

## WEST DUNBARTONSHIRE COUNCIL

### Report by Director of Housing, Regeneration and Environmental Services

**Social Justice Committee: 13 September 2006**

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**Subject: Rent Arrears**

#### **1. Purpose**

- 1.1** The purpose of this report is to update the Committee on our arrears position for the financial year 2005/2006.

#### **2. Background**

- 2.1** The following table provides the Committee with an overview of current rent arrears for houses:-

Table 1

	<b>2002/2003</b>	<b>2003/2004</b>	<b>2004/2005</b>	<b>2005/2006</b>
Current tenant arrears	£1,511,430	£1,465,118	£1,460,340	£1,397,439
Caseload	3,702	3,202	3,191	3,086

- 2.2** The above figure represents a reduction of £62,901 and 105 cases from the start of the year.

- 2.3** The following table provides the Committee with an overview of former tenants arrears for houses:-

Table 2

	<b>2002/2003</b>	<b>2003/2004</b>	<b>2004/2005</b>	<b>2005/2006</b>
Former tenant arrears	£859,179	£920,836	£991,378	£990,082
Caseload	2,098	2,149	1,861	2,064

- 2.4** The above figure represents a decrease of £1,296 and increase in caseload of 203 from the start of the year.

- 2.5** The following table provides Committee with an overview of the performance indicator for WDC current tenants' arrears as a percentage of net rent debit:-

Table 3

Year	Percentage of net debit
2000/2001	23.5%
2001/2002	19.2%
2002/2003	18.2%
2003/2004	16.7%
2004/2005	15.8%
2005/2006	14.5%

- 2.6** The above figures represent continuous improvement in percentage terms and our target for 2006/2007 is 12%.

- 2.7** During the year 2005/2006, we were granted decree for recovery of possession due to non payment of rent in 16 cases. Of these 16 cases, 4 came to suitable payment arrangements and were granted a new tenancy agreement, 4 cases resulted in eviction and 8 cases were sisted.

### **3. Main Issues**

- 3.1** We have recently carried out a review of our arrears procedures which aims for earlier personal contact with tenants who have arrears. We implemented the LIVE system for former tenant arrears in June 2004 which has improved our performance in this area.
- 3.2** The close working relationship between arrears and benefit staff and our colleagues in welfare rights has assisted continued improvement in our current tenant arrears performance. Through Transitional Housing Benefit and subsequently Supporting People Grant, we have together developed a Money Management scheme. This scheme provides benefit and debt advice and encourages the use of Credit Unions.
- 3.3** Our agreements for repayment are based on full financial statements that take account of all debts including all other debts to the Council whereby our agreements are affordable and sustainable. Approximately 50% of our arrears cases are currently in receipt of Housing Benefit with arrangements for payment set at a low level. Therefore, progress in reducing the arrears is slow. For example, a tenant with £1,000 arrears paying by arrears direct would take almost 7 years to repay the debt. The reduction in current tenant rent arrears for houses in monetary terms is illustrated at Appendix 1.

- 3.4** We are still carrying the effects of the strike action in 2000 on our current tenant arrears. In monetary terms, 33% of our current tenant arrears are owed by tenants who first went into arrears during or before 2000/2001 despite the fact that they represent only 16% of our caseload. This is illustrated by the aged arrears analysis at Appendix 2 which breaks down the arrears by Area Office.

**4. Personnel Issues**

- 4.1** There are no personnel issues.

**5. Financial Implications**

- 5.1** There are no financial implications.

**6. Conclusion**

- 6.1** Current tenant rent arrears have reduced annually both in monetary value and as a percentage of net debit since 2000/2001.
- 6.2** We are committed to maintaining this downward trend and will continue to monitor our arrears performance and make early contact with tenants who have arrears. We will also maintain close links with housing benefits, welfare rights and other agencies and make affordable, sustainable repayment arrangements with tenants in arrears.

**7. Recommendation**

- 7.1** **The Committee is invited to note the progress made in our rent arrears performance.**

**David McMillan**  
**Director of Housing, Regeneration and Environmental Services**  
**Date: 28 August 2006**

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**Wards Affected:** All

**Appendix:** Appendix 1 - Arrears by Monetary Value  
Appendix 2 - Arrears Ageing Analysis

**Background Papers:** None

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