

UPDATE ON RENT ARREARS

Report of the Director of Housing and Customer Service

1. SUMMARY

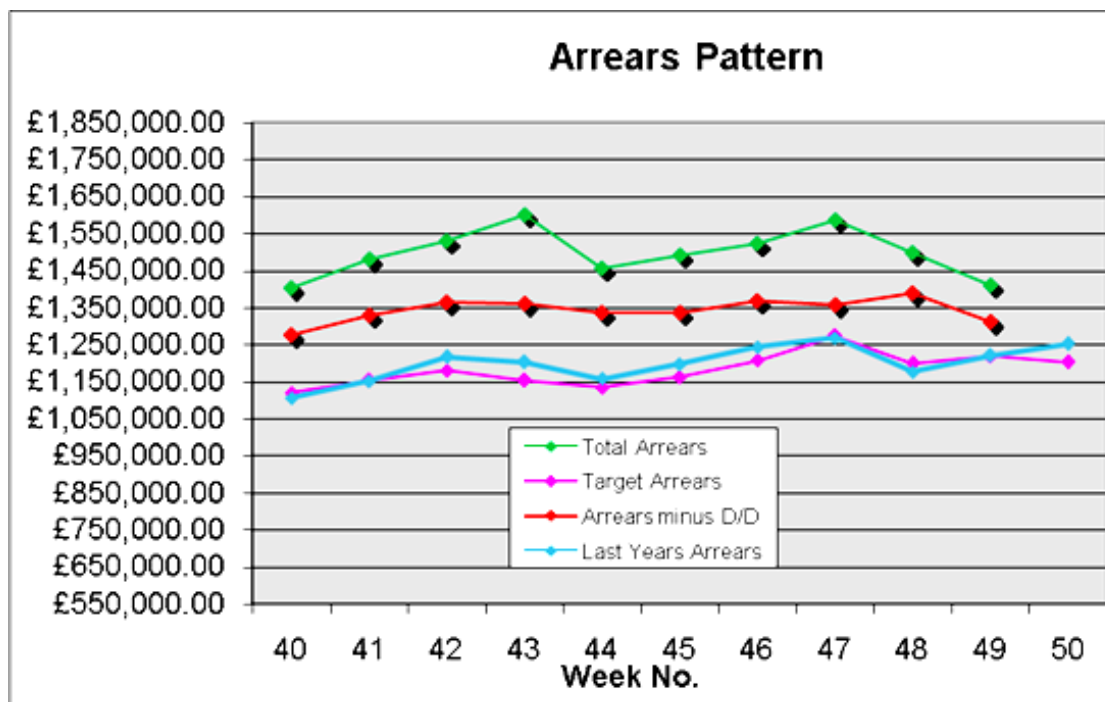
This report sets out current performance on rent arrears and advises the Board of the ongoing management actions since the last report.

2. RECOMMENDATION

The Board is asked to note the content of this report and approve the actions being taken.

3. MATTER FOR CONSIDERATION

3.1 The table below shows the ongoing trend of rent arrears.



3.2 As at 11 March 2012 (week 49) the total current arrears were £1,410,180 against a target arrears figure of £1,221,234. Excluding the arrears of Direct Debit and Standing Order payments the total actionable arrears figure is £1,232,894.

3.3 The current % of rent collected against the total debit for 2011/12 was 97.76%, which shows improved performance on 97.52% in 2010/11.

- 3.4 Further analysis of the rent arrears cases at week 49 shows that the number of tenants owing more than seven weeks of rent as a % of the total tenants is 6.57%; this is an increase on week 49 2010/11 when it was 5.99%. This increase will be influenced by delays in processing benefit claims.
- 3.5 We are continuing to work closely with Derby City Council Housing Benefit processing team. We still estimate that over £150,000 is outstanding due to un-processed benefit claims but the position in relation to processing new claims has improved and this is reflected in the increase in Housing Benefit postings received as shown in the table below.

3.6

WK	DATE	AMOUNT £		WK	DATE	AMOUNT £
38	19.12.11*	40,810		44	30.01.12	641,259
39	26.12.11*	39,099		45	06.02.12	641,860
40	02.01.12	599,383		46	13.02.12	634,722
41	09.01.12	606,133		47	20.02.12	667,968
42	16.01.12	620,561		48	27.02.12	666,144
43	23.01.12	634,801		49	05.03.12	634,302

- 3.7 Based on the current arrears figure, less Direct Debit and Standing Order payments and sustained improvement in Housing Benefit processing, the estimated out-turn for 2011/12 is still in the region of £1,200,000.
- 3.8 Since the beginning of February 2012 we have been making out of hours telephone contact with tenants in arrears. This initiative is proving successful and to date we have made 1,633 successful contacts, resulting in 351 payment arrangements being set up and 77 telephone payments totalling £10,877. Where telephone contact has not been achieved we have sent 814 text messages requesting payment/response from the tenant. This initiative will continue until the end of March 2012 when its success will be reviewed.
- 3.9 A high profile 'Pay to Stay' campaign has commenced. The focus of the campaign is to reinforce the message that if a tenant does not pay their rent, they could lose their home.
- 3.10 This campaign will target all tenants in arrears but with an increased focus on properties in Sinfin and Osmaston encouraging payments to be made during the rent free weeks at the end of this financial year and start of next year.
- 3.11 The current Derby Homes News is a special 'Rent Focus' edition. An e-newsletter will be sent to all tenants with email addresses. We are advertising on buses from 26 March 2012 to 29 April 2012 and have on street advertising in Osmaston and Sinfin from 2 to 29 April 2012.
- 3.12 All front line staff will be involved in the campaign with more targeted work undertaken by the Arrears Team and Local Office team based at Sinfin.
- 3.13 Wherever possible tenants will be encouraged to clear their accounts by the end of the financial year to be entered into the free prize draw as publicised in Derby Homes News.

4. FINANCIAL & BUSINESS PLAN

The future funding of the Housing Revenue Account is dependent on maintaining effective income collection.

The areas listed below have no implications directly arising from this report:

Consultation
Legal & Confidential
Council
Personnel
Environmental
Equalities Impact Assessment
Health & Safety
Risk
Policy Review

If Board members or others would like to discuss this report ahead of the meeting please contact the author, or Phil Davies, Chief Executive, phil.davies@derbyhomes.org – Phone: 01332 888528

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Background Information: None.

Supporting Information: None.