) Week 40	>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
	Sum:	1356	£744,877.95	918	£422,118.60	716	£196,652.85	2990	£1,363,649.40
(26 March 2018) Week 52	>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
	Sum:	1243	£679,837.23	856	£396,800.08	329	£94,553.91	2428	£1,171,191.22
(1 October 2018) Week 27	>3000	16	£58,958.71	9	£41,431.13	3	£15,180.37	28	£115,570.21
	2000 to 3000	75	£180,672.57	16	£39,137.24	2	£4,924.03	93	£224,733.84
	1000 to 2000	175	£246,848.51	102	£140,055.15	15	£21,069.53	292	£407,973.19
	500 to 1000	222	£158,271.80	153	£111,583.98	22	£14,901.79	397	£284,757.57
	250 to 500	218	£78,022.62	203	£71,833.80	53	£18,685.29	474	£168,541.71
	<250	705	£72,404.80	475	£46,780.68	236	£20,926.20	1416	£140,111.68
	Sum:	1411	£795,179.01	958	£450,821.98	331	£95,687.21	2700	£1,341,688.20