

Committee: Housing Board

Agenda Item

Date: 10th September 2012

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Title: Housing – Rent Arrears Policy

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Item for Information

Summary

1. This report is to inform the Housing Board of the proposed changes to the Rent Arrears Policy and supporting procedures.

Recommendations

2. That the Housing Board review the proposed changes and make comment as necessary.

Financial Implications

3. The changes will support the requirement to proactively manage Tenant rent arrears to ensure arrears levels are kept to an optimal minimum at all times. This will be particularly relevant with regards to the implementation of the Welfare Reform in April 2013.

Background Papers

4. Welfare Reform Act 2012

Impact

- 5.

Communication/Consultation	N/A
Community Safety	N/A
Equalities	A full EQiA will be completed prior to revised policy being implemented
Health and Safety	N/A
Human Rights/Legal Implications	Tenants that continually have arrears against their rent account may be subjected to court proceedings
Sustainability	N/A
Ward-specific impacts	Tenants in all wards affected
Workforce/Workplace	N/A

Situation

6. Housing Services recently conducted a benchmarking exercise with regards to Rent Arrears and its supporting procedures. Findings identified that a number of authorities commence the arrears process at an earlier stage than UDC currently do.

7. In addition, with the implementation of the new organisational structure within the service, a review of responsibilities relating to the Arrears process had been completed.
8. Housing Services are also currently working with the Revenues and Benefits Service to understand and plan for the implementation of the Welfare Reform in 2013, in particular the introduction of the size criteria measure ('bedroom tax'). This will see a number of tenants experiencing a reduction in their Housing Benefit payments due to under-occupancy of their property. It is anticipated that this and the benefits cap will potentially impact the level of arrears currently experienced by the authority.
9. As a result of these reviews a revised Arrears Escalation Policy has been developed (see Appendix One). In summary, for weekly paying tenants, the policy now identifies that an initial visit will be completed by a Housing Officer after an account has been in arrears for 2 weeks (previously 3 weeks and initial contact was made via letter). This subsequently reduces the total escalation process (with the exception of any court actions which cannot be influenced by UDC) to 10 weeks (previously 12 weeks).
10. Also, to support the objective of minimising the level of tenant arrears, Housing Officers will discuss rent payments, how much the payment will be and how the tenant may be making payment, at the point of sign-up. All new tenants will also be issued with a Housing Benefit claim form (if applicable) and given support to complete it. Housing Services have also recently established a working partnership with the Essex Floating Support Service who can provide financial advice directly to tenants if required.
11. These proposed changes are scheduled to be implemented in early October which will allow sufficient time for the process to be embedded prior to the implementation of the Welfare Reform.
12. Members of the Housing Board are asked to review the revised escalation policy and provide comment as necessary.

Risk Analysis

13.

Risk	Likelihood	Impact	Mitigating actions
Tenant rent arrears will increase therefore impacting HRA revenues	4 – Initial investigations show that a small group of tenants that are already in arrears will have their benefit payments reduced further with the implementation of the Welfare Reform	3 – Action needs to be taken as soon as possible to ensure the current arrears debt is not increased significantly	New rent arrears policy to be implemented

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.