
Rent Arrears Report

April 2023 to March 2024

Housing Scrutiny Commission: 11 July 2024

Assistant Mayor for Housing: Cllr Elly Cutkelvin
Lead Director: Chris Burgin

Useful information

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1. PURPOSE OF REPORT

- 1.1 To inform the Members of the Scrutiny Commission on the rent arrears progress within the general housing stock, over the full financial year, from April 2023 to March 2024.

2. RECOMMENDATIONS

- 2.1 The report is for information and Members are asked to note the contents of the report.

3. SUMMARY

- 3.1 At the end of the financial year (31st March 2024) the cash amount outstanding was **£1.974m**, for current tenant rent arrears within the general housing stock. This is **14% higher** than at the same point in the previous financial year, and this increase was anticipated and projected in last year's annual rent report. Like many Social Landlords nationally, the team faced significant challenges in collecting rent and service charges, due to the cost-of-living crisis which continues to impact tenants' financial circumstances. Notwithstanding, the rent arrears are much lower when compared to other Local Authorities with similar stock, and the team have managed to control rent arrears from increasing to unmanageable amounts and continued with sustaining tenancies despite the economic pressures. (See 4.4, Table 1 & 2).
- 3.2 The proportion of rent collected between April and March 2024 was **98.54%**. The figure reflects a rolling 52-week performance and demonstrates the hard work and tremendous efforts made by the team in maximising rent collection.
- 3.3 The team supported tenants to apply for Discretionary Housing Payments. A total **£201,403** was paid in awards for all qualifying Council tenants. This is a 49% decrease in awards compared to the previous financial year as the DWP grant was substantially reduced compared to previous years. (See 4.32 & 4.33)
- 3.4 The team processed Household Support Fund applications to award **£500k** worth of housing costs to tenants affected by the cost-of-living crisis. A total of **572 tenants** were supported by this scheme and **50% were disabled households**. A combined total of **540 children** living within these tenancies benefited from this support. A further **5,108** tenants or **27%** of all Council tenants were supported with fuel, water costs, food, and white goods. Many tenants received multiple awards for different things. (See 4.34 to 4.37)

- 3.5 The total value of the top 500 cases at year-end 2023/24 was **higher** by over **18%** when compared to the same point in the previous year. We are seeing an upward trend on many more tenants not engaging and vulnerable tenants requiring intensive support. Efforts to engage tenants with complex needs takes a longer period and quite often they build up higher debts in the interim. (See 4.11 to 4.13 & Table 7 & 8)
- 3.6 By the end of the financial year 2023/24, a total number of **7,248** council tenants were claiming UC equating to **39%** of all current council tenants. This compares to **32%** of council tenants in receipt of Housing Benefit. By the end of the year a total of **55%** of tenants claiming UC were in rent arrears (see 4.17, Table 9).
- 3.7 The Rent Management Advisors (RMA) have been supporting tenants with welfare benefit claims. They received a total of **1,016 referrals** throughout the year, which is **8% higher** than at the same point in the previous year and **72%** of the households had some type of vulnerability. (See 4.23 to 4.31)
- 3.8 In the last financial year, **7 evictions** were carried out for non-payment of rent, and this figure compares to 5 in 2022/23 and 7 in 2021/22. Since April 2023, a total of **81 cases** were submitted to court for rental possessions which equates to an **average of 7 cases** per month and this compares to 80 court submissions in the year 2022/23. Pre-Covid, the average court submissions were around 80 cases per month which represents **92% annual reduction** in possession actions. (See 4.38 to 4.40)

4. REPORT

Current Tenant Rent Arrears

4.1 Current Rent Arrears at the end of each quarter for the financial year 2023/24:

Table 1. Quarterly Arrears

Period	Arrears at Quarter End
Quarter 1	£2,397,451
Quarter 2	£2,756,968
Quarter 3	£1,826,357
Quarter 4	£1,974,282

4.2 Comparison of year-end figures over the last four years:

Table 2. Financial Year End Figures

Period	Arrears at Financial Year End
2020/21	£1,799,863
2021/22	£1,576,981
2022/23	£1,724,846
2023/24	£1,974,282

4.3 Table 1 shows the cash amount owing at the end of each quarter in the last financial year. The arrears were higher at the start of the year and decreasing towards year-end which historically, are normal patterns and trends that are seen.

4.4 Table 2 shows the cash amount owing at week ending **31st March 2024**. The total arrears were **£1.974m**, which is over **14% higher** compared to the same point in the previous financial year, this increase is as anticipated and projected in last year's annual rent report. This figure does not represent non-dwelling properties.

Like many Social Landlords nationally, the team faced significant challenges in collecting rent and service charges due to the cost-of-living crisis which continues to impact tenants' financial circumstances. In March, the cyber incident affected the Councils IT systems, meaning that the team were unable to proactively collect rent, and tenants were unable to access the Housing Online systems: this resulted in delays to the expected rent payments. Overall, these factors have contributed and influenced the level of outstanding arrears. Notwithstanding, the rent arrears are much lower when compared to other Local Authorities with similar stock, and the team have managed to control rent arrears from increasing into unmanageable amounts and continued with sustaining tenancies despite the economic pressures.

4.5 ARCH (Association of Retained Council Housing) and the NFA (National Federation of ALMOs) together represent around 90 local authorities and ALMOs that manage 952,000 local authority homes across England. They collectively produced survey findings in August 2023, from data provided by local authorities and ALMOs across England which collectively manage around 294,000 local authority homes. A total of 85% of survey respondents reported **increased rent arrears since the start of the cost-of-living crisis**. In March 2022 a total of 97,220 households were in rent arrears, this had risen to 101,203 households in March 2023, a **4% increase** and the total **value of rent arrears** for the same period had risen to **11%**. This demonstrates the impact on rent arrears across the various authorities are very similar to the position in Leicester. The country is experiencing the worst cost-of-living crisis in decades. It is a crisis which is disproportionately affecting the poorest because inflation has driven up the cost of essentials and incomes having not kept up with the cost of living.

4.6 The proportion of rent collected between April and March 2024 was **98.54%**. The figure reflects a rolling 52-week performance and demonstrates the hard work and tremendous efforts made by the team in maximising rent collection. The rent collection figures for Leicester remains good in comparison with other authorities with only **38%** of our current tenants in rent arrears.

4.7 **The list below sets out a summary of some good working practices and achievements of the team.**

- Processed Household Support Fund applications to award **£500k** worth of housing costs to tenants affected by the cost-of-living crisis. A total of **572 tenants** were supported by this scheme and **50% were disabled households**. A combined total of **540 children** living within these tenancies benefited from this support.
- The team communicate with tenants in various ways to encourage rent payments, maximise rent collection and reduce rent arrears. A total of **44,140 telephone**

contacts were made or received by the team in the financial year 2023/24 including duplicated contacts made by the team to the same tenant, averaging 176 calls per working day.

- A further **7,719 text messages** were sent by the team to reach out to tenants for payment and support. This doesn't include the automated bulk texting facility.
- **Emails** were also sent and received to tenants and a total of 16,569 were sent and 10,244 were received which is a **combined total of 26,813** throughout the year, averaging 107 emails per working day.
- A total of **999 home visits** were completed to tenants' home which is an average of 4 visits per working day throughout the year.
- The team produced and issued **49,284 letters** throughout the year not including the system generated automated letters. This includes a combination of general rent payment reminder letters and invites to appointments alongside anything more serious where legal actions due to persistent non-payment is being considered. This equates to 196 letters per working day.
- We worked with the Councils IT department to develop the **Housing Online** system enabling tenants to access a breakdown of their service charges. This allows tenants to provide DWP a breakdown of their rent and service charges to support their Universal Credit applications and ensure claims can be updated and processed in a timely way. The system has been further enhanced allowing tenants to see any additional amounts owed in their sub-accounts for example warden or alarm charges.
- We referred over **330 tenants to the National Energy Action** who provide a single point of contact service for people with health conditions or vulnerabilities that put them at greater risk of being affected physically or mentally by the cold. The dedicated energy advisers provide tailored support to tenants with their energy bills, negotiating with energy suppliers, adding them to the Priority Services Register, if eligible, as well as long-term energy advice.
- Effective **partnership working** with the District Managers (Tenancy management) and the Repairs managers to agree decisions to progress complex cases and discuss any tenant issues which might be causing reasons to withhold rent payments.
- A joint approach and attendance at **Corporate Income Collection meetings** to identify any emerging patterns and trends impacting debt collection. Sharing performance information and good practice to ensure there is a consistent culture in corporate debt collection across the council.
- Continuing cross cutting and **multi-agency work on non-engagement cases** by utilising the strategies that were developed in the recent years. For example, applying internal system messages alerting all Housing staff that tenants need to engage with the team urgently. Enabling the tenants to discuss their position and offer proposals in writing opposed to speaking or meeting with us. Consulting with the tenancy management teams and police to carry out welfare checks or checking hospitals, Social Care, and prisons on tenant whereabouts.

- Frequent **complex case review meetings** with Manager and Team Leaders to explore serious arrears of more than £1,500. The meetings help produce a plan of action and kept the team challenged as the cases were overseen by management.
- An ongoing **emphasis on staff performance management** to ensure output and productivity is not affected whilst the service continues operating from home.

Number of Cases

4.8 The number of current tenants with rent arrears owing 7 weeks or more net rent is shown in tables 3 & 4 below:

Table 3. Breakdown of Arrears Cases by Quarter end 2023-24

Period	Owing 7 Weeks or more Net
Quarter 1	1,167
Quarter 2	1,317
Quarter 3	913
Quarter 4	862

Where no net rent is payable (i.e. on full benefit), full rent used as a default value to calculate number of weeks owing)

Table 4. Breakdown of Arrears Cases by Year End

Period	Owing 7 Weeks or more Net
2020/21	1,431
2021/22	956
2022/23	968
2023/24	862

4.9 The number of cases in arrears owing 7 weeks or more net rent, **decreased by 11%** over the previous year end figure. The 7-week arrears include lower amounts of net rent, so this is not a true reflection of the serious debt cases.

Average Arrears Per Debtor

4.10 The total arrears divided by the total number of tenants in rent arrears at the specified intervals are shown in tables 5 & 6 below:

Table 5. Average Arrears per Debtor by Quarter End 2023/24

Period	Average Arrears
Quarter 1	£285.21
Quarter 2	£309.67
Quarter 3	£256.62
Quarter 4	£273.79

Table 6. Average Arrears per Debtor by Financial Year End

Period	Average Arrears
2020/21	£264.10
2021/22	£233.14
2022/23	£246.94
2023/24	£273.79

4.11 Table 5 shows the average arrears fluctuated at each quarter end and Table 6 demonstrates, by year end they were **higher** by almost **11%** compared to the previous year end which correlates with the increase in the value of the rent arrears.

This figure is variable depending on the number of tenants in arrears at any given time. The increase is reflective of the number of tenants in rent arrears at year end which had increased slightly from **37% to 38%** when compared to the previous year 2022-23. The increase is not concerning at this stage and was expected due to the current challenges tenants are facing due to the cost-of-living crisis.

Top 500 Arrears Cases (by value)

4.12 Table 7 & 8 (below) shows the top 500 accounts with the highest arrears and total value of arrears at the end of each quarter and year end regardless of tenants payment methods.

Table 7. Top 500 Arrears Cases by Quarter End

Quarter End 2023/24	Highest Case	Lowest Case	Average	Total Value
Quarter 1	£3,913	£807	£1,133	£566,355
Quarter 2	£5,435	£877	£1,286	£642,931
Quarter 3	£5,971	£749	£1,160	£579,845
Quarter 4	£5,889	£717	£1,101	£550,651

Table 8. Top 500 Arrears Cases by Year End

Period	Highest Case	Lowest Case	Average	Total Value
2020/21	£7,211	£706	£1,296	£647,951
2021/22	£3,569	£607	£940	£470,151
2022/23	£3,009	£650	£930	£464,865
2023/24	£5,889	£717	£1,101	£550,651

4.13 Table 7 shows that the total value of top arrears cases **decreased by almost 3%** at year-end when compared to quarter 1. The total value figures within this table have been relatively stable throughout the year except for a slight peak at the end of Quarter 2.

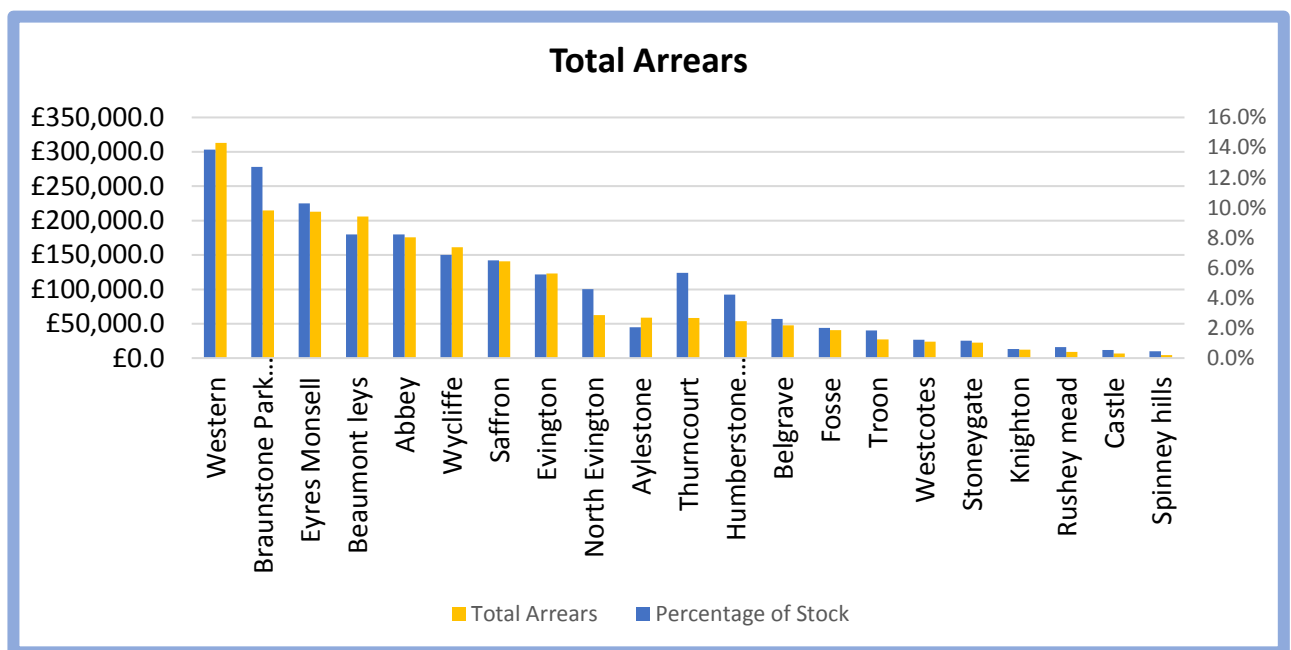
4.14 Table 8 shows the total value of the top 500 cases at year-end 2023/24 was **higher by over 18%** when compared to the same point in the previous year. We are seeing an upward trend on many more tenants not engaging and vulnerable tenants

requiring intensive support. Efforts to engage tenants with complex needs takes a longer period and quite often they build up higher debts in the interim. The team work collaboratively and in partnership with other advice agencies and internal departments to help achieve positive outcomes and resolutions for tenants. At times, these serious cases are also influenced by courts, preventing the team from taking possession actions until such time the court orders.

Arrears by Ward

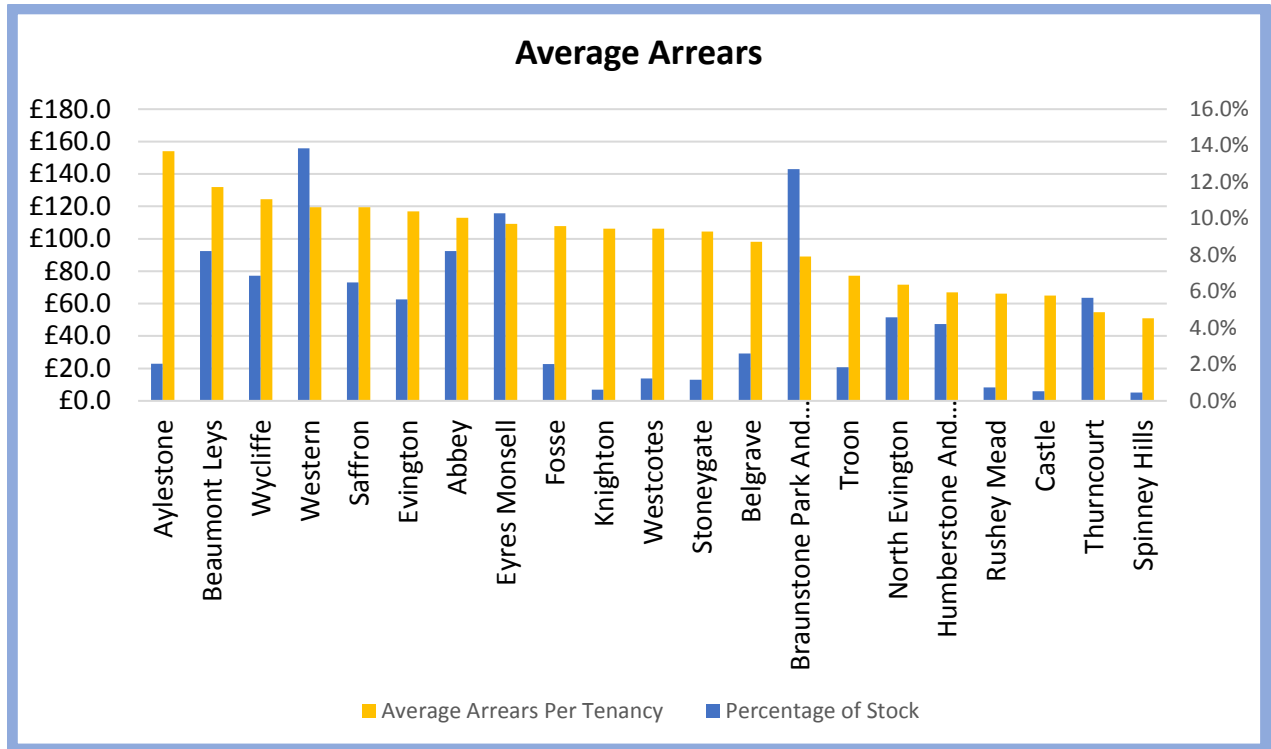
4.15 The graphs presented below show the total arrears and average arrears by ward at end of financial year 2023/24.

Graph 1. Total Arrears by Ward



4.16 The total arrears chart shows that the ward areas with the most stock have the highest arrears values and the arrears are proportionate against the percentage of stock. There are no significant changes compared to the wards in comparison to last year. There is a combination of reasons for rent arrears to fluctuate for example, an increased number of monthly payers that fail to pay their rent on time or, opting to use pay point causing delays in payments reaching rent accounts in time for year-end. Historically, some tenants need persistent reminders and encouragement to pay rent in a timely way and therefore, pockets of staff underperformance or absence related issues where tenants are not being pursued for rent, can lead to negative impacts within ward areas.

Graph 2. Total Average Arrears by Ward



4.17 The average arrears chart presents the total average arrears per tenancy. Areas like Aylestone, Knighton and Westcotes are lower in stock but have higher average arrears value. Despite low stocks sizes even the smallest number of cases with very high arrears can cause the average arrears to spike up. Areas with flats and bedsits can be predominantly occupied by single people. We know that single people are known to have more changes in circumstances on multiple occasions within a year compared to families or tenants of pension age. Changes in circumstances, benefits sanctions or transitioning in between different benefits or employment can cause an increase in rent arrears until such time the situation is resolved. Changes in employment status or zero-hour employment contracts can cause a spike in arrears whilst the tenant adapts to changes in their personal circumstances.

Universal Credit & Rent Management Advisor Support

4.18 Table 9 (below) provides information about Council tenants claiming Universal credit from the Department of Works and Pensions (DWP).

Table 9. Universal Credit Key Performance Indicators

Quarter End 2022/23	Number of UC Cases	% UC Cases in Arrears before UC Started	% UC Cases in Arrears at Quarter End	Total Value of Arrears	Average Arrears per Debtor	No. of APA's*
Quarter 1	6,673	59%	66%	£1,357,569	£307	3,472
Quarter 2	6,845	58%	70%	£1,623,088	£339	3,624
Quarter 3	7,034	59%	52%	£1,065,267	£291	3,923
Quarter 4	7,248	58%	55%	£1,117,858	£282	4,278

*APA = Alternative Payment Arrangements are when the DWP pay the housing Costs directly to the Council from the tenants Universal Credit Housing costs entitlement

- 4.19 By the end of the financial year 2023/24, a total number of **7,248** council tenants were claiming UC equating to **39%** of all current council tenants. This compares to **32%** of council tenants in receipt of Housing Benefit. By the end of the year a total of **55%** of tenants claiming UC were in rent arrears. Universal Credit is credited to tenants a month in arrears which means tenants rent account can display virtual or technical arrears until such time that payment is received.
- 4.20 Table 8 shows when tenants moved onto Universal Credit an average of **59%** of tenants had pre-existing rent arrears on their rent account. This is a common theme when existing benefit claimants transition from one benefit to another, resulting in periods of non-payment of rent whilst the benefit payments are being processed. A tenant's non-compliance with the process can add to rent arrears increasing and backdating of UC can only be granted under very exceptional circumstances.
- 4.21 By year end a total of **4,278** tenants had successful APAs in place. The remaining tenants on UC are either waiting for UC award, paying the council directly using other payment methods, waiting for APA approval or for the first payment to reach their rent account. Again, the delay in payments will result in the account showing rent arrears which contributes to the overall arrears position in the earlier tables.
- 4.22 The team continue working collaboratively with the Department of Works & Pensions and Work Coaches from the local Job Centre Plus to minimise any impact of Universal Credit on rent arrears. Any issues with complex cases or with the joint working arrangements are escalated to the DWP Partnership Manager's for resolution. The team continue to provide an appointment service from the Job Centre Plus where appropriate and if tenants require urgent appointments to support benefit claims.
- 4.23 The DWP granted the council 'Trusted Partner' status which provides access to a Landlord Portal IT system. This has meant the Income Management Team can verify housing costs quickly to prevent delays in UC claims being assessed. The Trusted Partner status also allows the council to apply for Alternative Payment Arrangements (APA's) for vulnerable people who may struggle to pay their rent and any arrears themselves.

- 4.24 The teams **8 Rent Management Advisors** (RMA) are responsible for supporting our most vulnerable tenants, or those with complex needs with claiming and maintaining Universal Credit claims. They have been helping tenants set up e-mail accounts, supporting people to make and manage their UC claims, supporting tenants with backdated payments and reconsideration of welfare benefits and encouraging people to consider digital learning courses. Additionally, they are regularly conducting research and sharing information within the team so we can respond to tenants needs and provide the most appropriate advice.
- 4.25 The RMAs received a total of **1,016 referrals** which is **8% higher** than at the same point in the previous year and **72%** from the total number of referrals had an identified vulnerability disclosed by the tenant. From the **1,016** referrals a total of **970** were accepted (**96%**) and **4%** of referrals were **refused** as they did not meet the criteria for support. A total of **75%** of cases are **now closed** due to the support ending and **14%** of the closed cases failed to engage with RMAs. The current active caseload is **258 cases**.
- 4.26 The cases are separated into two types of support 'Short-Term' usually up to two months and 'Long-Term' up to six months. From the **758** cases that have been closed so far, a total of **81%** of the tenants required **short-term support** in making benefit claims or basic budgeting advice and the remaining **19%** required **longer-term support** to help manage their claims and, to apply for any additional elements within their claim for example, Limited Capability for Work Related Activity. This is worth an extra **£416.19 per month** to tenants, however it can take several months for this to be awarded as tenant would usually be required to complete a Work Capability Assessment (WCA) to qualify for this payment.
- 4.27 The average wait time for the referrals to be allocated was **2 working days** and the average time to make the first contact with the tenant was **1 working day**. This demonstrates a waiting list process did not need to be used, as the team effectively managed the workloads and tenants were offered support without any unnecessary delays.
- 4.28 The referrals were marked within a priority banding high, medium, and low. **High** defines tenants at immediate risk of homelessness i.e., pending evictions which amounted to **33%** from the **970 referrals that were accepted**. **Medium** priority referrals where tenants who were at risk of court possession proceedings equated to **54%** of the referrals. **Low** priority referrals where tenants had low level arrears with no legal action being considered were **13%**.
- 4.29 The team pursue legal action only as a last resort when all opportunities to sustain tenancies have been exhausted. From the 758 closed cases, **16%** of cases were pursued with **legal actions** due to non-engagement or persistent non-payment despite RMA intervention. This demonstrates that **84%** of households were supported with **tenancy sustainment** and any threat of possession proceedings as removed. On current and active cases, it demonstrates there is further scope to provide tenancy sustainment and support. For ongoing eviction cases RMAs provide frequent support and maintain efforts to engage with tenants until such time the eviction is cancelled or goes ahead.
- 4.30 RMA's supported tenants to claim welfare benefits, discretionary housing payments (DHP), backdated payments, reconsiderations, and underpayments. In

the last 12 months a total value of **£310,000k** was achieved by supporting 758 **households**. This amount includes any potential entitlements for the next 12 months for disability related benefits which are awarded for a minimum of 12 months before reviewed. Decisions on mandatory reconsiderations and backdates can take a few months to resolve and reconsiderations on disability related benefits can take even longer for resolutions.

- 4.31 Due to RMA involvement and contributions in rent arrears cases the total value of **reduction in rent arrears** through RMA intervention equated to **£264,395k**. This figure has been drawn out by taking the value of rent arrears at case opening stage and subtracting this from the value at the time of closing the case, resulting in the difference RMA intervention made to the rent arrears.
- 4.32 RMAs measured “Soft Outcomes” to help identify tenants confidence levels *after* their support had ended. It also helped to determine if the tenant felt empowered to be able to manage their claims for benefits without support in the future. An initial assessment gives scores between 1 and 5 based on tenant confidence. When the case is closed the assessment is then carried out again and re-scored to establish any improvement. If the score is higher than when the support initially started, it demonstrates an improvement in tenants’ confidence. Based on the 758 closed cases, **68%** of tenants confirmed they had a **marked improvement** in their level of confidence. The remaining **32%** were tenants who felt their confidence levels **did not improve** or did not engage with the service

DHP’s (Discretionary Housing Payment)

- 4.33 Between April 2023 and March 2024 the team supported tenants to apply for Discretionary Housing Payments (DHPs). A total **£201,403** was paid in awards for all qualifying Council tenants, this is a **49% decrease in awards** compared to the previous financial year. This DWP grant was substantially reduced compared to previous years which meant the Council had to top up the allocation using the Household Support Fund. The team use DHPs to provide assistance to the most vulnerable tenants to sustain their tenancies and to safeguard them. The support helps alleviate poverty, prevent homelessness, and enables tenants time, to seek alternative accommodations and to better their financial position.
- 4.34 The current years forecast remains bleak as central government continue to reduce funding however, the team have successfully bid for a top up allocation from the Household Support Fund in this new financial year (2024/25) to prevent Council tenants being put at risk of homelessness. The team are waiting for approval of the exact allocation but hoping this will be in region of £950k combined with DHP. DHP are crucial lifelines for tenants and supports reductions in rent arrears. Our aim will be to prioritise and support those experiencing income shock for example, redundancy, reduced hours at work, illness or caring responsibilities which can often lead to sudden financial hardship due to fluctuating incomes. Support will also be offered for those households on low incomes, affected by the cost-of-living crisis and who are struggling to manage day to day expenses due to high inflation.

Household Support Fund (HSF)

- 4.35 Due to the impact of Covid and the cost-of-living crisis, the Government introduced support funds which are being administered by the Council. The fund focusses on

supporting people primarily with fuel, water costs, food, and white goods. Over the last financial year the team referred **5,108** council tenants for this support which equates to **27% of all council tenants**. Many tenants received multiple awards for different things which mean the numbers in the table will not equal the total number of Council tenants that were supported. See Table 10.

Table 10. Household Support Fund

Description of Assistance Provided	Number of Households
Food	4,871
Utilities	5,108
Water / Sewerage	1,294
Other essential items (white goods)	311
HB / UC advice offered	407
Council Tax advice offered	654

4.36 The Household Support Fund was also used to support tenants in exceptional cases where there was a genuine emergency and where tenants did not meet the qualifying criteria for existing housing support schemes for example, DHP, Housing benefit or Universal Credit. A total of **£500k** was awarded across **572 households** with average awards of **£874 per case and 50%** of the households, had a registered disability. A total of **540 children** were supported across all 572 households.

4.37 A total of **79%** of the tenants had rent arrears only and **11%** that required support with fixed District Heating debts only, the remaining **10%** had combined rent arrears plus, other service charges. Over **99%** of tenancies were at legal action stages for example, a legal notice was served or there was pending court or eviction actions. Through the support that was offered all pending legal activity is now aborted.

4.38 We obtained income and expenditures to maximise incomes and identify hardship. Using this sample of cases, we noted some clear patterns and emerging trends. The biggest factor affecting this group of tenants was low income, unemployment due to ill health, multiple debts combined with significant vulnerabilities and mental health related conditions which were compounded further due to their debt situation. The team were able to offer basic budgeting support and refer tenants for more specialist support to agencies like CiTAL, Community Advice & Law Service, National Energy Action, Turning point and STAR.

Court and Evictions

4.39 The team have continued careful consideration before instigating possession proceedings and ensured all avenues of supporting tenants had been explored in advance of any legal action. Any potential court case was reviewed by management before submissions to courts. Since April 2023, a total of **81 cases** were submitted to court for rental possessions which equates to an **average of 7 cases per month** and this compares to 80 court submissions in the year 2022/23. Pre-Covid, the average court submissions were around **80 cases per month** which represents **92% annual reduction** in possession actions. This demonstrates the teams' efforts in effective prevention and management of rent arrears and the offer

of tenancy sustainment, all of which subsequently removed any threat of possession proceedings.

4.40 Evictions and warrant requests were being pursued only where it was necessary, with a view that ongoing efforts to sustain tenancies continue to be provided until such time an eviction takes place. Tenants were encouraged and provided with ample opportunities to reach reasonable payment solutions to avoid possession orders and evictions. Management scrutinises all potential eviction cases to ensure that all avenues of maximising tenant income and sustaining tenancy have been explored. This includes ensuring that any vulnerability has been identified and the necessary referrals to supporting agencies are considered well in advance of any eviction process being followed. The eviction route is pursued as an ultimate last resort and after all efforts to sustain tenancy has been demonstrated and exhausted.

4.41 In the last financial year, **7 evictions** were carried out for non-payment of rent, and the number remains low compared to pre-Covid levels. This figure compares to **5 in 2022/23** and **7 in 2021/22**. Evictions remain low compared to earlier years despite the economic difficulties experienced over this period, the ongoing welfare reform challenges, and the continued impact due to the cost-of-living crisis. The household make up for majority of the evictions were single people who had abandoned their homes and chose to not continue with their Council tenancy and a small number of childless couples who failed to make regular payments. The team are exceptionally proud of their achievements in ensuring families were supported with sustaining their tenancies.

5.0 Key Challenges & Priorities for Year 2024/25

5.1 The last few years have been incredibly difficult and tough, the team will continue to face significant challenges and pressures in the coming year which are set out below.

Rising Inflation / Cost of Living Crisis

5.2 Rising inflation and costs of fuel and energy, and the ongoing cost of living crisis. The team will also be collecting additional rents due to the 7.7% increases from 1st April 2024 to core rents and 6.7% for service charges. **The rent arrears are expected to rise, and performance is likely to be very unstable.** The team will continue prioritising the use of Discretionary Housing Payments and the Household Support fund enabling assistance with housing costs where tenants are struggling with rent arrears and facing hardship. The Rent Management Advisors will continue their primary focus in supporting tenants with applying for welfare benefits and maximising their incomes.

Restricted Civica Access

5.3 Due to Data Protection issues, the team no longer have full access to the Civica IT system, which was used to support tenants with benefit claims, check the accuracy of benefit entitlements, helping provide documentary evidence to support any benefit suspensions or cancellations amongst many other benefits related assistance. The removal of full Civica access from Housing will cause a **detrimental impact** to the **collection of rent arrears**. There are already significant challenges faced due to external pressures and economical challenges and this change is significantly

compromising the ability to provide effective services. The team will work closely with the Revenues & Benefits Service to develop a service level agreement / single point of contact, which may stop the long wait times in contacting their service, when information is required in support of tenants. The team remain hopeful they can continue making recommendations as part of this agreement on cases that need priority processing or reviewing.

Cyber Incident

- 5.4 The Cyber Incident has caused a small number of tenants to disengage and distrust Council services particularly when providing their bank details to set up direct debits or make card payments towards their rent and service charges. The team aim to continue providing tenants with reassurances and re-build that trust. We are also exploring the possibility of having a separate secure payment line in which officers don't directly seek any card payment information. Furthermore, invest in alternative payment methods like GoCardless facility which enables a collection of instant, one-off payments or automated, recurring payments without the need to chase tenants for payments.

Managed Migration

- 5.5 Managed Migration is approaching its final stages of the rollout of Universal Credit (UC) nationwide. The DWP are gradually moving those claimants still claiming legacy benefits on to UC. They will be notifying the claimants that their benefits are ending and inviting them to make a new claim for UC instead. Impacted tenants include those in receipt of Tax credits, Employment & Support Allowance (Income Related), Income Support, Job Seekers Allowance (Income Related), Housing Benefit or with Tax credits. Tenants in receipt of Pension related benefits are unaffected by this change but all other sickness related benefits will transition across by year 2028-29.

All tenants will be required to make a claim to move on to UC which will be worrying for some, and failure to make the claim in a timely way, might result in existing benefit awards being terminated, tenants losing out on transitional protections and backdates considered under very exceptional circumstances only. This will potentially cause **rent arrears to increase** during the period whilst tenants transition on to UC where they will be waiting 5 weeks to receive their first payments. Many vulnerable tenants will struggle with this change and may not claim in a timely way resulting in increased rent arrears, hardship, and risk of homelessness.

Tenants are fortunate to have Rent Management Advisors who can support them with making claims and to navigate the benefit system however, this is under the provisions that tenants are willing to cooperate and engage with the service. We will be providing training events on "DWP's managed migration" (Move to UC) to the team and wider Housing staff and tenants' associations to ensure they can provide our tenants with the best possible advice and support.

Policy in Practice - LIFT Dashboard

- 5.6 This year, the team will be working closely with Revenues & Customer Support to carry out Welfare Benefit Campaigns using the Low-Income Family Tracker (LIFT) Dashboard. The dashboard provides useful insights on our existing benefit cohort

and how their incomes can be maximised, help to tackle any debt and arrears problems, and identify support for families at risk of hardship or homelessness. The team are re-aligning and will offset an Income Officer for a Rent Management Advisor post to increase their capacity, enabling them to focus on this work including supporting tenants with managed migration.

- 5.7 Despite another challenging and tough year ahead, the team continue to be supported to maintain resilience in a forever changing climate. They endeavour to stay focussed and positive, aim to continue delivering high performance and maintaining good standards. Tenant support will remain at the forefront alongside consistency in service to assist tenants with reducing financial burdens, maximise their incomes and referrals for specialist support where appropriate.

6. Financial, legal, equalities, climate emergency and other implications

6.1 Financial implications

This report sets out the position in relation to net rent arrears for current tenants at the end of March 2024. Not documented in this report are the arrears associated with non-dwelling properties (such as garages and parking spaces), hostel bedspaces and former tenants. The overall gross debt outstanding for all Council tenancies increased from March 2023 to March 2024; a corresponding increase in the provision for bad debt is made to recognise that a proportion of debt will go uncollected.

Stuart McAvoy – Head of Finance

6.2 Legal implications

The report is for information purposes and there are no specific legal implications arising.

Jeremy Rainbow – Principal Lawyer (Litigation)

6.3 Equalities implications

A public authority must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; this includes the need to: (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard.

The report provides an update to inform Members of the Scrutiny Commission on the rent arrears progress over the full financial year, from April 2023 to March 2024. There are no direct equality implications arising from this report, however it would be useful in relation to tenants in serious debt to have these monitored by protected characteristics as defined by the Equality Act (sex, sexual orientation, gender reassignment, disability, race, religion or belief, marriage and civil partnership, pregnancy and maternity, age) in order to address any adverse impact and put in place mitigating actions.

It is important that officers continue to offer early appropriate professional support and guidance to tenants to reduce rent arrears. Tenants will continue to face significant challenges and pressures in the coming year due to the ongoing rising inflation, rising costs of fuel and energy, and the cost-of-living crisis and as central government continue to reduce funding. The work carried out by the Rent Management Advisors in relation to supporting vulnerable people some of whom will have complex needs helps to impact positively on people from across all protected characteristics.

Equalities Officer, Surinder Singh, Ext 37 4148

6.4 Climate Emergency implications

There are no significant climate emergency implications directly associated with this report.

Aidan Davis, Sustainability Officer, Ext 37 2284