

BRIGHTON & HOVE CITY COUNCIL
TENANT SCRUTINY PANEL ON LETTERS

1.00pm 4 SEPTEMBER 2013

HAMPSHIRE LODGE

PRIVATE MINUTES

Present: Binder (Chair)

Other Members present: Sohna

PART ONE

1. LYNN YULE - HOUSING INCOME MANAGER

Introductions and Chairs briefing. Apologies from Liz Collard

These notes needed to be read in conjunction with the handouts.

Lynn Yule – (Housing Income Manager), Wednesday 4 September, Hampshire Lodge

Housing Income Management Team

- 1.1 The council had a duty to collect rent from council tenants. For those tenants who did not pay it may be necessary to take recovery action. This could result in a County Court Possession Order and may lead to the tenant losing their home. However, eviction was a last resort and it was seen as a failure, as this meant that the service had not been successful in recovering the money.
- 1.2 The Housing Income Management Team was set up in 2005 with the aim of increasing the collection rate and making sure there was consistency in the way the service was delivered. The focus of the service was on prevention and limiting debt and minimising evictions.

Housing Income Management Team

Housing Income Manager

Income Services Manager
Court Team
Senior Income Management Officer x 5

Income Services Manager
Prevention Team
Income Management Officer x 7

Income Services Manager
Welfare Reform Team
Senior Income Management Officer
Money Advice Worker
Income Management Officer x 2
Former & Recharge Team
Senior Income Management Officer (Former Tenant Arrears)
Senior Income Management Officer (Recharges)
Income Assistant

Prevention Team

- 1.3 The role of the prevention team was to contact tenants as soon as arrears accrued to discuss the amount and cause of the arrears, the tenant’s financial circumstances and their entitlement to benefits. Contact during the early stages of a tenancy was especially important to prevent arrears accruing.
- 1.4 Where a tenant was unable to clear the debt in full an affordable repayment plan was negotiated based on the tenant’s income and expenditure.
- 1.5 Officers assisted tenants with housing benefit claims and liaised with the Rent Rebate Team to resolve housing benefit issues.
- 1.6 Early contact had a positive impact and a variety of methods were used, including telephone, text, email, letter and home visit.
- 1.7 If the tenant did not clear the arrears or agree a repayment plan, or if arrangements were made and broken, a Notice of Seeking Possession was served. This was the first stage of legal proceedings which could result in court action at a later date to repossess the tenant’s home.
- 1.8 After the Notice of Seeking Possession was served officers continued to make attempts to contact the tenant. If the tenant did not respond the case was passed to the Court Team.

Court Team

- 1.9 The role of the court team was to work with tenants to prevent court action and eviction by making sure they understood what was happening, offering advice and support and resolving any housing benefit issues.
- 1.10 If the tenant did not clear the arrears or agree a repayment plan, or if arrangements were made and broken, possession proceedings were issued.
- 1.11 If the tenant agreed and complied with a repayment plan after proceedings had been issued the proceedings would be postponed so long as the tenant kept to the agreement.

- 1.12 Attempts to reach an agreement continued until the court hearing.
- 1.13 If an agreement was reached the officer would seek a Suspended Possession Order. As long as the tenant complied with the order enforcement action would not be taken.
- 1.14 If an agreement was not reached the officer would seek an Outright Possession Order.
- 1.15 Attempts to reach an agreement continued until the possession date.
- 1.16 If an agreement was not reached and the tenant was still living at the property after the possession date the officer would apply for a warrant to evict the tenant.
- 1.17 Tenants were advised of their right to apply to the court to suspend the warrant.
- 1.18 Attempts to reach an agreement continued until the eviction date.
- 1.19 If the tenant did not apply to suspend the warrant the bailiff would evict the tenant.
- 1.20 Senior officers attended the court hearings and had to provide evidence to show that the council had taken steps to advise the tenant of the problem and what the consequences were of not paying their rent. The letters that were used at each stage of the recovery process were part of this evidence.

Court Costs

- 1.21 If costs were awarded the tenant would have to pay these before the Order was satisfied. Officer time was not reimbursed. Possession hearings were held on Mondays and Fridays.

Welfare Reform Team

- 1.22 A new sub team was currently being established to focus specifically on tenants who accrued rent arrears as a result of benefit reductions.

The team was currently working with tenants affected by the under-occupancy charge (bedroom tax) and the benefit cap (non-working household receiving £500 + per week in benefits).

- 1.23 In addition to this work, the team would be proactive in preparing for the changes that would be brought about by Universal Credit.

Ministry of Justice (MoJ)

- 1.24 The Rent Arrears Pre-Action Protocol which came into force in October 2006 was a holistic approach for the management of income collection and gave tenants five opportunities to pay rent arrears before the Court makes an Order:

Social landlords were bound by the protocol which required them to demonstrate that they had contacted and made all reasonable efforts to assist the tenant and taken reasonable steps to make sure the tenant understood what is happening.

- 1.25 If the Housing Income Management Team failed to comply with the protocol the Court may order costs against the council.

Former Tenant Arrears

- 1.26 The 2012/13 collection rate for former tenant arrears was 18.1% compared to a national average of 9%.-10%.

The function of the Former Tenant Officer was to recover housing debts owed by outgoing tenants. Prompt action was taken on new debts, as the success rate for collection was much higher on debts under six months old.

Recharges

- 1.27 Recharge debts related to repairs, that were the responsibility of the tenant, property damage and property clearance. This included unauthorised alterations to a property, e.g. installation of showers, kitchens or removal of walls.
- 1.28 The recharge officer investigated each case fully to ensure that there was no vulnerability within the household before raising a recharge. e.g. a property may be in poor decorative order which was the responsibility of the tenant, but if a tenant was elderly and/or disabled it may have been impossible for them to maintain the property.

Statistics

- 1.29 Housing Management had approximately 12,000 properties (leaseholders were not included in this figure; sheltered housing was included).

Approximately 75% of council tenants currently received either full or partial housing benefit.

2012/13

The gross rent due was £48.4m.

722 Notices of Seeking Possession were served.

120 Eviction Warrants were authorised

10 properties were repossessed as a result of rent arrears: 7 of these were abandoned properties which included one where the tenant was serving a long term prison sentence.

Brighton and Hove achieved a collection rate of 98.66%.

Graph 2002 – 2012

This demonstrated the percentage reduction in rent arrears between April 2002 and March 2012.

2013/14

The gross rent due was £50.8m.

Open Housing Management System (OHMS)

- 1.30 The Open Housing Management System (OHMS) was the system used to manage rent arrears.
- 1.31 All rent arrears queries were dealt with by the Housing Income Management Team.

- 1.32 The Housing Income Management Team worked closely with the Rent Rebate Team, plus other teams such as Rent Accounting, Neighbourhoods, Housing Customer Service, Tenancy Sustainment and Social Inclusion. These teams also had access to OHMS.
- 1.33 There had been difficulties in identifying whether a support team had been involved in a particular case. This gap had been acknowledged and was being addressed.

New Tenants

- 1.34 All new tenants were dealt with by the Rehousing Team which was responsible for letting properties and arranging for tenants to sign the tenancy agreement.

Housing Benefit

- 1.35 After the sign-up tenants met with income management and were offered assistance with housing benefit claims. All new tenants' claims were fast tracked using the eBenefits online claim system which meant that claims can be paid within 2/3 days instead of the statutory 28 days. There were some tenants who choose not to apply for housing benefit.
- 1.36 The team had been trained and were authorised to verify proof of documentation for housing benefit claims. The team also had access to the Benefits system and could check the reasons for delays in housing benefit assessments and payments.
- 1.37 Housing Income Management worked closely with Rent Rebate and officers often carried out joint interviews and home visits.

The Letters

- 1.38 Arrears letters were a vital part of the recovery process. Other contact methods included telephone, text, email and home visit.
- 1.39 Repayment agreement letters were sent to tenants who agreed a repayment plan to clear their arrears e.g. £5 per week.
- 1.40 Letter templates were used to ensure consistency and equality.
- 1.41 At the suggestion of Councillor Randall (Chair of the Housing Committee) recent changes to the letters included the addition of separate letters for under-occupiers ("bedroom tax") to acknowledge that the council understood the difficulties they may be facing due to the welfare reform changes.

Rental Income

- 1.42 The Housing Revenue Account (HRA) was self funding and relied on rental income to provide services to tenants.

Duty of Care

- 1.43 The council had a statutory duty to protect children and in cases where children were involved Housing worked closely with Children's Services.

Tenants in Prison

- 1.44 A tenant who received a long term prison sentence and was not able to appoint a caretaker to look after their property would be encouraged to terminate their tenancy. If they did not agree to do this arrears would accrue and possession action would be taken to repossess the property.

Questions included:

1. How many tenants were affected by the new under occupancy charge ("bedroom tax"), the panel was informed it was approximately 800 cases. This was a demand on services and more resources were required to support these tenants.
2. At what stage was a home visit arranged? The panel were told that this was set out in the pre-action protocol. However, the council did carry out home visits at various stages.
3. The panel wanted to know what was the response rate to the letters? Currently this data was unavailable. This would be worked on. The panel was informed that the responses rate as a whole was good.
4. When an officer visited was there a letter to follow? The panel was told that all visits were recorded on the account notes.
5. Sometimes tenants had situations that were complex, what support was offered? The panel were informed how people were signposted to various teams e.g. Money Advice, Social Inclusion, Tenancy Sustainment, Housing Options, Council Tax, Rent Rebate and other teams that would be suitable to meet the tenant's needs.
6. How often was the clarity and tone of the letters reviewed? This was updated recently by the Chair of the Housing Committee. The letters were reviewed regularly by Service Managers and Officers. The Housing Income Management Monitoring Group (which consisted of tenants who had been elected on, had been in operation since 2007) and met quarterly, also reviewed the letters.
7. For best practice did the service share letters with other housing department? Rent arrears letters had to be clear to collect the money owed so were specific to that service.
8. 75% of social housing tenants were effectively illiterate (which meant that the tenants had a reading age of 7 to 8 year olds). How did tenants understand the legal jargon in these letters? The panel were informed how the red font was highlighted to tenants that there was a problem. People who were illiterate tended to ask others for help. It was recognised that there was high illiteracy within the BME community. This could be detected via various teams that the tenant required translation e.g. Housing Benefit, Council Tax, or via the Tenancy Team and is noted on the database.
9. Why were the Warning of Notice of Seeking Possession letters signed by the Income Management Team and after the Warning of Possession for Proceedings letters all signed by the a Senior Income Management Officer? The reason for this was because all officers in the team were able to deal with pre-court enquiries, but the seniors specialised in cases once they reached the court stage.

10. Does the HRA have money from properties leased by private landlords? The panel heard how private properties were not included in the scheme.
11. The panel asked what recommendation the Housing Income Manager would put forward? The panel were told that all the letters used within Income Management were templates which ensured consistency and equality and were effective for income management.

The meeting concluded at Time Not Specified

Signed

Chair

Dated this

day of