

# OVERVIEW AND SCRUTINY COMMUNITY COMMITTEE

## *Committee Report*

**Public**

**Date of Meeting:**

**21 February 2002**

**Title: BEST VALUE REVIEW, HOUSING DEBT RECOVERY - ACTION  
PLAN PROGRESS**

**Report of: Director of Housing**

**Report reference: H.013/02**

### **Summary:**

The report summarises progress to date on the implementation of measures to allow continuous improvement of the service to prevent, manage and recover rent arrears from Council tenants.

### **Recommendations:**

Members are asked to note progress thus far, and to approve the revised action plan and timetable at Appendix 1.

**Contact Officer:** Stephen Soars

**Ext:** 7565

**H.013/02**

**To: Members of the Overview and Scrutiny Committee**

### **Best Value Review, Housing Debt Recovery – Action Plan Progress**

#### **1. Introduction**

1. Members may recall that the report on the Best Value Review on debt recovery was presented to the final Housing and Care Services Committee meeting on 11 August 2001.
2. The report contained an action plan with a series of recommendations to improve delivery of the service on the prevention, management and recovery of rent arrears and housing benefit overpayments.

The action plan was to be implemented over an 18-month period.

3. This report provides an narrative update on the progress made so far in achieving the

aims of the action plan, and a revised plan in tabular form is shown at Appendix 1.

4. Elsewhere on this agenda is an item relating to one of the specifics of the action plan, to develop and agree a policy statement on the prevention and recovery of rent arrears from current Council tenants.

## **2. Action Plan Progress**

### **1. Rent Payment Facilities**

1. Direct Debit is being further promoted by use of letters and advertising on quarterly rent statements. We shall evaluate the relative success of this and decide whether further promotion by means of offering a small incentive may be appropriate to encourage other people to pay by this method.

There is a recommendation from Internal Audit to ask garage site tenants (i.e. not tenants of lock-up garages) to pay yearly by Direct Debit. The aim is to reduce the costs of collection of this rent.

2. Payment by debit/credit card and via the Internet is now being considered Council-wide. A working group is being set up and it is hoped that this will report by the Summer.

### **2. Raise the Profile of Rent**

1. Leaflets are currently being written which will improve pre-tenancy information to new tenants and encourage existing tenants to contact the Council or other agencies to seek help.
2. Publicity leaflets are to be drawn up and issued shortly. This will highlight the obligation to pay rent and the consequences of not doing so.

### **3. Rent Accounting Practice**

1. An accounting practice standard has been agreed for the posting of payments to rent account (especially Standing Orders, Direct Debit).
2. Some agreement has been reached on a time standard for implementing rent increases due to improvements/service charges.
3. It has been agreed that we will offer Direct Debit payees the choice of payment on 1<sup>st</sup> of month (currently the 15<sup>th</sup>). We will work to introduce this from April, but it may involve some enhancement by Orchard IT, so the date of introduction will be subject to successful testing.

### **4. A Policy for Prevention and Recovery of Current Tenant Arrears**

1. A recommended policy statement has been produced, and is being considered elsewhere on this agenda.
2. A policy on rent arrears at change of tenancy will be included with revised procedures (to follow).

## **5. Procedures**

1. Procedures for recovery from Introductory Tenants are now written. Training for staff is being prepared. The new regime will begin on the 1<sup>st</sup> April.

## **6. Housing Benefit Liaison**

1. Day-to-day, week-to-week operational liaison arrangements continuing.
2. There has been no significant progress on strategic liaison.

## **7. Advice and Information at Tenancy Sign-Up**

1. (see 2.2.1) Leaflets on rent obligations, consequences of non-payment, claiming Housing Benefit, etc. are currently being written.

## **8. Enhanced Use of IT and New Technology**

1. (see 2.1.2) Payment by credit/debit card and via Internet is being investigated. A working group will report this Summer.
2. The Orchard Common Module has been 'tidied up'.
3. The Orchard Business Objects management information system is being tested at present. Difficulties are being encountered.

**9. Reporting Performance to Tenants Groups**

1. An Audit of tenants groups information requirements has been completed by the Tenant Participation Officer.

**10. Performance Indicators**

1. A comprehensive listing has been produced and is ready to use, but it is dependent on Business Objects working properly. At the moment this is not the case.

**11. Performance Management and Information Systems**

1. Staff have been involved in defining individual and team targets for reductions in current tenant arrears.
2. The frequency of monitoring of individual performance has been defined.
3. The definition of a wider range of performance indicators will improve the quality of management information available, but their measurement is dependent on Business Objects working properly (see 2.8.3 and 2.10.1).

**12. Staff Training Needs**

1. An agreement has been made with Housing Benefits and the Benefits Advice Centre to provide Housing and Welfare Benefit training for arrears prevention and recovery staff at the end of February/beginning of March.
2. There is an agreement for Housing staff to provide awareness training for HB staff on rent arrears prevention and recovery.
3. Debt Recovery Assistants have been trained in Court procedures. Training for Estates Officers in presenting possession proceedings is scheduled for February.

**13. Changes to Staff Working Practices**

1. Presentation of Court cases by Estates Officers is now somewhat clouded by stock transfer (and associated TUPE) issues.

**14. Court and Other Legal Issues**

1. Delays in proceedings are monitored as an ongoing issue and improvements negotiated as necessary.
2. Clarification has been received on the legal status of a tenant on breach of a suspended possession order, and we have agreed to treat them as a tolerated trespasser. This will be incorporated into revised procedures.

**15. Initiatives for Quality Comparison and Validation**

1. Work is under way (will take approximately 6 months) to collect and prepare information for validation under the Housemark benchmarking module.

Appendix 1

**Best Value Review, Debt Recovery****Amended Action Plan**

<b>Task</b>	<b>Outcome</b>	<b>Targets</b>
Reduce current rent arrears owed as a percentage of gross rent due	Increase rental income to Council	Reduce debt from £624k at March 2001 to £566k at March 2002; i.e. from 3.6% to 3.1% of gross rent due.
Minimise the increase in debts owed by former tenants, and aim to reduce the debt over time.	Minimise rent loss to Council	Reduce from 2.49% to 2.06% of gross rent due.

Raise the profile of rent	<p>Improved pre-tenancy advice, verbal and written.</p> <p>Reinforcement of tenant responsibilities, consequences of non compliance, and sources of help.</p>	<p>Household budgeting advice.</p> <p>Provision of advice leaflets on rent payment, housing benefit issues, rent arrears policy and procedures, and where to get help.</p> <p>Draw up publicity leaflet for inclusion with April 2002 rent balance statements.</p> <p>Employ debt counselling assistance in promoting rent as a priority bill.</p>
Task	Outcome	Targets
Provide improved rent payment facilities	Tenants have a range of cheap, easily accessible methods of paying their rent.	<p>Promote further use of Direct Debit facility.</p> <p>Investigate use of incentives.</p> <p>Reduce costs of collection from garage site tenants.</p> <p>Investigate and consider introduction of payment by credit/debit card.</p> <p>Investigate and consider introduction of internet payment.</p>

Task	Outcome	Targets
Negotiate improvements in rent accounting practice.	<p>Establishment and implementation of an accounting practice standard for posting of Standing Orders and Direct Debits to accounts.</p> <p>Accounts are up to date and accurate</p>	<p>Achieve posting to rent account within 24 hours of payment in 100% of cases.</p> <p>Offer Direct Debit payers the choice of payment on 1<sup>st</sup> of month (currently, can only pay on the 15<sup>th</sup>)</p>

		<p>Review timing/positioning of 'no rent due' weeks.</p> <p>Liaise with IT to change day of running of Orchard recommendations</p>	
Agree a policy direction and statement for the prevention and recovery of rent arrears	Tenants, staff and Council members will know what we want to do, and our guiding principles.	<p>Consult with Tenants Federation (CRTF) on draft policy.</p> <p>Present draft policy to Overview and Scrutiny Committee for approval.</p>	

Task	Outcome	Targets	
Amend existing procedures for prevention and recovery from current tenants.	<p>Procedures will reflect nationally recognised good practice statements.</p> <p>Procedures will explain clearly and separately the policy on rent arrears at a change of tenancy.</p> <p>Greater support, monitoring and contact within immediate post tenancy commencement period.</p>	<p>Improved advice and information at (and prior to) tenancy sign-up stage – budgeting advice, leaflets.</p> <p>Comprehensive housing and welfare benefit advice at sign up.</p> <p>Separate procedures written for new regime of Introductory Tenancies.</p> <p>Monitoring visit within 4-6 weeks of tenancy commencement.</p>	
	<p>Proper consideration of Human Rights Act implications.</p> <p>Reduce costs of court appearances.</p> <p>Adopt different procedures for 'vulnerable' and 'special needs' customers.</p>	<p>Write into revised procedures.</p> <p>Check with court on 'rights of audience for Estates Officers'.</p> <p>Write into revised procedures.</p>	

<b>Task</b>	<b>Outcome</b>	<b>Targets</b>
Amend existing procedures (cont)	<p>Adopt different approach to 'serial' (repeat) arrears cases.</p> <p>Reflect concerns/suggestions made by partner agencies e.g. CAB, Law Centre.</p> <p>Reduce the number of court cases.</p>	<p>Write into revised procedures.</p> <p>Amend standard letters in line with suggestions.</p> <p>Trial a pre-court 'review panel' for secure tenants, after implementing Introductory Tenancies and testing feasibility.</p>
Pursue improvements in strategic and operational liaison with Housing Benefits.	<p>Improved mutual understanding of roles and aims of HB officers and Housing Officers.</p>	<p>Valid claims assessed within statutory timescales.</p> <p>Delays in assessment minimised.</p> <p>Problems of annual review tackled. No backlog created.</p> <p>Joint training of staff.</p>

<b>Task</b>	<b>Outcome</b>	<b>Targets</b>
Adopt partnership working and liaison with CAB, Law Centre.	<p>Ending of adversarial approach.</p> <p>Working to benefit of mutual clients.</p> <p>Reduce number of challenges to our actions/intentions.</p>	<p>Consult on findings and recommendations of BV Review.</p> <p>Use as a basis for quarterly liaison meetings.</p> <p>Audit debt counselling provision.</p>
Tackle low demand and associated lettings issues.	<p>Develop, with Riverside Group, a strategic approach to low demand.</p> <p>Examination of effects of individual lettings, and lettings to particular household groups, on the</p>	<p>Phasing in of choice-based lettings systems.</p> <p>Implement community and applicant profiling.</p> <p>Promote marketing of properties.</p>

	<p>surrounding community.</p> <p>Investigation of need for and options for community lettings scheme(s).</p>	<p>More 'sensitive' lettings.</p> <p>Closer day-to-day liaison between Accommodation and Estate Assistants at stage of selection of prospective tenant.</p> <p>Decide on implementation of 2 schemes.</p>	A
Task	Outcome	Targets	
Tackle low demand and associated lettings issue (cont)	<p>Provision of budgeting and other (improved) advice at pre-tenancy and tenancy offer stage.</p> <p>More sustainable lettings.</p> <p>Members made aware of consequence of rehousing people with former tenant arrears.</p>	<p>Written advice available to all new tenants.</p> <p>Reduction in number of FTA cases being rehoused.</p>	A
Provide better advice and information to new tenant at sign-up stage.	<p>Greater tenant awareness of rent payment responsibilities, consequences of non-payment, who to contact for help.</p> <p>Reduction in number of new tenants who fall into arrears.</p>	<p>Provide verbal and written advice to all new tenants at sign up.</p> <p>Provide comprehensive housing and welfare benefit advice at sign up.</p>	

Task	Outcome	Targets	
Provide better advice and information (cont)		Provide trial calculations of housing benefit entitlement to all	

		<p>new tenants who may qualify, at sign up stage; and all existing tenants reporting change in circumstances who ask for a calculation.</p> <p>Provision of refresher training on housing and welfare benefits to all staff engaged in arrears recovery at least once, and if necessary or possible, twice per year.</p>
Enhance the use of IT and new technology.	<p>Provision of additional cheap, simple methods of rent payment.</p> <p>Provision of improved management information system to identify trends, quality of performance, frequency etc.</p>	<p>Investigate and consider introducing payment by credit/debit card, and via the Internet.</p> <p>'Tidy up' Orchard Common Module.</p> <p>Test Orchard Business Objects management information system.</p>

Task	Outcome	Targets
Enhance the use of IT and a new technology (cont)	Improved basis for managers to take decisions on priorities, resources, areas for development etc.	Implement the above system subject to successful testing.
Develop a wider range of local performance indicators.	<p>Indicates areas of weakness which need development in future.</p> <p>Indicate whether measures taken to address weaknesses are effective.</p>	Use CIOH, NFHA suggested indicators, and findings of BV Review as the basis for those chosen.
Strengthen performance information systems and performance management culture.	Improved quality of performance management information available.	Involve all arrears recovery staff in identification of and agreement on individual and team targets.



	<p>Easier access to this information.</p> <p>More widely available to staff in general.</p> <p>Highlights 'exceptions' to the norm (or what is expected).</p>	<p>Promote greater awareness of individual, team and global targets.</p> <p>Improve consistency of application of recovery procedures.</p>
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Task	Outcome	Targets
Strengthen performance information systems and performance management culture (cont)	<p>Greater ownership of individual, team and global targets.</p> <p>Make managers accountable for performance.</p>	<p>Tighter definition of standards and monitoring frequencies.</p>
Address training needs of staff.	A well-trained, knowledgeable group of staff able to help our tenants, and represent the Council effectively in arrears recovery procedures and court proceedings.	<p>Use induction processes, Team Improvement Reviews, Personal Development Interviews and team meetings to identify training needs.</p> <p>Each member of staff to have a personal training plan for the year ahead.</p> <p>Provide at least 1 session of joint training of arrears recovery and HB staff on arrears recovery procedures</p> <p>Provide refresher training for all arrears recovery staff on housing and welfare benefits at least once, and if necessary or possible, twice a year.</p>
Task	Outcome	Targets

Address training needs of staff (cont)		Provide some training for Accommodation Assistants on HB claims.
	<p>Use all available remedies for recovery.</p> <p>Reduce the costs of taking court proceedings.</p>	Provide training for Debt Recovery Assistants and Estate Officers in presenting cases at court.
Changes to staff working practices	<p>Lower court costs.</p> <p>Re-invest in service improvements.</p> <p>Facilitates out of hours personal contact.</p>	<p>Court cases presented by Estates Officers.</p> <p>Investigate need for debt counselling post.</p> <p>Negotiate more flexibility in working hours.</p>

Task	Outcome	Targets
<p>Resolve court and other legal issues.</p> <p>Resolve court and other legal issues (cont)</p>	<p>Monitor and minimise delays in obtaining court proceedings and negotiate improvements in performance</p> <p>Use all available legal devices.</p> <p>Reduce court costs.</p>	<p>Triggers for negotiation and improvement to be:</p> <p>Not more than 8 weeks to obtain court hearing date</p> <ul style="list-style-type: none"> <li>Not more than 4 weeks to execute a Warrant for eviction.</li> </ul> <p>Adopt concept and consequences of 'tolerated trespasser' status in revised procedures.</p> <p>Check with court on 'rights of audience' for Estates Officers.</p> <p>Investigate availability and costs of top up legal support.</p>

		Review effectiveness and economy of pursuit of FTA through "small claims"
Task	Outcome	Targets
Develop initiatives for quality comparison and validation.	More appropriate benchmark comparators	Investigate with Housemark or Northern Consortium of Housing Authorities  Collect and prepare information for validation under Housemark benchmarking module
	Target a 'quality' award.	Investigate work involved in preparing a Chartermark application.  Subject to outcome of investigation, prepare a Submission for Chartermark.