

EXCERPT OF MINUTE OF MEETING OF POLICY AND RESOURCES COMMITTEE HELD ON
15 JUNE 2004

**SCRUTINY PANEL - STRATEGY AND POLICY IMPLEMENTATION: REPORT ON RENT ARREARS,
HOMELESSNESS AND EVICTIONS POLICY**

38. There was submitted a report (docketed) dated 8 June 2004 by the Director of Administration (1) enclosing as an Appendix to the report, the conclusions of the Scrutiny Panel - Strategy and Policy Implementation of the Review of the Rent Arrears, Homelessness and Evictions Policy, and (2) proposing that the report be referred to the appropriate Service Committees and the Review Group on Information and Advice Services for consideration.

Decided: that the report on the Rent Arrears, Homelessness and Evictions Policy be remitted to the Housing and Technical Services, Planning and Environment and Social Work Committees and the Scrutiny Panel - Strategy and Policy Implementation Review Group on Information and Advice Services for consideration.

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| To: POLICY AND RESOURCES COMMITTEE | Subject: SCRUTINY PANEL – STRATEGY AND POLICY IMPLEMENTATION: REPORT ON RENT ARREARS, HOMELESSNESS AND EVICTIONS POLICY |
| From: DIRECTOR OF ADMINISTRATION | |
| Date: 8 June 2004 | |

1. Purpose of Report

- 1.1 The report submits for consideration of the Policy and Resources Committee a report by the Scrutiny Panel – Strategy and Policy Implementation on Rent Arrears, Homelessness and Evictions Policy.

2. Background

- 2.1 The Scrutiny Panel – Strategy and Policy Implementation established a Review Group to consider the Council's policy on rent arrears, homelessness and evictions. That Review Group has now completed its report and, on 19 May 2004, the Scrutiny Panel, subject to some alterations, endorsed the report and agreed that it be submitted to this Committee for consideration. A copy of the report, as endorsed by the Scrutiny Panel, is attached as an appendix to this report.
- 2.2 The recommendations of the attached report relate to the functions of the Housing and Technical Services Committee, the Planning and Environment Committee and the Social Work Committee: in addition, the Scrutiny Panel have established a Review Group on Information and Advice Services. The contents and recommendations of the attached report will be of relevance also to the work of that Review Group.

3. Recommendation

- 3.1 It is recommended that the Committee remit, for consideration, to the Housing and Technical Services Committee, the Planning and Environment Committee, the Social Work Committee and the Scrutiny Panel – Strategy and Policy Implementation Review Group on Information and Advice Services the attached report on Rent Arrears, Homelessness and Evictions Policy.


Director of Administration

Members seeking further information on the contents of this report are asked to contact John Fleming, Head of Central Services on Extension 2228.

REPORT

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| To: SCRUTINY PANEL - STRATEGY AND POLICY IMPLEMENTATION | | Subject: REVIEW GROUP REPORT ON RENT ARREARS, HOMELESSNESS AND EVICTIONS POLICY |
| From: DIRECTOR OF ADMINISTRATION | | |
| Date: 27 May 2004 | Ref: CA/ASA/MR | |

1. Purpose of Report

To advise the Panel of the findings of the Rent Arrears, Homelessness and Evictions Policy Review Group and to seek approval of the Review Group recommendations.

2. Background

The Scrutiny Panel - Strategy and Policy Implementation at their meeting on 27 August 2003 considered an interim joint paper by Shelter Scotland and the Legal Services Agency in relation to evictions by local authorities in Scotland. From that report it appeared that North Lanarkshire Council was the fourth highest local authority in terms of percentage number of eviction actions in relation to the estimated number of houses. Consequently, the Scrutiny Panel - Strategy and Policy Implementation agreed that a Review Group be established to review the Council's Rent Arrears and Homelessness Policy particularly with the view of minimising evictions. The Review Group comprising Councillor Love (Convener), Councillors Cassidy, Hogg, Homer and McKeown met on ten occasions in order to scrutinise all aspects of the Council's Policy with regard to rent arrears, homelessness and evictions.

3. The Review Process

3.1. The Review Group considered that in reviewing the Rent Arrears, Homelessness and Evictions Policy it was important to explore the roles of all the agencies and Council departments involved. The Review Group recognised that all of these agencies and Council departments had a role to play in the effective implementation of the Policy. In order to explore the roles and responsibilities of all the departments and agencies involved, the Group required to receive evidence. In doing so the Group were indebted to the following for giving evidence during the Review Process:-

Department of Housing and Property Services

Aileen Gormley, Divisional Manager (South)
John Gormley, Tenancy Operations Manager
Elaine McHugh, Divisional Manager (North)
Hugh McGhee, Benefits Manager
Peter Neil, Assistant Benefits Manager
Lorraine Anderson, Service Manager, Shotts Area Office

Chief Executive's Department

Yvonne Craig, Senior Development Manager

Department of Social Work

Mary Fegan, Head of Social Work Services
 George McNally, Manager, Social Work Strategy
 Susan Devlin, Manager, Children, Families and Justice
 David Carver, Service Co-ordinator, Throughcare

Department of Administration

Walter Kilgour, Head of Legal Services
 Graham Dunlop, Principal Solicitor

Department of Planning and Environment

David Roderick, Trading Standards Manager

Coatbridge Citizens' Advice Bureau

Jim Melvin
 Jane Stevenson

Shelter Scotland

Gavin Corbett
 Adrian Stalker
 Ian Walker

- 3.2. Prior to the in depth scrutiny of the process, however, the Group considered that it was vital to consider the findings of Shelter Scotland in their report "Evictions by Local Authorities in Scotland".

4. The Shelter Report

- 4.1. The Group noted that the figures presented within the Shelter report had been collated by the Scottish Executive and were based on information supplied by local authorities. These figures showed that North Lanarkshire was the authority with the highest number of evictions, but the Review Group noted, from the officers of the Department of Housing and Property Services that the figure supplied contained Court actions which had been continued and consequently distorted the position. The Group were happy to note that the reality was the Council was in the upper Quartile of local authorities in terms of the least number of evictions - showing the Council in a much more favourable light. The Group also noted that arrangements had been made for the correct figures to be passed to the Scottish Executive to ensure that future reports - and their comparison with previous reports - were based on the correct information.
- 4.2. Mr. Corbett, in his evidence to the Group, acknowledged ultimately that there were no real alternatives to evictions but he considered that there were a number of areas which could improve the rent arrears recovery process including:-
- the tone of information provided in correspondence to tenants
 - the provision of the correct debt/money advice and accessibility of that advice

- the threshold of tolerance permitted by a local authority in respect of follow up letters seeking payment of rent arrears and the other approaches which could be explored prior to the initiation of Court action
- the importance of earlier intervention by the Social Work Department
- the possible benefits of targeting advice and assistance to lone parents who are starting a new job
- cash incentive schemes for the prompt payment of rent
- payment of rent direct from tenants' benefits
- arrestment of wages of tenants who were in rent arrears and who were in employment.

5. The Council's Current Procedure for the Recovery of Rent Arrears

5.1. The Review Group explored all aspects of the Council's current procedures from the initial letter to the tenant through to the serving of an Eviction Notice. The key areas explored were:-

- the legal procedures in pursuing rent arrears from the commencement of the Court action and the rules and practices of Sheriff Courts in dealing with cases
- the procedures undertaken by the Department of Housing and Property Services before a Court action is raised
- the procedure once Court action had been initiated including the first calling and proof hearings
- the different types of decree that can be granted by a Court
- the procedure undertaken to enforce a decree
- the total cost of the rent arrears recovery process from the issue of the first letter including staff, stationery and legal costs
- the method of advising tenants of their right to be represented during the recovery process
- the possibility of setting up a Law Centre in North Lanarkshire
- the possibility of arresting the wages of tenants who were in rent arrears and in employment and who had abandoned their tenancies
- the benefits of collecting rent direct from social security benefits with the consent of tenant.

5.2. The Review Group also examined the operational aspects of the processes and procedures in dealing with rent arrears within the Housing and Property Services Department. The key areas explored were:-

- all letters, correspondence and rent account statements issued to tenants during the recovery process

- the tone and content of the first arrears letter
- the level of support provided within each Area Office to tenants submitting Housing Benefit claims
- the cost benefit of devoting further resources to the recovery of rent arrears, it being noted that it was not legally possible to access Benefit records to track down tenants who had abandoned their tenancies
- the use of tracing agents to track down tenants who had abandoned their tenancies and who were in rent arrears
- the relationship between the Department of Housing and Property Services and money advice/debt management service for tenants
- the involvement of the Department of Social Work and at what point should they intervene in the process
- publicity for the variety of ways for paying rent, in particular, direct debit and the use of one stop shops - it being noted that it was not legally possible to compel tenants to pay by direct debit
- the level of training undertaken by Area Housing Officers particularly with regard to changes in legislation and departmental practice.

5.3. The Review Group identified that there would be merit in:-

- incorporating a paragraph within the first arrears letter advising tenants on how to obtain money advice/debt management
- the regular issue of rent account statements to all North Lanarkshire tenants
- exploring the possibility of the Rent Arrears Database having the capacity to target assistance to certain categories of tenant such as 18 to 25 year olds, tenants who fall into arrears for the first time and tenants with Special Needs. The Group considered that these categories of tenant merit special attention and prioritisation in terms of home visits to offer specialist advice thus reducing the prospect of rent arrears accruing
- increasing considerably the amount of publicity provided to tenants preferably as part of a campaign indicating that rent can be paid through Direct Debit, One Stop Shops and the Council's Contact Centre
- exploring the possibility of collecting rent direct from social security benefits with the consent of the tenant
- exploring the possibility of rent incentive schemes. Schemes such as a rent discount, assistance with decoration allowance, holiday from rent payment and other schemes should be considered as an incentive for tenants to pay rent by Direct Debit
- exploring the possibility of arresting the wages of tenants who were in rent arrears
- exploring options for tailoring the tone of information and correspondence which was provided to tenants taking account of learning difficulties.

6. The Role of the Housing Benefit Section

- 6.1. The Review Group recognised that the processing of Housing Benefit claims was one of the critical factors in enabling tenants to pay rent timeously.
- 6.2. The Review Group noted that the new Housing Benefit claim form now met verification framework requirements and had helped to increase overall the number of claims determined without requesting more information from clients. The Group were delighted to note that the average number of calendar days to process a new claim in North Lanarkshire was 22 days - this statistic making North Lanarkshire the fourth fastest local authority at processing claims out of 408 local authorities nationally according to the Department of Work and Pensions. Housing Benefit claims had been or were likely to be affected by a number of changes including legislation changes:-
- introduction of tax credits on 1 April 2003;
 - abolition of pension reviews on 1 July 2003;
 - introduction of pension credits from 6 October 2003;
 - abolition of working age claim reviews on 31 March 2004
 - a pilot in nine local authorities of operating a Local Housing Allowance.
- 6.3. The Group considered the impact of the introduction of pension credits on Housing Benefit claims particularly in view of the fact that 60% of housing benefit claimants were pensioners. It was noted that a large number of pensioners had not yet submitted applications for pension credits. However most pensioners were now entitled to Housing Benefit which has resulted in an estimated extra £20,000 per week now coming into the rent system.
- 6.4. The need for annual reviews for Housing Benefit claimants had now been replaced by a process of data matches and interventions carried out on a monthly basis by the Housing Benefit Matching Service on behalf of the Department of Work and Pensions. The Group noted that the Housing Benefit Section sends a disc to the Housing Benefit Matching Service every month for comparisons with information held by other Agencies and consequently highlighting any discrepancies which would be targeted with a home visit.
- 6.5. The Group considered the possibility and benefit of providing Housing Benefit claimants with a "ballpark" figure they could expect to obtain whilst the application was being processed allowing tenants to plan for rent payments.
- 6.6. The main delay in processing claim forms had been identified as tenants failing to provide necessary documents such as bank statements, wage slips etc., with tenants aged 30 and under being the largest category.
- 6.7. The Review Group noted that the take up of Housing Benefit was an important factor in preventing tenants falling into rent arrears which in turn could lead to eviction. Consequently the Group considered that a number of improvements should be made:-
- issuing a guidance leaflet advising pensioners on pension credits
 - holding open days within First Stop Shops and Libraries to provide information to pensioners on pension credits
 - a review of the Housing Benefit claim form having regard to the needs of those with sensory impairments, in particular the colour scheme and font size

- including contact addresses and helpline numbers of money advice organisations for the benefit of claimants be explored
- providing contact numbers on the guidance leaflet provided with the Housing Benefit claim form
- advising tenants claiming Housing Benefits, while their claim was being processed, of a realistic benefit figure they might expect to receive. The Group considered that the Online Benefits Calculator currently being used by the City of Manchester Council was a system which was ideally suited for this purpose. Particular benefits are that the Calculator is extremely simple to use with on line guidance providing a straightforward step by step approach to calculation. The Calculator can be accessed at home and at First Stop Shops, the Council's Website and any PC with internet access within Council offices.

7. The Role of the Tenancy Services and Accommodation Division

7.1. The Group noted that the role of the Tenancy Services and Supported Accommodation Division was to provide support to vulnerable tenants. The Division had three operational sections – Supported Accommodation Section, Anti-Social Task Force and Tenancy Services Section.

7.2. The range of services provided includes:-

- providing temporary accommodation
- providing housing support
- homeless 24 hour emergency standby
- service for rough sleepers
- advice services for homeless clients
- Anti-Social Task Force.

7.3. In the context of preventing rent arrears and eviction, the Group identified the Tenancy Support Workers as having a key role in early intervention and considered this to be a good working model to be adopted in minimising rent arrears. The Group noted that there were six Tenancy Support Teams, each with seven Tenancy Support Workers to service the whole of North Lanarkshire.

7.4. Each Tenancy Support Worker (TSW) has a caseload of approximately 30 cases. Many clients may only need to meet with a TSW once a week but in more complex cases a visit once a day may be required.

7.5. The key function of a TSW includes:-

- an advocacy role (eg. with Housing Office or benefits)
- assist with mail and form filling
- assistance with practical day to day living
- assistance with budgeting and money advice
- assistance with completing benefit claims and to maximise income
- homeless advice and prevention support.

7.6. The Group concluded that the TSWs were playing a key role with vulnerable clients and considered they were best placed to provide the support necessary for tenants who fall into rent arrears. On that basis, the Group took the view that the Tenancy Support Teams should be given a bigger role in the prevention of rent arrears – while

acknowledging, from the evidence of John Gormley, that the existing compliment of TSWs would not be able to take on the huge increase in workload envisaged by the Group unless further resources were forthcoming.

- 7.7. The Review Group concluded that consideration should be given to expanding the Tenancy Support Teams to enable tenants identified by the Area Offices as requiring the benefit of a home visit to be targeted in order to minimise rent arrears and the possibility of eviction.

8. The Role of Debt and Money Advice Services within North Lanarkshire

- 8.1. The Review Group considered the roles of the two main sources of debt and money advice within North Lanarkshire, the Council's own Trading Standards Service and the Citizens' Advice Bureaux. The Review Group noted that £300,000 of funding was provided to the five CABx in Airdrie, Bellshill, Coatbridge, Cumbernauld and Motherwell and Wishaw and that there was a three year service level agreement with the CABx which included provision for debt advice in relation to Council Housing. As regards the Council's own Trading Standards service, the Group noted that they were the main provider of money and debt advice in North Lanarkshire through the three consumer and money advice centres in Bellshill, Coatbridge and Cumbernauld. In terms of the service provided by CABx, 804 new cases were dealt with in 2002/2003, 8% of which related to rent arrears. The Group were particularly concerned that there had been a lack of accountability with regard to the Council's financial contributions to the CABx as a result of the Service Level Agreement being insufficiently specific.
- 8.2. The Review Group considered that there were a number of areas which should be explored which should improve the money and debt advice given to those tenants in rent arrears:-
- the establishment of a protocol between the Council's Housing and Property Services Department, the Social Work Department, The Trading Standards services and CABx in North Lanarkshire with regards to tenants in rent arrears – in particular when rent arrears are identified for the first time with priority groups such as single tenants in the age group 18 to 25 being given priority
 - the service level agreement with the CABx clearly setting out the service expected in relation to money advice given to Council tenants and based on the agreed protocol with the Housing and Property Services Department and the Trading Standards service
 - the possibility of having one money/debt service provider to which tenants in rent arrears should be directed in order to provide consistency of advice and service
 - a re-assessment of the arrangements in place for advising tenants on how to obtain debt/money advice services particularly through Council leaflets and correspondence - it being noted that the literature should actively encourage tenants to access money advice funded by the Council
 - the sharing of information between Council departments, possibly involving staff exchange
 - preparation of a guidance note clearly setting out criteria for referral to Debt Advice Agencies, the Social Work Department, Tenancy Support Teams and other agencies as appropriate in rent arrears cases

- special arrangements being made for tenants in particularly difficult/unique circumstances
- the regular issue of rent account statements for all tenants
- the promotion of debt counselling services in housing literature
- that debt advice staff promote direct debit payment for rent payment.

9. **The Role of the Department of Social Work**

- 9.1. The Review Group considered the working arrangements and protocols between the Departments of Housing and Property Services and Social Work on homelessness issues, early intervention and sustainable tenancies for young people. It was noted that both Departments met at Area Officer level on a monthly basis and that rent arrears and evictions protocols had been targeted as a priority. As regards the Department of Social Work's role specifically, the Group noted that the Department was looking at its Throughcare services arrangements to enable young people to sustain tenancies and a number of measures to improve the image of the Social Work Department to encourage those who required assistance to seek advice.
- 9.2. The Review Group noted a number of issues which should be taken cognisance of in the Rent Arrears process:-
- early intervention and tracking of young people leaving care was crucial
 - short secure tenancies of six months provided a degree of stability and allowed the Council to monitor and manage young people leaving care
 - every effort should be made to ensure that young people leaving care were placed into a suitable area and environment in order that accessible support could be provided.
- 9.3. The Review Group identified that concluding the current review of Throughcare Services arrangements was a priority and early intervention by relevant agencies and Departments of the Council was vital to a reduction in the number of tenants in rent arrears, particularly young tenants in the 18 to 25 age group. In doing so, the Group readily acknowledged that there was a need to devote more resources to this issue as tenants in this category were particularly susceptible to getting into financial difficulties.

10. **Review Group's Conclusions**

One of the initial findings of the Review Group was that the figures contained in the Shelter Report which suggested that North Lanarkshire Council had one of the highest eviction rates in Scotland were flawed and that the correct figures showed the Council in a considerably better light. However in examining the Council's policy on rent arrears, homelessness and evictions it became apparent that there was no room for complacency and there were still areas which could improve the Council's position further. The processes and procedures involved in the Rent Arrears, Homelessness and Evictions Policy are considerable. The Group were impressed by the awareness of all departments and agencies of the issues which required to be tackled to prevent evictions. While intervention by relevant agencies at the earliest possible stage was the clear conclusion of the Group there were also a number of other improvements which could be pursued to minimise rent arrears developing. The

Group also recognised that the elimination of rent arrears was an unattainable goal particularly as a number of tenants who habitually fell into rent arrears were unlikely to respond to any initiatives developed by the Council.

11. Corporate Considerations

Should the recommendations contained within this report be accepted it is likely that there will be changes not only to the Council's current policy, but there are also likely to be budget implications which are as yet undetermined and staffing implications which are also at this stage undetermined.

12. Recommendations

It is recommended that:-

- (1) the Department of Housing and Property Services
 - (a) incorporates a paragraph within the first arrears letter advising tenants on how to obtain money advice/debt management;
 - (b) ensure that the rent arrears database is used to target certain categories of tenant for home visits as detailed within paragraph 5.3 of the report;
 - (c) initiates a considerable increase in the amount of publicity to tenants indicating the different ways in which rent can be paid particularly through direct debit;
 - (d) devises options for a rent incentive scheme to encourage tenants to pay their rent by direct debit;
 - (e) adjusts the tone of correspondence to tenants in relation to payment of rent and rent arrears to take account of the circumstances of the individual e.g. first time defaulters and 18 to 25 year olds;
 - (f) issues a guidance leaflet advising pensioners on pension credits;
 - (g) holds open days within First Stop Shops and Libraries to provide information to pensioners on pension credits;
 - (h) reviews the current Housing Benefit claim form to take account of the needs of those tenants with sensory impairments, in particular the colour scheme and font size;
 - (i) includes within the Housing Benefit form a note of contact addresses and helpline numbers of money advice organisations for the benefit of claimants;
 - (j) purchases an online benefits calculator such as the one currently being used by the City of Manchester Council to allow tenants claiming Housing Benefits to be advised while their claim was being processed of a realistic figure they might expect to receive;
 - (k) establish a protocol with the Director of Social Work, the Director of Planning and Environment (Trading Standards) and the Citizens Advice Bureaux in North Lanarkshire setting out the respective roles in providing advice and support to tenants in rent arrears, particularly vulnerable groups and the arrangements for instigating dialogue between relevant departments and agencies, possibly including regular meetings between them;

- (l) promote debt counselling services in all housing literature;
 - (m) considers, in conjunction with other departments and agencies as appropriate, the identification of one money/debt service provider to which tenants in rent arrears should be directed in order to provide consistency of money/debt advice;
 - (n) in conjunction with other departments and agencies advocate direct debit as the best method of paying rent;
 - (o) pursue an increase in collecting rent arrears from social security benefits with the consent of the tenant;
 - (p) ensure the regular issue of rent account statements to all North Lanarkshire tenants;
 - (q) explore, in conjunction with the Head of Legal Services, the possibility of influencing future legislative changes to enable the Council to have access to benefit records to track down tenants who had abandoned their tenancies and who were in rent arrears;
 - (r) use tracing agents to track down tenants who had abandoned their tenancies;
 - (s) prepare a guidance note clearly setting criteria for referral to Debt Advice Agencies, the Social Work Department, Tenancy Support Teams and other agencies as appropriate, and
 - (t) increases the number of staff within the Tenancy Support Teams and/or Housing Office staff who should be adequately resourced and trained to enable vulnerable tenants, identified by staff in the Area Office as being in rent arrears, to benefit from a home visit with a view to minimising rent arrears.
- (2) the Department of Planning and Environment
- (a) include within the Service Level Agreement with the Citizens Advice Bureau a statement clearly setting out the service expected of them in relation to the money advice given to Council tenants, and
 - (b) agree with the Director of Housing and Property Services referral criteria in rent arrears cases.
- (3) the Department of Social Work concludes its review of Throughcare Services arrangements as soon as possible to assist young people in sustaining their tenancies, and
- (4) the report be remitted to the Policy and Resources Committee for consideration.


 Director of Administration