

Agenda Item	<b>9.</b>
Report No	<b>HP/19/22</b>

## HIGHLAND COUNCIL

**Committee:** Housing and Property Committee

**Date:** 17 November 2022

**Report Title:** Review of Rent Arrears Management Policy

**Report By:** Executive Chief Officer Housing and Property

### 1. Purpose/Executive Summary

- 1.1 This report details the actions being taken by the Housing Service to support Highland Council tenants through the on-going “cost of living” crisis and what we are doing to manage arrears and support tenants who may be in financial difficulty.

### 2. Recommendations

- 2.1 Members are invited to:  
**Note** the ongoing support provided by the Housing Service to tenants struggling to pay their rent during the “cost of living” crisis.

### 3. Implications

- 3.1 **Resource** – the recommendations contained in this report aim to support Highland Council tenants in paying their rent during the on-going cost of living crisis, which will have a positive impact on the Council’s Housing Revenue Account.
- 3.2 **Legal** – Highland’s approach to rent arrears management is in line with Housing Revenue Account legislation and recognises the recent Scottish Government legislation approved on 6 October 2022 to protect private and social rented tenants during the cost of living crisis.
- 3.3 **Community (Equality, Poverty and Rural)** – the reviewed Rent Arrears Management policy has a positive impact on communities and poverty as it focuses on support for tenants to manage their household finances and sustain their tenancies.
- 3.4 **Climate Change / Carbon Clever** - None

3.5 **Risk** – the cost of living crisis may create further pressure on Housing Revenue Account resources as a result of increased rent arrears; any reduction in income will impact on the funding available to deliver essential services to Council tenants.

3.6 **Gaelic** – None.

#### 4. **Policy Background**

4.1 All Highland Council tenants sign a Scottish Secure Tenancy lease at the start of their tenancy which places a legal duty on them to pay their rent. However, many tenants have difficulty paying rent or accessing welfare benefits and may fall into rent arrears.

4.2 The [Rent Arrears Management Policy](#) was initially approved at Committee in 2007. The last review was approved at Committee on 29 January 2020. The policy aims to be “firm but fair” and considers all tenants in arrears as vulnerable and in need of support.

4.3 The policy also promotes the principle of early intervention to ensure tenants are aware of their arrears as soon as they arise and to enable the Housing Service to provide the most appropriate support for each individual. The policy also states that we will only evict tenants as a last resort if they refuse to engage with us or the support services on offer and arrears continue to accrue. Our policy approach is shown at **Appendix 1**.

#### 5. **Support for Tenants**

5.1 On 22 September 2022, Council approved a range of measures to support Highland households during the cost of living crisis. For Council tenants, support is available to help them to pay their rent, and this is detailed at **Appendix 2**.

5.2 Tenants are supported by their local Housing Officers to manage their rent accounts. An ongoing programme of training ensures these officers are able to assist tenants with information and advice and are able to refer to the range of other support agencies available to ensure they are getting all the benefits to which they are entitled and can deal with debt and personal budgeting issues. Our staff will also continue to assist tenants access any existing or new grant funding.

5.3 Short-term housing support is also available for tenants who struggle to access other services without help and a framework contract is in place to allocate support hours to our tenants to sustain their tenancies.

5.4 The Council’s Welfare Support Team and Intensive Support Officers have a crucial remit to engage with tenants to maximise their household income, as do local advice agencies such as the Citizen’s Advice Bureau.

5.5 **Appendix 3** provides information on the level of support and communication provided to tenants in arrears.

5.6 August Committee agreed to fund £160k of additional support to assist tenants directly with specialist, independent energy advice and access to financial support. This will be provided by AliEnergy who are currently recruiting for energy advisors in Highland and intend to roll out their services to tenants later this month.

## 6 Alternatives to Eviction

- 6.1 Highland Council Housing Service has traditionally only used eviction as a last resort in rent arrears management. We do not evict any household lightly and we were in the lowest quartile for evictions by local authority housing departments in 2019/20 (prior to the Coronavirus legislation referred to at 6.3 of this report). This is detailed at **Appendix 4**.
- 6.2 In 2022/23 to date, we have evicted only 1 tenant for arrears. In this case, the tenant involved had a history of considerable arrears going back 10 years and had repeatedly failed to engage with officers and other agencies.
- 6.3 The Scottish Government placed a moratorium on eviction for rent arrears during the pandemic through the Coronavirus (Scotland) Act 2020 which protected tenants in Scotland from eviction action. This restriction ended in March 2022, but our ways of working put into place during the pandemic has led us to question how we use legal action in managing arrears.
- 6.4 The Cost of Living (Scotland) Act (the Act) was passed by the Scottish Parliament on 6 October 2022. This places an immediate moratorium on eviction for decrees granted after 6 September 2022 with some exceptions:
- Where the tenant is responsible for serious and repeated anti-social behaviour;
  - Where a property has been abandoned;
  - Where there is evidence of conviction of certain offences at the tenancy;
  - Where rent arrears are greater than £2,250 (approximately 6 months' rent);
  - Where there is to be development work or demolition of a property (the tenant would be offered another property in this situation).
- 6.5 As we face the immediate, and potentially long-term prospect of managing tenant rent arrears without recourse to court action in many cases, we have reviewed our policy and practices. The officer Rent Arrears Working Group (RAWG) meets regularly to review current policy and practice and share good practice relating to rent arrears management.
- 6.6 Two discussion sessions were held involving members of the RAWG and a wide range of front-line staff working in rent arrears management. Staff were asked to think about our current ways of working and what we could change or improve to reduce the number of households being evicted while still reducing arrears levels. The groups looked at current policy and practice, the roles of staff, the income streams open to tenants, the use of alternative methods of diligence on decrees, housing supports and communication.
- 6.7 The results of these sessions showed that our current policy and practices remain robust enough to deal with arrears management in the current crisis. However, some areas for continuous improvement have been identified:
- Ensuring tenants are given the most up-to-date advice on welfare benefits, grants and other help available through the tenant newsletter, our website and social media sites;
  - Improving the information flow about a tenant's circumstances and support needs when they move from homeless to secure tenancies;

- Improved staff training to ensure they are aware of all support services and new grant funding available to tenants struggling to pay rent or energy bills;
- Improvements to the information tenants get at the start of their tenancy so they are fully aware of the financial implications of taking on a tenancy and the support available;
- Greater consideration of “technical eviction” and use of Short Scottish Secure Tenancies to allow tenants in high arrears to remain in their homes with support;
- Improved working relationship with Social Work Services and Health & Social Care to clarify what support can be given by them when a household has accrued high arrears;
- Regular clarification of available payment methods; and
- Future implementation of the Housing Rents online module as part of the corporate Connecting Customers project. This digital platform will enable tenants to regularly check their rent account and assists with ease of payments.

## **7. Revenue Estimates 2023-24**

- 7.1 The Cost of Living (Scotland) Act also introduced a rent freeze which will be in place until 31 March 2023. This does not impact on our current Housing Revenue Account budget which was approved by Committee in January 2022. However, it may impact on rent setting for 2023/24 as the Act contains the option to extend the measures for two further periods of six months.
- 7.2 Further guidance will be published by the Scottish Government on 14 January 2023. This will confirm if there are to be extensions to the Act and will assist with Highland decision-making as to the potential implications should a freeze remain in place.
- 7.3 Our annual rent-setting process involves a full tenant consultation which commenced earlier this month. The 2023/24 Housing Revenue Estimates report will be submitted to Committee in January 2023.

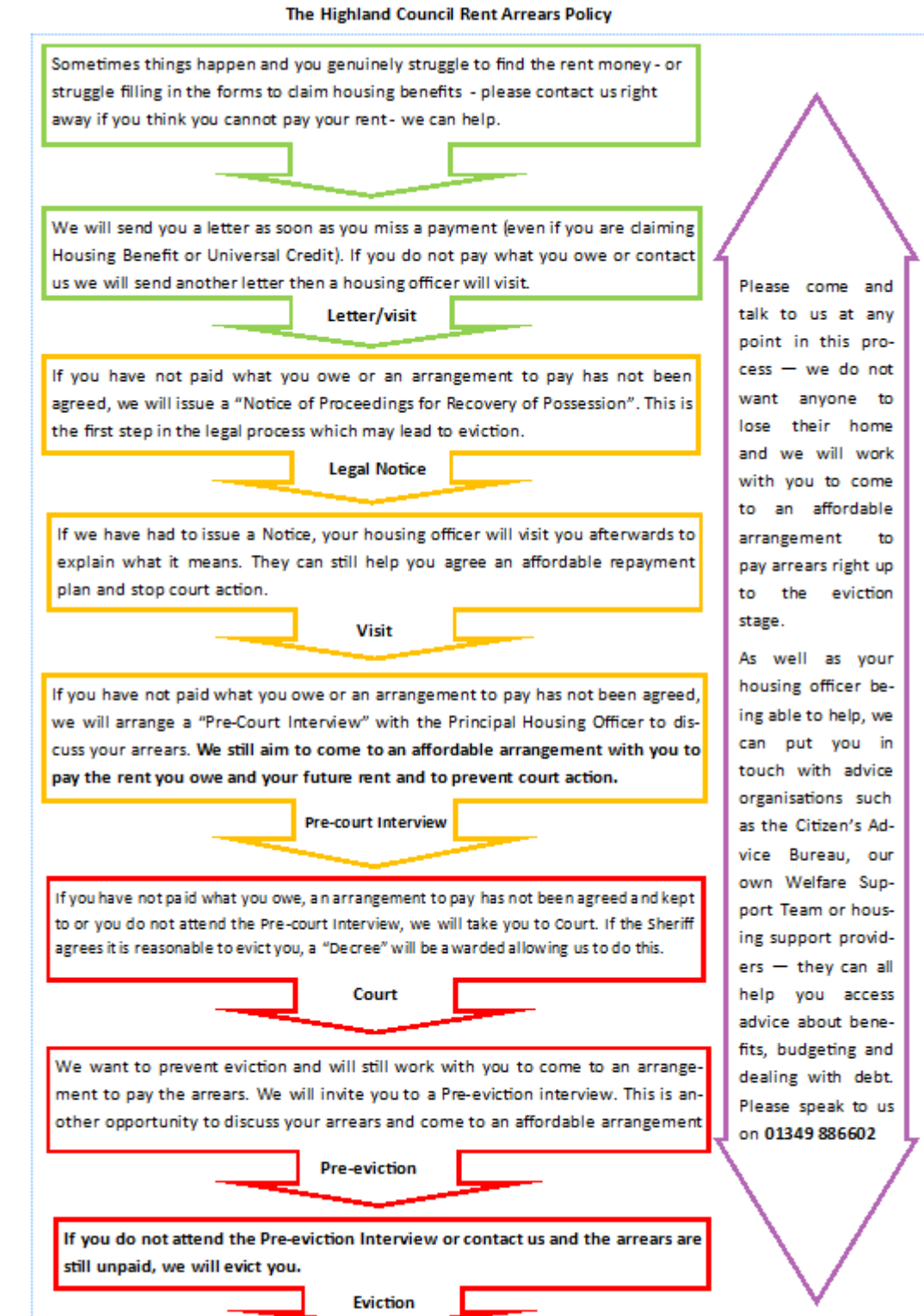
Designation: Executive Chief Officer of Property and Housing

Date: 26 October 2022

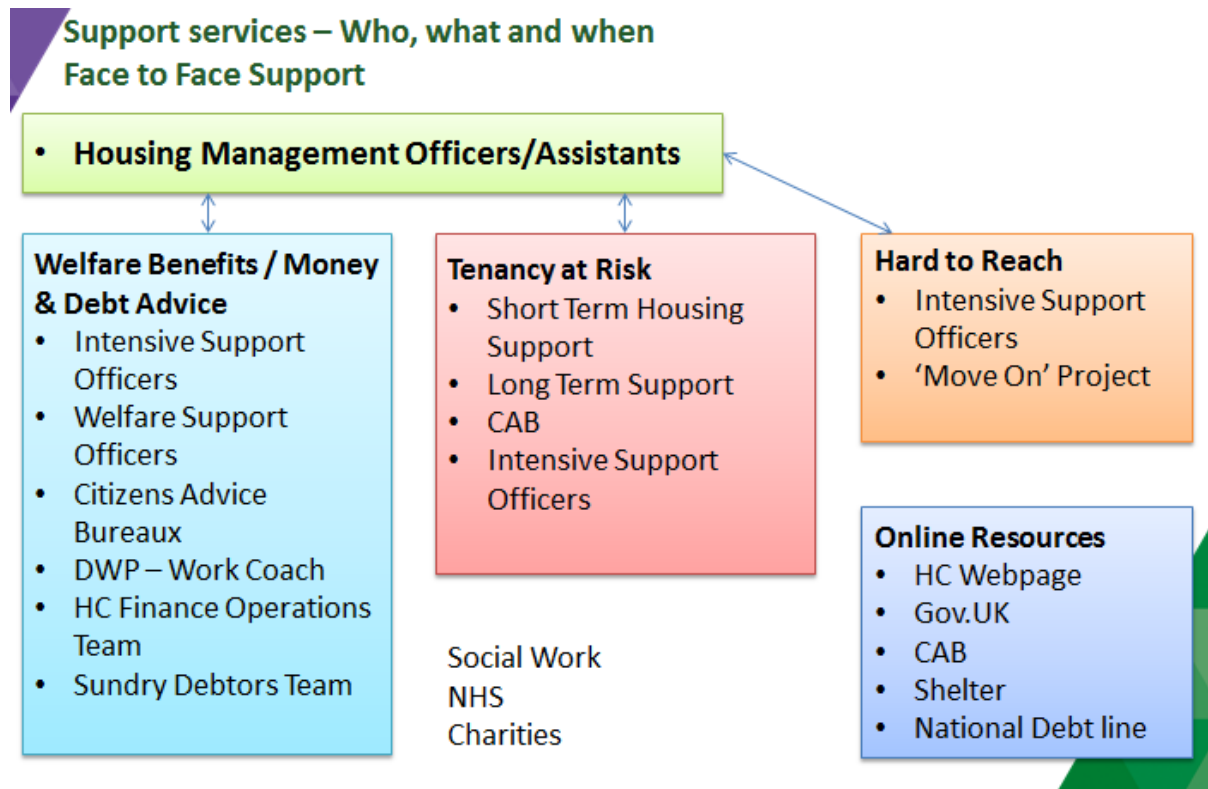
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Background Papers: Housing (Scotland) Act 2012

Rent arrears escalation process (summary)



## Support Services for tenant in arrears



## Appendix 3

### Levels of communication and support for tenants in arrears

Our policy approach:

<b>For Q1 &amp; Q2 2022/23</b>	
Number of reminder 1 & 2 letters issued	<b>18,133</b>
Number of notices of intention to seek possession issued	191
Number of cases taken to court	1
Number of decrees granted	0
Number of evictions carried out	1
New post-decree tenancy granted at same dwelling (technical eviction)	0

### Contacts with tenants in arrears 21/22

Our policy states that we will contact tenants in arrears by any means possible:

Contact by non-standard letter	<b>1,751</b>
Contacts by email	<b>4,170</b>
Contacts by telephone	<b>8,422</b>
Contacts by text	<b>2,639</b>

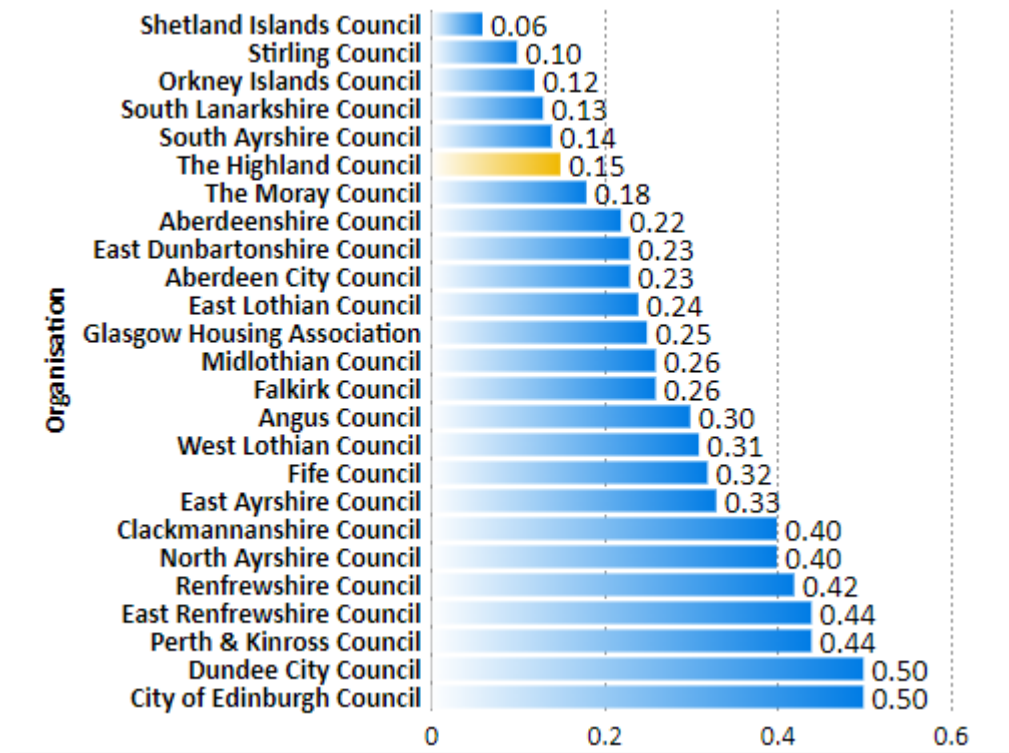
We also have set contacts as part of our escalation process;

Number of pre-notice visits made	<b>1,811</b>
Number of home visits made	<b>1,035</b>
Number of pre court interviews arranged	<b>228</b>
Number of pre-eviction interviews arranged	<b>0</b>

### Support offered to tenants in arrears

Receiving short term Housing Support as at 30 September 2022	<b>397</b>
Offered support from the Welfare Support Team in 2021/22	<b>288</b>
Offered support from the Intensive Support Officers in 2021/22	<b>361</b>
Offered support from CAB or other advice agency in 2021/22	<b>207</b>
Referred to Social Work in 2021/22	<b>20</b>
Move On Project cases	<b>162</b>

Level of evictions by local authorities by % of stock (2019/20)\*



- Please note that 2019/20 is the last full period in which all Scottish Local Authorities were able to evict tenants for rent arrears and where figures are available – a previous moratorium on evictions was put in place during the pandemic through the Coronavirus (Scotland) Act 2020.