

RENT ARREARS UPDATE

Report of the Director of Housing and Customer Service

1. SUMMARY

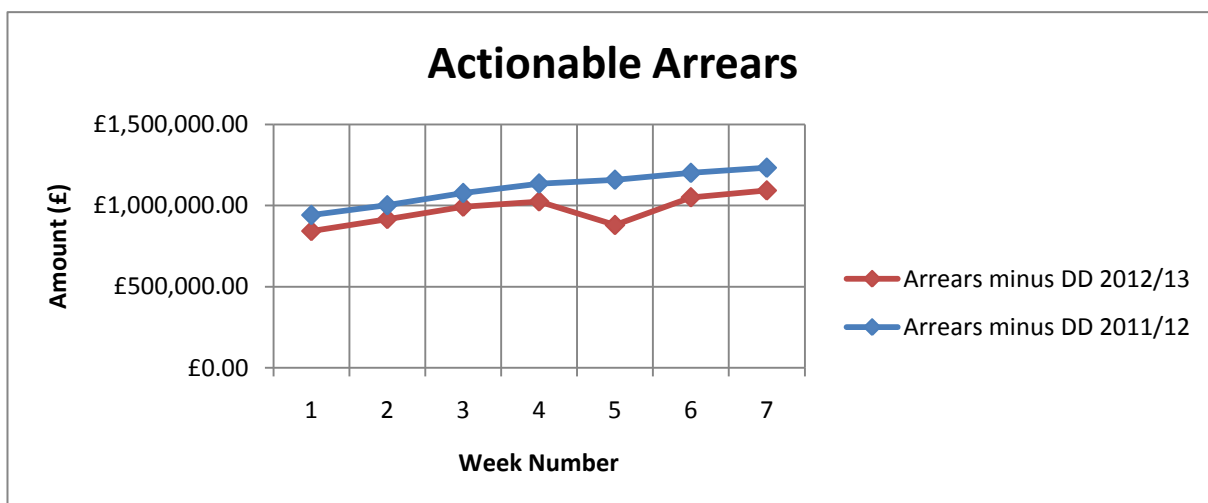
This report presents detail on current rent arrears performance.

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 This report presents performance on current rent arrears in a new format. Previously the figures reported have represented the 'total' amount outstanding. Board Members will recall that during last year we carried a high amount of arrears due to the pattern of Direct Debit payments. At year end the amount outstanding on accounts where the payment method is Direct Debit or Standing Order reduced to £9,893.
- 3.2 We are now excluding arrears due to Direct Debit and Standing Orders from the total amount and focussing on 'actionable arrears'. The table below shows 'actionable' arrears as at week ending 20 May 2012 (Week 7).



- 3.3 As at week 7, the total actionable arrears were £1,092,326, against £1,232,603 at the same point during 2011/12. This position is enhanced by Week 1 2012/13 being a rent free week.

- 3.4 The total % rent collected against the debit as at week 7 was 97.21%. This represents an improved performance against 2011/12 when the figure was 92.39%.
- 3.5 We are still in the process of finalising the targets on arrears performance for 2012/13 with Derby City Council. The year end target has now been agreed at £998,349, this represents a standstill position against the target for 2011/12 but will still be a challenge when taking the 8.3% rent increase into account. Although we have not yet broken the target figure down to a week by week position the underlying trend remains below that of last year and this is a positive position to be in.
- 3.6 Future reports will contain graphical information which will break the current actionable arrears down into the following categories:
- Full rent payers – above and below seven weeks
 - Part housing benefit – above and below seven weeks
 - Full housing benefit.

These categories will enable more detailed analysis of arrears trends within the various groups.

- 3.7 We are continuing to work closely with the Council Housing Benefits Processing team, our arrangement to fund an additional agency employee to focus on Derby Homes claims are continuing and weekly Housing Benefit posting are averaging £670,000. This reflects continued performance on new claims. Estimates are that over £100,000 remains outstanding due to un-processed Housing Benefit; this will be a combination of new claims and changes of circumstances. We will continue to identify joint working approaches with the Council to manage this position.

4. FINANCIAL & BUSINESS PLAN

The future funding of the Housing Revenue Account is dependent on maintaining effective income collection and minimising the levels of rent arrears.

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.