

"NOT FOR PUBLICATION

This report is circulated for consultation purposes only and must not be discussed or the contents released to anyone or any organisation outwith the Council. You should only discuss this with authorised Council employees. If you are in any doubt about who you are able to disclose this information to please contact the report author or your Director or Head of Service. If you are a member of a trade union and you are being consulted on this report as part of the Council's formal consultation procedures please adhere to these arrangements and contact the Head of Human Resources if you require any further advice."

ABERDEEN CITY COUNCIL

COMMITTEE	Housing and Environment
DATE	26 August 014
DIRECTOR	Pete Leonard
TITLE OF REPORT	Rent Arrears - Update
REPORT NUMBER	H&E/14/057
CHECKLIST RECEIVED	Yes

1. PURPOSE OF REPORT

The purpose of this report is to provide members with an update on the current level of rent arrears and the actions being taken to manage rent management

2. RECOMMENDATION

It is recommended that Committee note the report

3. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

4. OTHER IMPLICATIONS

N/A

5. BACKGROUND/MAIN ISSUES

Members will be aware from previous reports that rent arrears had been increasing significantly over the last three years. Reports to the Housing and Environment Committee in January and March 2014 gave explanations for this and outlined the actions being taken not only to minimise any further increase but also to try and improve our performance.

This report provides Member's with further information.

The table below shows a comparison in our performance for rent arrears for the months of Jan – June 2013 and 2014.

2013 Month	2013 Monthly Value	2014 Month	2014 Monthly Value	Year on Year Diff £	% Diff
Jan-13	£3,350,475.56	Jan-14	£3,905,995.56	£555,520.00	↑16.6%
Feb-13	£3,450,178.60	Feb-14	£3,946,349.76	£496,171.16	↑14.4%
Mar-13	£3,077,681.99	Mar-14	£2,933,283.39	-£144,398.60	↓4.7%
Apr-13	£3,427,571.06	Apr-14	£3,117,084.11	-£310,486.95	↓9.1%
May-13	£3,566,542.58	May-14	£3,291,748.75	-£274,793.83	↓7.7%
Jun-13	£3,283,224.73	Jun-14	£2,787,134.97	-£496,089.76	↓15.1%

Members can see at a glance that although the arrears in Jan and February 2014 increased from the same time last year, there has been a real improvement in performance since March 2014 compared to figures from the same time last year.

Clearly this has taken a huge effort by all the staff involved in the rent management process, and one which will be difficult to sustain over the coming months.

As a result, officers are looking to introduce a new team of four staff, who will focus on cases at the Notice of Proceedings stage, the 1st stage of legal action. A business case is currently being developed for staff who would have a focus on drilling down to the root cause of rent arrears and finding solutions to avoid the necessity of Court action. It is proposed that these new staff would work outwith normal core hours and free up time for both the Housing Officers and Assistant Housing Officers to concentrate more of their time on their competing priorities.

At the end of last year the post of Development Officer was created on a fixed term basis to concentrate on the development and strategy for rent arrears. Given the success of this post a business case has recently been approved to make the post permanent.

There are also a number of ongoing actions which are being developed to enable the Housing Management Teams to be able to better respond to the rent arrears. These include:

- The process for claiming Rent Arrears Direct (direct deductions from benefits paid by Department of Work and Pensions) has now been designed and implemented.. This allows us to maximise the income generated through this payment channel to include charges for services such as heating.
- A poster campaign was ongoing through most of July and August on “First Bus”. This was aimed at giving out a joint message to neighbourhoods around the financial help available from both Housing Management and Money advice/Financial Inclusion Services
- A new poster campaign has begun in conjunction with an on-line electronic reporting form to increase awareness and promote the reporting of suspected abandoned properties – given that neighbours are usually the first

to notice anything suspicious in relation to a tenancy and therefore can play a significant role in helping the Council identify and take action at the earliest possible stage.

- Poster campaign as well as the use of the television screens at Marischal College Customer Service Centre and at the Woodside Customer Access Point promoting payment by direct debit as well as encouraging claims for Discretionary Housing Payment.
- Summer edition of Newsbite being used to include several articles around arrears, financial help, payment methods etc.
- Court working group, continues to explore ways to reduce the number of cases reaching Court and how to be more effective managing the cases already within the Court arena.
- Work continues on investigating ways in which we can be more flexible in introducing direct debits on any day of the month. Testing is underway plus consideration of new software to ease the transition to wards greater flexibility.
- Applications for Discretionary Housing Payments continues, with a large number of claims pending, awaiting the release of promised additional funding from Scottish Government.
- A business case is being developed to introduce a new Arrears Intervention Team (described earlier). These staff would have a city wide remit to administer the 1st legal recovery stage of rent arrears. The team will be a specialist arrears team aligned to the current Arrears Recovery Team and will focus on drilling down to the root cause of rent arrears and finding solutions to avoid the necessity of Court action. The proposal is that this team will work outwith normal core hours and link heavily to the Financial Inclusion Team, Homeless Prevention Team, Welfare Hub and Housing Management Teams as well as external advice and support agencies.
- Improved links with the Financial Inclusion Teams who are exploring how best their intervention with professional, financial advice can better support our tenants. The team are considering several pre tenancy and early tenancy interventions.
- External training is taking place during September for Housing Officers, Assistant Housing Officers and Arrears Recovery Officers around payment negotiation skills and how language can be used to influence discussions and outcomes with tenants in arrears.
- Development of individual performance targets for Housing Officers within their patches. The aim is to make the targets much more meaningful and realistic for staff to work towards.
- Development of a suite of GIS mapped tasks for Housing Officers to use for better managing their area. The system is being developed on the concept of “what else can I do in my area while I’m here”.
- Procedural changes have been made to arrears cases which are undergoing bankruptcy or sequestration action. Rather than simply writing off the debt and beginning any action afresh, cases will be managed to determine how the tenant is coping with their ongoing liability. It is intended that this will encourage agencies working with these tenants to continue supporting them beyond the bankruptcy application stage.
- A review of how lease signings are conducted is to be undertaken. The proposal is to make sure that every new tenant is given clear information on what is expected of them as regards their rental liability. Similarly we will review the procedure for the follow up routine visits to new tenants and on

how and when these visits should be carried out, this is with a view to improving performance in this area.

6. IMPACT

The report has links to the Community Plan and our vision for the City to be an even better place to live and work, where people can expect high quality services to meet their needs.

The report relates to the Single Outcome Agreement and the Council vision of Aberdeen – the Smarter City, in particular the strategic priority “Smarter Living (Quality of Life), where we challenge inequality and positively promote wellbeing building on cultural and physical activity.

The report also relates to the following National Outcome Measures:

- National Outcome C – “We live longer, healthier lives”
- National Outcome 9 – “A safer and Stronger Scotland”
- National Outcome 10 – “We live in well designed, sustainable places, where we are able to access the amenities and services we need”

Given the changes to welfare benefits and the level of rent arrears, this Report is likely to have significant interest to the public

7. MANAGEMENT OF RISK

N/A

8. BACKGROUND PAPERS

Housing and Environment Committee, 14 January 2014
Rent Arrears – Background Information and Update on Current Actions

Housing and Environment Committee, 11 March 2014
Rent Arrears Update

9. REPORT AUTHOR DETAILS

Wendy Carle
Housing Manager
wcarle@aberdeencity.gov.uk
Tel 01224489526