

The Vale of Glamorgan Council

Cabinet Meeting: 20 November, 2017

Report of the Cabinet Member for Housing and Building Services

Rent Recovery Policy

Purpose of the Report

1. To introduce a rent recovery policy (attached at [Appendix A](#)) to support tenants to pay their rent and ensure the Council maximises its rental income.

Recommendation

1. That Cabinet approves the Rent Recovery Policy attached to this report at [Appendix A](#).

Reason for the Recommendation

1. To ensure the Council is responding to the challenges posed by Welfare Reform and is minimising any negative impacts on tenants.

Background

2. The rental income from Council properties is essential to supporting a wide range of housing services. It pays for the management, maintenance and improvement of Council houses as well as a wide range of associated services. Maximising rental income is key to continuing to provide high quality housing and related services.
3. The Council is currently one of the top performing organisations for rent recovery. Current rent arrears are less than 1% of collectable rent and less than 0.5% of tenants are evicted each year due to non-payment of rent. The new Policy will support this performance and ensure the Council remains able to maximise rental income.
4. The current documentation relating to rent recovery has been in place for some time and needs to be updated to ensure it remains fit for purpose and reflects important changes in welfare reform.
5. A recent audit of the Rents team recommended that write off arrangements be reviewed and updated to reflect best practice and these changes have been included in the proposed Policy.

Relevant Issues and Options

6. Changes arising from Welfare Reform have resulted in significant challenges for the Council and its tenants. Specific elements of the reform including the removal of the spare room subsidy (sometimes referred to as the Bedroom Tax), increased rates for non-dependant deductions and the introduction of the benefit cap have resulted in reduced levels of income for tenants. Other changes, in particular the roll out of Universal Credit for all tenants (by April 2019), poses the most significant challenge yet to tenant's income and the Council's rental income stream.
7. Experience of social landlords participating in the Universal Credit pilots has shown that rent arrears levels have increased and there has been an increased burden on staff who have had to take more recovery action in order to continue to secure rent payments.
8. The future is going to be challenging and the Income team will have to plan carefully and respond in creative ways. This Policy provides the supporting framework for this to happen. In addition, a more detailed mitigation plan is being developed as part of the Financial Inclusion Group and includes awareness raising for tenants (regarding benefit changes), coordinated money advice, initiatives to support people into work , establishment of robust processes with Department of Work and Pensions (DWP) and smarter working target arrears recovery work.

Monitoring and evaluation

9. Rent arrears performance is monitored monthly and reported to Senior Managers in the Housing team. This allows any deterioration to be identified at an early stage and for action plans to be put in place to support improvements.

Targets for rent recovery form part of the team plan and service plan and progress against these is monitored as part of the regular updates provided to the Homes and Safe Communities Scrutiny Committee. Internal audits are completed periodically of the rent recovery function to test the levels of assurance provided. The last audit was carried out in 2017 and reported 'substantial assurance' with no recommendations made.

Resource Implications (Financial and Employment)

10. The Rent Recovery Policy will be delivered within existing resources. The staff team currently consists of a Manager, four Income Assistants, who monitor rent accounts and liaise with tenants to ensure regular payments are made, as well as three Money Advisors, who provide more specialist assistance with income maximisation, benefits claims and debt management.

Sustainability and Climate Change Implications

11. The costs of tenancy failure are high and have an impact on other Council services i.e. Homelessness, Social Services. Keeping tenants in their homes and helping them to minimise debts will therefore remain a key priority for the Housing team.

Legal Implications (to Include Human Rights Implications)

12. The legal requirements related to rent recovery are set out in the Housing Act 1985 as well as the rent arrears pre action protocol. These are the core requirements needed to satisfy the County Court before a possession order will be granted.

13. This Policy is consistent with the relevant legal requirements and ensures eviction action is a last resort, occurring rarely and only after a range of measures and interventions have been exhausted.

Crime and Disorder Implications

14. There are no specific Crime and Disorder implications arising from this Policy.

Equal Opportunities Implications (to include Welsh Language issues)

15. The Policy takes into account the needs of tenants from a variety of backgrounds as well as people with protected characteristics.
16. An Equality Impact Assessment has been carried out to ensure that the Policy does not discriminate or disadvantage any tenants with protected characteristics.

Corporate/Service Objectives

17. This Policy is consistent with the overarching vision within the new Corporate Plan, namely 'Strong Communities with a Bright Future' as well as several of the Well Being Outcomes, including 'An inclusive and Safe Vale', and ' An Environmentally Responsible and Prosperous Vale'.
18. It is also consistent with some of the core objectives (which support the Well Being outcomes), in particular: reducing poverty and social exclusion.

Policy Framework and Budget

19. This report is a matter for Executive decision by Cabinet.

Consultation (including Ward Member Consultation)

20. This report will affect all council tenants and therefore no individual ward member consultation has been undertaken.

Relevant Scrutiny Committee

21. Homes and Safe Communities.

Background Papers

None.

Contact Officer

Alison Wood - Income Manager.

Officers Consulted

Committee Reports
Operational Manager Finance

Responsible Officer:

Miles Punter - Director of Environment and Housing Services