



CABINET REPORT

Report Title	Income Recovery Strategy – rent arrears
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	9 June 2010
Key Decision:	YES
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	YES
Directorate:	HOUSING
Accountable Cabinet Member:	Cllr Sally Beardsworth
Ward(s)	All

1. Purpose

- 1.1 To approve the draft strategy for the collection and recovery of rent arrears.

2. Recommendations

- 2.1 That Cabinet approve the draft strategy attached at appendix.

3. Issues and Choices

3.1 Report Background

- 3.1.1** There has been a significant reduction in rent arrears since April 2008. Arrears at that date stood at £1,774,466 compared to £1,356,689 at the end of March 2010. However, during the last quarter of 2009/10 arrears remained more or less static and there was little overall reduction compared to the beginning of the year. Arrears rose during the year to £1,568,571. This

increase was recovered by the end of the financial year.

- 3.1.2** The strategy is intended to ensure that reasons for arrears have been considered and that all necessary steps are in place to prevent arrears and to recover them where they do occur. There is an emphasis on prevention.

3.2 Issues

Vulnerable tenants

- 3.2.1** The strategy ensures that there will be mechanisms in place to identify vulnerable tenants – those that might due to their circumstances need more support to meet their commitments and recovery actions will be tailored to individual circumstances. For example, there will be referral to the Council's Gateway Officers for support and in increase in personal visits.

Prevention

- 3.2.2** Prevention is a key theme of the strategy. Improvements being delivered include a new process for signing-up new tenants to ensure they receive housing benefit advice on sign-up together with a financial health check to identify any under claiming of benefits and debts which might affect a tenant's ability to pay their rent on time. Where this is case, there will be referrals to appropriate advice agencies.

3.3 Choices (Options)

- 3.3.1** Choices exist in the area of rent arrears recovery in terms of when enforcement action should be taken and tenants evicted. The strategy addresses the need to take action early, to prevent arrears occurring but also recognises that in the case of vulnerable tenants, recovery is likely to be more successful if the appropriate support mechanisms are put in place before considering enforcement and eviction.
- 3.3.2** There are also options over which recovery methods to use. Consideration has been given to the use of distress (removal of goods) but this is not recommended. It is considered inappropriate and unduly harsh taking into account that over 60% of tenants are in receipt of housing benefit, income levels are low and there is doubt over the cost effectiveness of this method.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1** This strategy will form the policy that will govern procedures and rent arrears recovery actions.

4.2 Resources and Risk

- 4.2.1** The policy will be delivered within existing resources. Rent arrears are a loss of income to the Council and it is important that income collection is

maximised to support the financial resources available to deliver the service.

- 4.2.2** The current economic situation could result in difficulty in meeting the arrears reduction targets if tenants face greater financial difficulty. Over 60% of tenants are in receipt of housing benefit. However a significant minority are in employment and there has been an increase in speculative housing benefit claims and officers report more cases of tenants facing reduced hours or becoming single-wage households.

4.3 Legal

- 4.3.1** None

4.4 Equality

- 4.4.1** An Equalities Impact screening assessment was carried out. The issues of vulnerable tenants were highlighted and addressed within the strategy to ensure that there are appropriate advice and support mechanisms in place

4.5 Consultees (Internal and External)

- 4.5.1** A group of tenant auditors examined the rents service and this strategy addresses their recommendations. The Head of Revenues and Benefits has also been consulted, including joint working over the Corporate Debt Policy and Fair Debt Principles.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1** The recommendations support the Corporate Plan priorities of

- * Improved homes, health and wellbeing, and
- * An efficient, well-managed organisation that puts our customers at the heart of what we do.

4.7 Other Implications None

5. Background Papers: None

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RENT ARREARS RECOVERY STRATEGY

2010 – 2013

DRAFT

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1. INTRODUCTION

- 1.1** Northampton Borough Council owns and manages over 12,000 properties. The level of arrears amongst current tenants placed the council in the Housemark bottom quartile for percent of rent collected in 2008/9 when compared with other similar organisations. Results for 2009/10 are awaited. There has been a significant reduction in arrears over the past two years. The amount owed at the 31st March 2010 was £1,356,689 compared to £1,777,466 in April 2008.
- 1.2** The Council is committed to achieving excellence by delivering high quality services to all tenants. This over-arching strategy will steer the recovery of arrears for the next three years.

2. PURPOSE OF THE RENT ARREARS RECOVERY STRATEGY

- 2.1** The aims of this strategy are to:
- improve performance and reduce arrears
 - analyse reasons for arrears to aid more effective recovery;
 - analyses the profile of those in debt as an aid to targeting recovery action;
 - ensure there are effective mechanism in place to support tenants and sustain tenancies.
- 2.2** This strategy is a living document and will be updated in response to continuing best practice, national and local circumstances. It has been developed taking account of the Audit Commission's Key Lines of Enquiry and the Tenant Services Authority Service Standards.

3. DRIVERS FOR THE INCOME COLLECTION STRATEGY

3.1 Northampton Borough Council's Corporate priorities

The Council's priorities are clearly specified in the Corporate Plan for the period 2010-2013 and are shown below.

1. Safer, greener and cleaner communities
2. Improved home, health and wellbeing
3. A confident, ambitious and successful Northampton
4. Strong partnership and engaged communities
5. A well-managed organisation that puts our customers at the heart of what we do

3.2 Housing, health and well being

A key aim of the Council is to reduce and prevent homelessness. This strategy supports this by promoting a rent payment culture whilst addressing arrears prevention, support for those in debt, support for vulnerable tenants, financial inclusion, and overall tenancy sustainment.

3.4 Strong partnership and engaged communities

The Council also aims to understand its customers. The profile of tenants in arrears has been analysed to enable targeted, more effective support and action. We will enhance this further by setting up a focus group of tenants in arrears and carrying out a survey of tenants to seek their views on the effectiveness of the service provided.

3.5 A well-managed organisation that puts our customers at the heart of what we do

The Council aims to

- provide excellent customer services
- improve financial management
- ensure value for money services
- provide efficient and effective management

In addition to the profiling and customer engagement work above, we have become members of the Housemark value for money benchmarking club, reviewed rent service standards and set up a rent strategy group to steer and monitor progress of the action plan.

When working with customers we aim to ensure that:

- there are mechanisms in place to ensure that tenants' views are influential in shaping current and future services;
- customers are important and that their opinions count;
- there are effective communication mechanisms in place to enable customers to be well informed, participate and challenge service delivery;
- there are effective mechanisms in place to negotiate and produce the Tenant Services Authority new local service delivery offer which is required to be in place from April 2011.

4 AIMS AND OBJECTIVES OF THE RENT ARREARS RECOVERY STRATEGY

4.1 The Council aims to deliver an excellent service in the recovery of rent arrears through the delivery of the objectives listed below.

	Objectives
1	Ensure that there are effective mechanisms in place to prevent debt occurring.
2	Where debt does occur, proactively take early action to make contact, make tenant aware, provide advice and seek recovery, aiming to ensure that arrears do not escalate.
3	Reduce arrears and provide sustained performance improvements.
4	Provide benefit advice, support and access to debt counselling and money advice to help low-income and vulnerable households and tenants with financial difficulties to maximise their incomes and manage any debts effectively.
5	Work in partnership with internal partners such as the Council's Revenues and Benefits Section and the Housing Solutions team. Work in partnership with external organisations such as Citizens Advice and Community Law to maximise effective support for those in arrears.
6	Ensure there are mechanisms in place to promote a rent payment culture.
7	Ensure that there are mechanisms in place to identify the needs of all communities, including minority groups, vulnerable and low-income households, and that these are supported and managed.
8	Ensure there is excellent access to services, including clear and effective information and advice in place, and that there is easy, fast access to information on balances.
9	Provide support to address worklessness amongst tenants, and address issues arising from the recent economic situation.
10	Ensure that customers have the opportunity to influence the service they receive through negotiation of the 'local offer' to tenants, using effective consultation and feedback mechanisms.
11	Ensure the income collection service is providing value for money

5 SERVICE STANDARDS

- 5.1** Revised service standards are in place for rent arrears. These are interim measures and will be replaced by the new Tenant Services Authority 'local offer' to tenants from April 2011.

Service standards

- Tenants will be given clear information on what they need to pay.
- There will be a range of ways to pay so tenants can choose which most suits their needs.
- Tenants will be sent quarterly rent statements and provided with a statement upon request.
- Tenants will be given advice and help to claim housing and other welfare benefits.
- Tenants will be given advice on how to get more in-depth help if they have other debts to pay.
- New tenants will be given a financial health check including a housing benefits assessment at sig-up.
- If tenants get into arrears, we will agree a repayment plan with them - but if this is not kept to legal action may be taken.
- Checks will be made with housing benefits regarding any pending or outstanding claims before legal action is taken.

6 PERFORMANCE LEVELS

6.1 Arrears owed by current tenants

- 6.1.1** Rent arrears in April 2008 stood at £1,774,466 compared to £1,356,689 at the end of March 2010. However, in 2009/10 there was a very small reduction in arrears from £1,358,086 compared to £1,333,106. During the year arrears rose as high as £1,530,463 in September but reduced in third quarter to £1,333,106 and then remained more or less static.
- 6.1.2** The per cent of rent collected in 2009/10 was 96.2% against a target of xxx. This was based on the old Best Value Performance Indicator Definition BV66a and includes the carried forward arrears from previous years.
- 6.1.3** Arrears as a percentage of the debit amounted to 3.29%. There were 37 evictions in 2009/10.

6.2 Arrears owed by former tenants

- 6.2.1** The Amount owed by former tenants at the end of 09/10 amounted to £1,446,678. The amount written off as irrecoverable was £63,695 and the amount collected was £86,150.

6.3 Rechargeable repairs

- 6.3.1** The amount owed at the end of 09/10 amounted to £133,563. The amount written off as irrecoverable was £53,306 and the amount collected was £34,033.

7 REASONS FOR ARREARS

- 7.1** There are a number of different circumstances that cause tenants to fall into debt and these are outlined below. Action and support are tailored to the cause of debt – for example for someone recently becoming unemployed, or on a low income, housing and other welfare benefit advice will be given and arrangements made for the tenant to pay by instalments. In other cases where there are no special reasons and where advice has been given, enforcement action in terms of a notice of intent to seek possession, extension of the introductory period of the tenancy if relevant, and court action where there is a continued failure to respond.

7.2 Housing Benefit not being claimed promptly

This has an important affect on rent payment. Officers will make contact with customers in order to give advice and assistance in claiming any housing benefit that they may be entitled to. They also record details of any social worker or other contact, in order to advise them promptly of any problems with a housing benefit claim. Customers are encouraged at every opportunity to claim any housing benefit that they may be entitled to. Officers will also liaise with the Housing Benefits Service and the customer, in order to advise the customer of any documentation needed to enable a claim to be assessed. Sign up procedures are being changed to provide benefit advice on sign-up.

7.3 A change in family circumstances

Arrears can occur if there has a relationship breakdown within the family, and this can temporarily result in rent not being paid. Officers liaise with the tenant and the Council's housing benefits section in order to give advice, resolve any tenancy issues and minimise the amount arrears that may occur.

7.4 Bereavement

This can have a pronounced affect on rent payments. Officers give advice to the customer on succession issues and housing benefit and will liaise with The Council's housing benefit section in order to resolve issues promptly.

7.5 Ill health

Advice and assistance is given to ensure all relevant benefits are claimed. There will be an increased emphasis on home visits and where appropriate, referral to the Council's Gateway Officers for support.

7.6 Loss of employment

The reduction in income resulting from the loss of employment can have a significant effect on a customer's ability to pay rent. This is a particular problem for customers who are have a series of temporary, often low paid work. Tenants may face reduced hours or becoming a single wage household. They may still be above the housing benefit threshold, with commitments to meet arising from when their income was higher. Officers will provide advice and assistance, referral to the Council's new debt counselling service, referral to the Citizens Advice Bureau or the Community Law

Service. Payment of arrears by instalment will be accepted.

7.7 Imprisonment

Officers liaise with the Probation Service, Relatives and the Housing Benefits Service, to ensure that assistance is given to customers where appropriate. In some cases, housing benefit may cover the rent for a limited period. However, if the arrears are likely to increase, there is no benefit entitlement or rent being paid, legal action is taken to recover the property.

7.8 Vulnerability

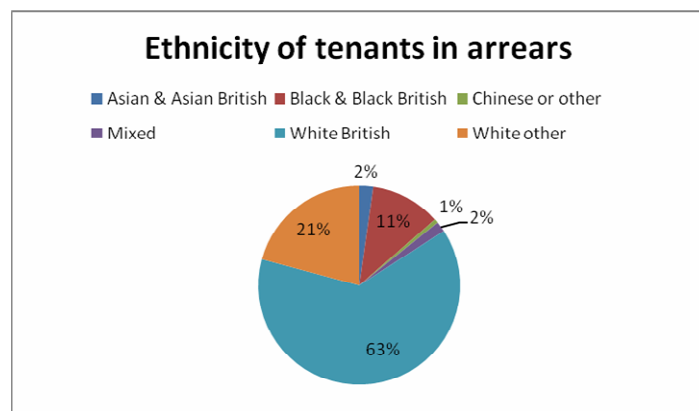
Vulnerable tenants may be less able to manage their finances. This is covered in section 10.

8 PROFILE OF TENANTS IN ARREARS

8.1 Customer profiling information showing details of tenants in arrears has been analysed to show which groups of tenants are more likely to be in arrears. This will enable recovery action to be targeted so it can be more effective. It also acts as aid to prevention – for example, when signing up new tenants aged 35 to 54 extra emphasis will be placed on stressing the importance of rent payments, providing help with housing benefits and also on identifying any other debts that might prevent the payment of rent arrears. Support can be provided from the in house debt counselling service and there will also be sign-posting to external organisations that can provide support such as Citizens Advice Bureau and Community Law.

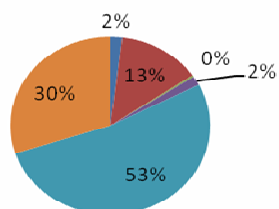
- The majority of tenants in arrears are white British or fall into the white other category (84% of those in arrears)
- The largest minority group in arrears is the Black or Black British or African category at 11% of those in arrears
- Tenants in arrears are more likely to be in the 35 to 54 year age group – nearly twice as large as the next highest age group of 25 to 34 year olds
- Of those in arrears 91% are secure tenants and 9% are introductory tenants
- 95% of rent debt is owed by secure tenants – 5% by introductory tenants
- 85.77% of tenants give their nationality as being from the UK
the remaining groups are from Eastern Europe. The largest group are Polish but these are still in the minority with only 20 tenants declaring themselves as Polish.

8.2 This information will be used to target additional support such as help to apply for housing benefits and ensuring tenants are claiming all the benefits to which they are entitled. Details are shown in the charts that follow.



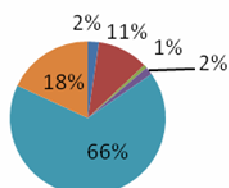
Ethnicity of tenants owing more than £500

■ Asian & Asian British
 ■ Black & Black British
 ■ Chinese or other
■ Mixed
 ■ White British
 ■ White other



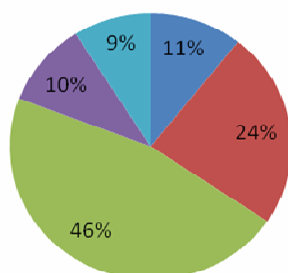
Ethnicity of tenants owing under £500

■ Asian & Asian British
 ■ Black & Black British
 ■ Chinese or other
■ Mixed
 ■ White British
 ■ White other



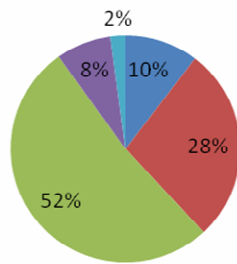
Age of tenants in arrears

■ under 25
 ■ 25-34
 ■ 35-54
 ■ 55-64
 ■ 65+



Age profile of tenants with high arrears £500+

■ under 25 ■ 25-34 ■ 35-54 ■ 55-64 ■ 65+



9. PREVENTION

9.1 Procedures are being reviewed to ensure that there are effective mechanisms in place to reduce rent arrears and where these do occur, to prevent these escalating out of control.

9.2 Mechanisms in place include

- Use of introductory tenancies, including extensions of the introductory period where arrears do occur
- Rent obligations explained at sign-up stage for all new tenants and importance of regular payments stressed in order to promote rent payment culture
- A new tenancy agreement explaining more clearly the obligations to pay rent in order to assist in the promotion of a rent payment culture
- Effective benefit advice, capturing of information by housing staff and fast receipt to the benefits service to reduce arrears and prevent housing benefit overpayments.
- Visits to all new tenants within four weeks of their tenancy start date
- Quarterly rent statements sent to all tenants
- Advice leaflet for those in financial difficulties
- Personal visits to those in arrears
- Regular promotional campaigns to promote a rent payment culture
- A range of payment options, including on line and telephone payments
- Early intervention and personal visits if arrears do occur
- Benefit take up campaigns
- Tenancy support for vulnerable tenants
- A choice of four payment dates for direct debit payments

9.3 Improvements being introduced include

- Affordability health check to ensure that new tenants will be in a position to pay rent
- A revised sign up procedure in place from June 2010 to include a housing benefits advice and a financial health check to identify potential problems such as unclaimed benefits or other debts that could prevent rent being paid, with advice and referral for debt counselling or help from Citizens Advice or Community Law

- A new debt counselling service for council tenants in arrears
- Self help pack for tenants worried about rent arrears
- The ability for tenants to view their balance on line from July 2010
- A second visit to new tenants aged 35 to 54 within the first three months of their tenancy – the group most likely to be in arrears
- Incentives to pay by direct debit
- Incentives to maintain a clear rent account and incentives to pay regularly for 13 weeks.
- Housing staff completing E benefit forms – this will automatically update the benefits system and mean that housing benefit staff do not need to key in information – they would only need to verify and assess. This will reduce over payments and speed up processing of new claims.

10 SUPPORT FOR VULNERABLE TENANTS

10.1 Some tenants will be less able than others to manage their tenancies and their financial affairs. Vulnerability will be determined by individual circumstances – for example, not all elderly people will fall into this category but some may be vulnerable for medical reasons. The categories below will be used as triggers to alert officers to the potential of vulnerability.

10.2 Vulnerability is not an excuse for not keeping to tenancy conditions and paying rent on time. However, recovery procedures do need to be and will be tailored to individual circumstances. The more appropriate the support is, the more likely arrears are to reduce.

10.3 The following may be vulnerable – these are examples and this is not an exhaustive list:

- Young people leaving care
- The elderly, particularly frail elderly
- Tenants with mental health needs affecting their ability to sustain independent living and sustain their tenancies
- Tenants with learning or physical disability support needs
- Victims of hate crime
- Victims of domestic violence
- Tenants with a recent history of homelessness or those who have not previously been responsible for managing household bills

The vulnerability may arise in the tenant's family rather than with the tenant themselves. An example would be a tenant who has a depend child with a disability.

10.4 Mechanisms in place to support vulnerable tenants include:

- Once the vulnerability has been identified, it will be logged on the IBS system so that all those who engage with the customer will be aware.
- Support from a Gateway Officer
- Floating support

10.5 Improvements being introduced include

- Additional visits for those in arrears to increase the level of personal contact, tailoring standard procedures to individual circumstances.
- Training for rent income officers and housing officers on the identification of vulnerability and how to provide support.
- Introduction of a tenancy sustainment contract – an agreement between the tenant and the Council clearly outlining what help the Council will provide, and the actions the tenant agrees to take to help them keep their tenancy.

11. ADDRESSING WORKLESSNESS – HELPING TENANTS INTO WORK

11.1 The issues raised in the recent publication by the Chartered Institute of Housing entitled: “Tackling Worklessness: A toolkit”.

11.2 Actions in place include:

- focus on young people and care leavers in terms of enhanced advice through our Gateway Officers and floating support;
- additional advice and support for homeless 16 to 18 year olds;
- Advice on benefits for those starting work

11.3 Improvements planned

- working with the Job Centre to sign-post tenants to advice and assistance in relation to job seeking

12. CHALLENGES

- 12.1 There are a number of challenges to be addressed in the period 2009-2012 which may have an impact upon service delivery and the ability to meet targets. These will need to be managed effectively.

Challenges

- Current economic situation with a subsequent potential increase in unemployment and tenants facing financial difficulty.

We will address this by providing early intervention, benefit advice, referral to the Council's new debt counselling service or a referral to independent advice such as the Citizens Advice Bureau or Community Law.

- The level of worklessness amongst tenants – over sixty per cent of tenants are in receipt of housing benefit .

We will address this by referral of tenants to advice and working with the Job Centre to address this.

- The need to achieve a step change in performance to reach the Housemark upper quartile.

We will address this by further development of the IBS software which will enable officers to increase the amount of time spent with tenants, a review of rent arrears procedures and the new debt counselling service which is now in place. We will monitor take up and waiting times for this service.

- Direct debit take up needs to increase to allow resources to be diverted to providing support for vulnerable tenants and work with those in severe financial difficulties.

We will address this by carrying out further take up campaigns and the use of incentives.

- We need to meet the diverse needs of our tenants. This was recently highlighted by the tenant auditors' work into rent arrears.

We will address this by continuing to analyse the profiling information for tenants in arrears, and further identifying whether there are any translation needs.

13. MANAGING ARREARS

13.1 Development of the IBS System

The IBS software which is used to manage rent arrears is being enhanced so that stages that are currently carried out manually will be automatic. The software improvements will identify who has not paid or kept to an agreement and will produce

an action list for officers. This should be in place from summer 2010. This is currently a manual exercise for officers and the improvement will release a significant amount of time for officers to provide support where needed, take enforcement action where needed and provide more home visits and a more personal service.

13.2 Review of Procedures

Procedures have been reviewed to reduce the number of stages in the arrears process from over 30 to 11. This will provide a more streamlined approach and will enable the stages to be set up on the IBS software so that officers can be automatically prompted to take the appropriate action – rather than manually looking through accounts to identify what needs to be done as happens now. This will provide an automatic escalation and recovery process.

13.3 On line balance enquiries

Improvements are being made to the IBS software to allow tenants to see their balance on line. This will be available from July 2010, subject to satisfactory testing.

13.4 Corporate debt policy

A corporate debt policy has been developed to aid recovery where tenants owe more than one debt to the Council. This identifies priority debts and contains processes to ensure the tenant is in a position to pay. More information is given in section 14.

13.5 General approach

13.5.1 Support and advice is in place for those in financial difficulties through the new debt counselling service. Independent advice is available from the Citizens Advice Bureau and Community Law. Contact details are provided in leaflets and arrears letters. The Council's Gateway officers provide support to vulnerable tenants and this can include a referral to floating support.

13.5.2 Annual targets are set and these are translated into individual reduction targets for officers. This ensures that there are mechanisms in place to deliver the overall target. Performance closely monitored by managers and reported on a weekly basis. Rent arrears clinics are held quarterly to challenge performance and to review cases.

13.5.3 A Rent Strategy Group has been set up to monitor the progress of the strategy and to monitor performance.

13.5.4 Early action is taken to prevent arrears. The automatic escalation policy commences within x weeks rent amounting to a debt of at least £70 – in excess of one week's average rent.

13.5.5 A new sign-up procedure is being introduced to provide housing benefit advice on sign up and to carry out a financial health check, the purpose of which is to identify whether there is any under claiming of benefits or tax credits or any debts that might prevent the new tenant from paying their rent. Where this is identified, referrals will be made to appropriate advice and support.

13.5.6 A new affordability check for applicants will be introduced to ensure that they will be in a position to pay rent if they successfully bid for a tenancy.

13.5.7 Tenants are advised to seek independent advice from external agencies, throughout the recovery process. Details of advice providers are contained on appropriate

standard letters.

- 13.5.8** Officers work with the Council's Housing Benefit Service to promote the take up of housing and other benefits, particularly to groups of tenants who are less likely to claim housing benefit. The aim is to collect rent rather than to evict tenants. We therefore advise and assist tenants to seek advice regarding debts and will take into account individual circumstances and try to assist tenants wherever possible.

13.6 Enforcement mechanisms

- **Court Proceedings**

Court Applications are made only as a last resort. The County Court Protocol will be followed and tenants informed by letter of the court application. We will make every attempt to contact and interview them prior to the case being heard at court.

- **Payment by instalments**

- We will firstly ask for the whole debt to be cleared, if this is genuinely not possible, we will accept repayment agreements, which are realistic and affordable for the tenant. For those paying by standing order we will explain that it is their responsibility to amend the standing order details with their bank, should their rent level change.

- **Department of Work and Pensions (DWP)- payment of rent direct from benefit**

We will continue to request rent direct payments from the Department of Work and Pensions for tenants in arrears and where the arrears meet the DWP criteria for direct payment.

- **Type of Orders**

- When taking customers to court, we will ask for Outright Possession Orders for all Non-Secure Tenants. For Secure Tenants we will also ask for Outright Possession Orders, unless the customer has maintained regular payments prior to the Court Hearing. In this case we will ask the Court for a Suspended Possession Order.

- **Evictions**

Eviction is used only as a last resort where all reasonable steps for prevention and recovery are exhausted. Where we have to take such action we will advise tenants to seek independent advice. Should we receive an offer to reduce the arrears in order to suspend the eviction, this can only be agreed by the case being returned to and heard at court. Tenants have the right to appeal to the Court for the eviction not to take place and the vast majority of tenants exercise this right. The Judge will consider all the circumstances and decide if it is appropriate for the eviction to proceed or whether a repayment agreement should be entered into. Tenants can appeal against each eviction date set and it is not uncommon for there to have been a number of successful appeals before the judge decides that the eviction should proceed.

14. CORPORATE DEBT POLICY

The Council has recently introduced a corporate debt policy that aims to:

- ✓ identify which debts owed to the Council should be given priority;
- ✓ facilitate a coordinated approach to managing multiple debts owed to the Council;
- ✓ identify where support is required to those owing money to the Council ensuring their circumstances are taken into account; and
- ✓ Apply best practice in relation to debt collection.

14.1 Hierarchy of debt

The corporate debt policy gives priority in terms of recovery of debts owed to the Council where non-payment could lead to the loss of the customer's home or imprisonment and these relate to current rent arrears and Council Tax debts.

Where a customer owes multiple debts to the Council, former tenant arrears and rechargeable repairs are not considered priority debts and collection of current arrears and council tax payments will take priority.

Where a tenant has a housing benefit overpayment to pay, the recover rate will be set at a rate that will allow the tenant to pay any priority debts of current rent arrears or council tax.

14.2 Fair debt principles

The corporate debt policy and this strategy for the recovery of current rent arrears are based on the principles shown below.

The Council takes its financial responsibilities in maximising income very seriously and aims to continually improve its financial management. The Council however is equally serious about its social responsibilities in ensuring that fair debt principles will be considered as part of debt collection.

The Council's aims are shown below:

- A significant proportion of debtors are on low incomes or housing and council tax benefit. Debtors may owe more than one debt to the Council. As a result we will always consider their total indebtedness. We will always endeavour to:
 - Not add to the debt owed due to inability to pay through additional costs being applied,
 - Not cause arrears to occur elsewhere i.e. through unrealistic recovery rates applied to individual debts,
- To ensure this we will facilitate a coordinated approach to sharing information in order to assist in managing multiple debts owed to the Council
- We will be clear and concise in managing debts by:

- Providing assistance to avoid and minimise debts occurring, through implementation and review of preventative actions taken across the Council,
- Ensuring that appropriate support is given to those owing money to the Council,
- Considering the circumstances of individuals particularly where it is identified that they are vulnerable,
- Providing customers with information on where to get help and advice about benefits and debt problems. This will include information and advice from the Council and independent advice from the Citizens Advice Bureau, Community Law Services, Northampton Credit Union and other independent advice organisations.
- By providing information on payment options,
- By encouraging self-help,
- We will assist in maximising customers income by:
 - Ensuring we take a proactive approach to advertising eligibility to benefits,
 - Provide information about claiming housing and council tax benefit within arrears letters.
 - Ensure all new Council tenants receive both a housing benefit entitlement check and a financial health check when signing up for their tenancy.
- Work with welfare agencies to ensure that a co-ordinated approach is made in making arrangements to pay a debt. In these cases we will set frameworks that enable arrangements to be made by employees of trusted partners that are implemented by the Council
- Take every opportunity to engage with debtors prior to them incurring additional costs.

15. WORKING WITH TENANTS

15.1 Tenant auditors

Tenant auditors have recently audited the rent arrears service and have made a number of suggestions to improve the service.

Recommendations not covered elsewhere in this strategy includes the actions listed below.

- Producing CDs about rent arrears in various languages to circulate amongst different communities. Language needs are currently being identified so that this can be actioned.
- Holding arrears surgeries at community centres. Plans are in place for a trial in areas of high arrears.

- Revising rent arrears letters with a traffic lights system to alert tenants to the seriousness of their individual situation. These are in preparation.
- Making rent statements clearer by producing a 'Your Statement Explained' leaflet. This is in preparation.
- Use text messaging more effectively. Enhancements to the IBS software are being costed at present.
- Setting up robust targets to increase direct debit payments. These have been set and are supported by an incentive scheme.
- Prioritise home visits. Enhancements to the IBS software will release more time for home visits.
- Investigate the possible use of a mobile cash office – similar to a library van. This was considered but not supported due to safety and security reasons and also due to the cost of administration. The aim is to try to reduce cash payments and increase direct debits.
- Publicise evictions without naming individuals and detail the number of evictions over a specific period stating the total owed by each tenant. This will be considered, subject to legal advice.
- Create on line access to rent accounts. This will be available from July 2010.

15.2 Satisfaction levels

A sample satisfaction survey of tenants in arrears is being carried out and will be carried out on an annual basis. This will seek views on how easy it is to contact the service, and measure the quality of advice given and overall satisfaction.

15.3 Focus group

Tenants are being asked to take part a focus group so that the effect of service improvement can be measured and further service improvements identified. The group will meet twice a year.

15.4 Local offer to tenants

During 2010/11 consultation will be carried out with tenants to put together and deliver the Tenant Services Authority new 'local offer' to tenants. This will be a review of service standards and procedures and will be in place from April 2011. This strategy will be updated to reflect that offer.

16. PERFORMANCE TARGETS FOR 2010

Performance Indicator	Outturn 2009/10	Target 2010/11
% of rent collected	96.92%	97.2%
Total arrears	£1,356,689	£1,220,784
Arrears as a per cent of the debit	3.29%	2.9%
Tenants paying by direct debit	919	1885
Former tenants arrears: amount collected	£86,150	£94,750
Rechargeable repairs: amount collected	£34,033	£37,500

17. ACTION PLAN

Action	Milestones	Target	Lead officer
Identify user satisfaction levels	1.Despatch survey 2. Analyse results	1. June 2010 2. July 2010	Philip Ralph
Set up rents user group to actively canvass views of service users on ongoing basis as recommended in KLOEs	1. Survey to ask for volunteers June 2010 2. Hold meetings	1. Sept 2010 2. December and March 2011	Philip Ralph
Ensure front-line staff have a wide range of knowledge about the full range of benefits available, managing debt and reducing indebtedness	Training on update on welfare benefits and debt counselling	Oct-10	Philip Ralph
Promote direct debit through take up campaign	Produce leaflet to promote and advertise incentives	June and December 2010	Clive Perry
Publicise incentives to pay	Next edition of newsletter, web site and flyers in arrears letters	Spring newsletter. Web site by end April. Flyers December 2010	Clive Perry
Monitor effectiveness and take up of new in house debt counselling service	1. Review Performance information monthly 2. Review sample of cases to measure effect on debt.	End Sept 2010	Philip Ralph
Ensure effective signposting to Gateway support	Clarify referral mechanisms, targets, objectives and feedback mechanism with Housing Solutions Manager by end May 2010. Completed	May-10	Tim Ansell
Ensure needs of vulnerable tenants are identified and met	Review approach to vulnerable tenants by producing vulnerable tenants strategy	End June 2010	Chris Ansell
Review new tenancy visits	Revise new tenancy visit check list and hold briefing session for staff	Mid June 2010	Peter Haytack
Review Customer Profiling information to identify needs of service users	Repeat profiling review by end May Identify actions required by end June 2010. Completed	End May 2010	Chris Ansell
Consult tenants on revised rent service standards	Review at first meeting of focus group	Sep-10	Tim Ansell
Review rent arrears letters	1. Tenant auditors views 2. On System	1. March 2010 2. July 2010	Clive Perry
Ensure strategic approach to recovery of rent arrears	Produce income recovery strategy, including approach to prevention of arrears	Jun-10	Chris Ansell
Ensure strategic approach to recovery of rent arrears	Analyse reasons for non payment and ensure strategy addresses these. Completed	May-10	Peter Haytack
Ensure strategic approach to recovery of rent arrears	Review rent arrears policy and procedures to reflect income recovery strategy	Jul-10	Peter Haytack

Ensure strategic approach to recovery of rent arrears	Work with Head of Revenues and Benefits to produce Corporate debt policy. Completed	May-10	Chris Ansell/Robin Bates
Ensure new tenants receive full induction and gain a full understanding of obligation to pay rent	Review sign up procedure	Jun-10	Peter Haytack
Review value for money of the service	1. Analyse costs of rent arrears collection, including staff and costs of each payment method July 2010 2. Benchmark through HQN and produce action plan	Sep-10	Tim Ansell
Ensure there are effective working arrangements with Housing Benefits	Review SLA with housing benefits by end Feb 2010	End June 2010	Philip Ralph
Ensure there are effective working arrangements for tenants to access Housing Benefits	Review HB advice given at sign up	Jun-10	Philip Ralph
Hold rent arrears clinics to identify issues to be addressed	Review sample of debts and action taken	quarterly	Chris Ansell
Implement Agreement Screen on IBS	1. Transfer to IBS project team - completed 2. Visit Luton to learn from their experience. 3. Implement	1. March 2010 2. May 2010 3. July 2010	Steve Bromley
Implement IBS Progression screen	1. Transfer to IBS project team 2. Visit Luton to learn from their experience. Completed 3. Implement	1. March 2010 2. May 2010 3. July 2010	Steve Bromley
Refine rent statements	Ensure rent debt kept separate from other debts	Jul-10	Steve Bromley/Philip Ralph
Refine rent statements	Produce leaflet explaining rent statements	Sep-10	Tim Ansell
Ensure tenants can look up balance on line	Transfer to IBS project and implement	Jul-10	Steve Bromley
Enhance monitoring of rent arrears	Review monitoring and recording process of one to one supervision	Jun-10	Tim Ansell
Ensure new tenants are able to afford rent payments	Carry out affordability check at short listing stage on those not entitled to housing benefit to ensure that applicant has ability to pay rent	Jul-10	Ian Swift
Consider language needs	Identify language needs and need for CD or other mechanism in alternative language	Sep-10	Tim Ansell
Set up rent arrears surgery on pilot basis	Identify area by Jul 2010	Aug-10	Tim Ansell
Review use of texting	Review IBS options - Completed Jun 2010. Consider budget availability by Sept 2010	Sep-10	Chris Ansell