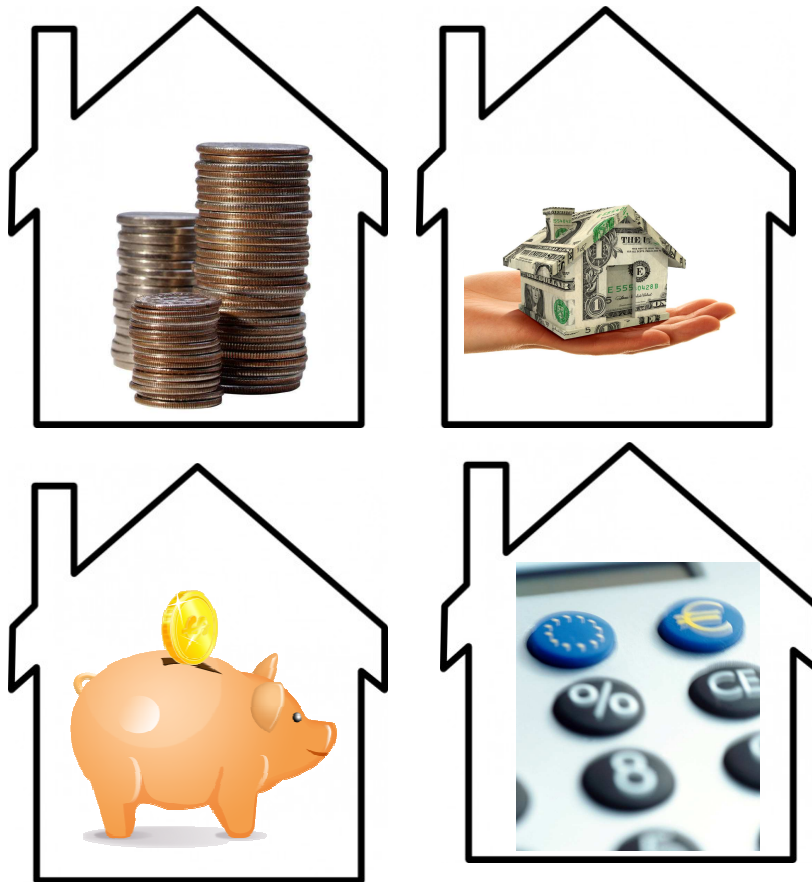


# RENT IMPACT ASSESSMENT

BETWEEN APRIL 2012 AND MARCH 2013



Report produced by Julie Clempson on behalf of  
Tamworth Borough Council April 2013

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## Summary of Findings and Actions

Findings	Actions
Increase in rent arrears due to non dependant charges, under occupancy charges, benefit cap Increase in contacts by housing officers by visits, phone and interviews, increase in NSP's being served. More legal action being taken.	In-depth visits by Income Maximisation Officers, assisting tenants in to work, working more closely with serious arrears cases, working with partners, rent incentive scheme, 48 rent week, quarterly rent statements
Dealing with financial difficulties, more in depth cases Time constraints on staff as their visits are lengthier and more thorough	Better use of staff time and delegation of lower cases to the Tenancy Sustainment Assistants and higher cases to the Income Maximisation officers..
Dealing with more vulnerable households	Access to hardship fund to mitigate particular impacts to tenants arising from welfare reform.
Court Action being pursued for non payments  Increased resources and staff time attending and Additional expense for tenants with court costs and attending court at Nuneaton, travelling and parking costs. Travelling to court.	Further impact Assessment to be carried out Court and evictions last resort, Use of Pre Action Protocol, landlord hardship fund
Evictions; this is our last resort after all actions have been pursued to try and sustain tenancies Increase in evictions from 10 in 2010/2011 to 22 in 2011/2012. Has implications on costs, average eviction costs £3,500	Evictions are our last resort after all actions have been pursued to try and sustain tenancies
Stressful situations for tenants	Referrals made to extend agencies for support CAB, TamworthCAN, Bromford.
Stressful situations for staff	Staff training

## Introduction

The Landlord Tenancy Sustainment Team (Income) deals with income collection and income maximisation, financial inclusion, current arrears, former tenancy arrears, recharges, supporting people, garages and court costs. This impact assessment is based on the current arrears for 2012/2013 and factors affected by the rent collection.

This assessment shows the impact on income collection and on the arrears over the last 12 months, showing the amounts of Notice of Seeking Possessions that have been served each month, Court actions that have been taken and as a last resort the amount of evictions that have taken place. Our aim, at all times, is to sustain tenancies. The assessment also shows the previous 12 months figures for comparison; however, presently there is a 48 week rent year where previously there was a 50 week rent year. The document shows the last two years performance of legal actions taken and 12 months of unsuccessful and successful contacts with our customers.

The Impact Assessment looks at the factors which have had an impact on income collection and arrears so far with the closure of Tamworth County Court and in March 2013 the closure of Burton County Court. Whilst landlord services is committed to continue service improvement the changes of the courts has had financial implications to Tamworth Borough Council and to our customers.

In light of current government changes this assessment highlights how the increases on Non dependant charges, under occupancy charges and Benefit Cap will have on families in the current economic climate.

This Impact Assessment also includes the facts and comparisons covering overall summary of statistics, measuring performance, reasons for non payments and arrears increasing, findings, impact and the way forward for the future. Attached are appendices 1: Payment methods, 2: Rent First Christmas rent campaign 2012, 3: Rent first Easter campaign 2013, 4: Impact Assessment on rent arrears cases attending Burton County Court.

The Government has made a decision on the way benefits will be paid in the future to our tenants; Universal credit will be introduced from October 2013 and will fundamentally change the current system of benefits and tax credits. Welfare reforms and changes to Universal Credit are about to impact on the rent collection and income management service. Maximising customer expectations will be a challenge together with maximising our income management capabilities. New demands will be placed upon our services at all stages of the cycle pre-tenancy, tenancy and former tenancies.

Whilst landlord services is committed to continue service improvement the changes of the Welfare Benefits system and Localism Act have already had an impact on the arrears and predictions for the future are that the arrears will rise considerably if payments are not met.

In light of current government changes this assessment highlights how the changes have already affected the arrears and have had a significant impact on our services and our customers. We therefore have procedures in place which makes it as easy as possible for customers to pay their rent and access information about their rent account. We offer support for customers through well trained staff and links with our partners who can help with maximising income and managing debt. We increased our staff by recruiting two extra income maximisation officers.

For 2012/2013, the Tenancy Sustainment Team (income) had to collect rent to the value of £17,190,148.37 and other charges due promptly from tenants in order to sustain tenancies and protect the provision of services. The key aims of the team are to maximise income collection and minimise bad debts. In cases where rent arrears accrue, these are kept to a minimum and effectively reduced through a fair, responsive, and where necessary, firm approach. The overall objective of rent collection is maximise collection and to minimise the level of arrears in a sensitive, but effective manner.

## Facts – Comparisons 2011/2012 and 2012/2013

### Notice of Seeking Possession Served 2011/2012

Month	NSP's Served in total	Average
Apr	25	£341.61
May	36	£364.33
June	41	£365.94
July	50	£316.88
Aug	53	£355.25
Sept	79	£353.92
Oct	58	£385.47
Nov	47	£347.14
Dec	32	£350.55
Jan	43	£361.85
Feb	38	£322.77
March	28	£448.85
<b>Total</b>	<b>530</b>	<b>£359.55</b>

### Notice of Seeking Possession Served 2012/2013

Month	NSP's Served in total	Average
Apr	15	£424.42
May	49	£484.29
June	43	£391.27
July	52	£448.59
Aug	72	£455.75
Sept	57	£479.10
Oct	56	£408.78
Nov	42	£511.93
Dec	43	£461.76
Jan	120	£445.06
Feb	58	£523.48
March	28	£560.55
<b>Total</b>	<b>635</b>	<b>£466.25</b>

### Court Action 2011/2012

Month	Possession Forthwith	PPO	MJO	SPO	14 Day Possession	28 Day Possession	Immediate Possession	General Adjournment	Total Court Cases
Apr	-	-	-	4	-	-	-	-	4
May	-	-	-	1	-	-	-	-	1
June	-	-	-	3	-	1	-	-	4
July	-	-	-	1	-	1	-	1	3
Aug	-	-	-	3	-	2	-	1	6
Sept	-	-	-	3	-	-	-	-	3
Oct	-	-	-	3	-	-	-	-	3
Nov	-	-	-	7	-	4	-	5	16
Dec	-	-	-	-	-	2	-	-	2
Jan	-	-	-	-	-	-	-	-	0
Feb	-	-	-	1	-	3	1	-	5
March	-	-	-	1	-	2	-	-	3
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27</b>	<b>0</b>	<b>15</b>	<b>1</b>	<b>7</b>	<b>50</b>

### Court Action 2012/2013

Month	Possession Forthwith	PPO	MJO	SPO	14 Day Possession	28 Day Possession	Immediate Possession	General Adjournment	Total Court Cases
Apr	1	-	1	1	-	2	-	-	5
May	2	-	1	1	-	3	-	-	7
June	-	-	-	-	-	1	-	-	1
July	-	-	1	1	-	1	-	-	3
Aug	-	-	-	2	1	2	-	-	5
Sept	-	-	-	-	-	1	-	-	1
Oct	-	-	-	-	-	1	-	-	1
Nov	-	-	-	3	-	-	-	1	4
Dec	3	-	-	-	-	-	-	-	3
Jan	3	-	-	-	-	4	-	-	7
Feb	-	-	-	1	-	2	-	-	3
March	-	-	-	3	-	-	-	-	3
<b>Total</b>	<b>9</b>	<b>0</b>	<b>3</b>	<b>12</b>	<b>1</b>	<b>17</b>	<b>0</b>	<b>1</b>	<b>43</b>

### Evictions 2011/2012

Area	Number of Evictions	Family	Single Person	Couple	Average Age
Stonydelph	1	0	1	0	31
Glascote	1	0	1	0	31
Belgrave	1	1	0	0	34
Leyfields	0	0	0	0	n/a
Amington	1	0	1	0	45
Bolehall	0	0	0	0	n/a
Kettlebrook	0	0	0	0	n/a
Hockley	0	0	0	0	n/a
Wilnecote	3	2	1	0	42
Town Centre	1	0	1	0	56
Gillway	0	0	0	0	n/a
<b>Total</b>	<b>8</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>40</b>

Month	Evictions	Month	Evictions
Apr 11	0	Oct 11	0
May 11	1	Nov 11	1
June 11	0	Dec 11	0
July 11	1	Jan 12	0
Aug 11	2	Feb 12	1
Sept 11	1	March 12	1
<b>Total 8</b>			

### Evictions 2012/2013

Area	Number of Evictions	Family	Single Person	Couple	Average Age
Stonydelph	4	3	1	0	31
Glascote	3	0	3	0	32
Belgrave	3	1	2	0	28
Leyfields	1	1	0	0	50
Amington	4	1	3	0	29
Bolehall	1	0	1	0	33
Kettlebrook	0	0	0	0	n/a
Hockley	0	0	0	0	n/a
Wilnecote	4	2	2	0	45
Town Centre	1	0	0	1	53
Gillway	1	1	0	0	52
<b>Total</b>	<b>22</b>	<b>9</b>	<b>12</b>	<b>1</b>	<b>39</b>

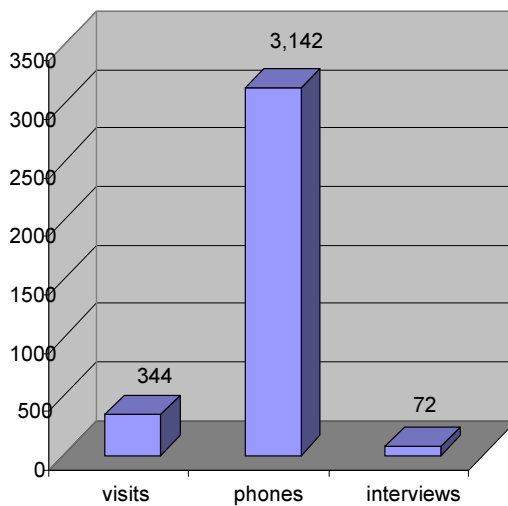
Month	Evictions	Month	Evictions
Apr 12	3	Oct 12	2
May 12	0	Nov 12	1
June 12	1	Dec 12	2
July 12	1	Jan 13	2
Aug 12	2	Feb 13	5
Sept 12	2	March 13	1
<b>Total 22</b>			



## Measuring Performance

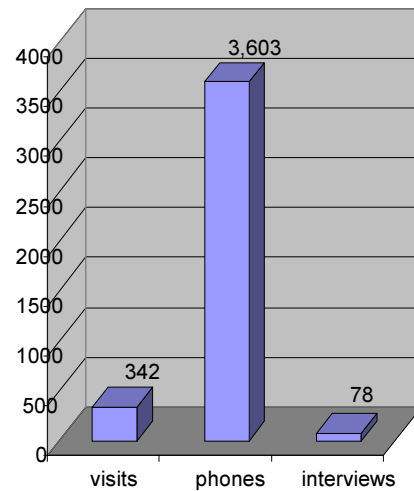
Measuring our performance is key so we can continually improve our services. Below shows the last 12 months of our successful contacts with our customers by home visits, telephone calls and office interview over each quarter.

**April - June 2012**



**Arrears end of Q1 £453,578**

**July - Sept 2012**

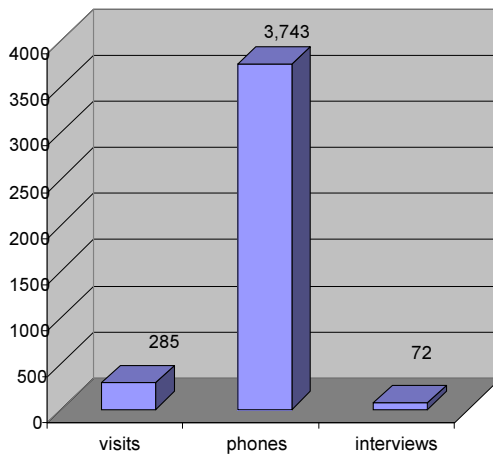


**Arrears end of Q2 £486,439**

Total visits carried out = 940  
Total telephone calls = 3,587

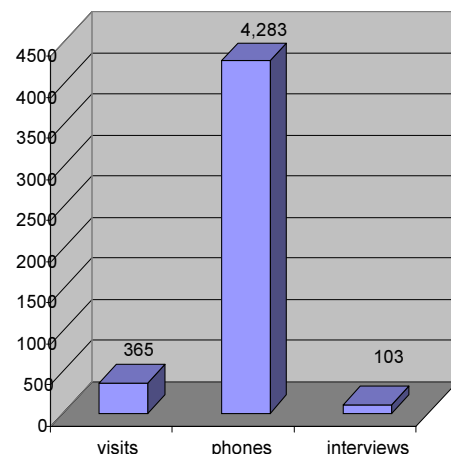
Total visits carried out = 890  
Total telephone calls = 4,086

**Oct - Dec 2012**



**Arrears end of Q3 £491,636**

**Jan - March 2013**



**Arrears end of Q4 £406,076**

Total visits carried out = 930  
Total telephone calls = 4,171

Total visits carried out = 1012  
Total telephone calls = 4,803

We also measure the rent collection and recovery, the arrears at the end of the previous financial year plus the debit divided by the amount of income. (HB and Payments). The table below shows the percentage each month.

April 12	83.64%
May	90.17%
June	90.25%
July	93.41%
August	94.09%
September	94.24%
October	94.45%
November	95.32%
December	96.50%
January 13	96.69%
February	96.85%
March	97.65%

Although the percentage has increased over the year, the figure was slightly less than previous year of 97.71%.

Our preferred and more cost effective method of payment is direct debits. We are continuing to promote this method of payment. In March we had an increase of 28 direct debit cases since February. At the end of March 2013, 952 (22.79%) of our customers are paying by this method.

On the figures available to me, we measure the percentage of tenancies sustained beyond the first year of their tenancy. The last 12 months two tenancies were terminated due to affordability.

## Reasons for non payments and arrears increasing

- Housing Benefit claims are taking approx 6 weeks to be processed. JSA and ESA claims take several weeks to be awarded by DWP; in some cases this has a knock on effect as rent will be payable however the tenant cannot pay as they are not in receipt of their welfare benefit.
- Some tenants and/or their children are starting work with agencies. This means they can be working full weeks and then may be working for only a couple of days. This causes problems as full rent may be due but the money coming in has reduced. They can apply for an increase in housing benefit but the time it takes to receive wage slips the account falls into arrears and at Notice seeking possession level.
- Tenants still prioritise their Council Tax payment over rent payment, the use of bailiffs and threats of prison sentences may be due to this. Council Tax also use attachment of earnings which can be crippling. There is need for a Corporate Debt Policy to ensure rent is paid as well as Council Tax.

- Tenants are finding that if they cannot prove that they have been seeking employment their JSA stops which means housing benefit stops.
- Seasonal additional expenses Easter, Summer Holidays, School uniforms, Christmas.
- Overall there is an upward trend for arrears and that weeks when the balances reduce cannot be viewed in isolation as the reduction may be due to factors such as large housing benefits credits, which if had been applied over the weeks when housing benefits entitlement was due, would not have resulted in such a noted drop in the balances.
- Extremely difficult financial circumstance incurred by an increasingly higher percentage of our customers is having a major impact on those who are working. It has been well publicised the Midlands region has a higher than average national percentage of younger people out of work, which again is impacting on households.
- Increase in the availability of doorstep lenders is also impacting on the ability to pay rent and we often have to delve when asking people about their debts, as they are not always forthcoming about creditors, although we are trying to collect this information.
- Seasonal workers, ground workers suffered due to snow recently.
- Most people travel to work via car, bus or rail. As we are all aware the cost of these are increasing. Majority cannot afford to save, therefore if their car requires repairing to get them to work the rent doesn't get paid.
- The closure of Drive Assist and Jessops and more recently the Daw Mill may have affect on some of our customers.
- Waiting for tax credits to be awarded, take up to 6 weeks to be assessed.
- Children reaching the age of 18 and the affect it has on housing benefits.
- A 48 week rent year was introduced, so arrears are higher until the end of the financial year.
- More hardship and expensive for customers when we take court action as they have to travel to Nuneaton Court.
- Non dependent charges have substantially increased over the last 3 years

## Findings

Short-term employment, low & variable working hours, seasonal work, termination of DLA and waiting for the results of appeals are all having an impact on housing benefit assessments and rent receipts.

A number of our customers who are in employment have notified us of changes in payment patterns from weekly to monthly, resulting in cash flow problems, debts and delays in rent payments.

Increasingly coming across situations where our customers are trying to financially assist their adult children (both those living with them and those living independently) which has a knock on effect on their own finances.

We are all aware that the increasing cost of living, particularly motoring in cases where the transport is essential for commuting, is having a major impact on households.

Also the recent inclement weather has caused more expenditure to be used on utilities, particularly affecting lower income families who have pre-payment meters. More people are using food banks.

Less money to spend on luxury items including essential goods.

The reality is that whilst we attempt to make agreements with our customers in order to assist them in maintaining their tenancies and offer advice on finances, some other creditors take a more aggressive approach to income collection such as Council Tax, Bright house, Wonga.com; Money shops are just a few. This continues to greatly impact on our rental income.

It would appear that the introduction of a Corporate Debt Policy may be the only way to partly alleviate this particular aspect of rent recovery.

A lot of our customers live week by week and it is more expensive when the school closes and their children are at home, this has an increase on the arrears. There is no spare cash to save for these things however the introduction of 4 rent free weeks helps to mitigate the effect.

It is more and more evident that a Corporate Debt Policy is necessary. Tenants have openly admitted to housing officers that when they are confronted by Bailiffs in a threatening manner with the ultimatum to either pay Council Tax arrears or have items removed and sold they agree to this in front of other debts, including rent arrears. Tenants are made to pay at unreasonably high levels which leave them insufficient funds to pay other debts or even keep up standard payments.

Tenants that have worked for large companies who have gone bankrupt and lost their income.

The closure of the County Courts has had an impact on the arrears. See attached Appendix 4:1, Impact Assessment on rent arrears cases attending Burton County Court.

The rent campaigns that have been carried out at Christmas 2012 and Easter 2013 show how successful or not they have been. See attached Appendix 2, Rent First Christmas rent campaign and Appendix 3, Rent First Easter rent campaign.

## Impact

During the last 12 months the arrears have increased by £69,755.90 from £336,320.38 to £406,076.18, despite all the contacts and arrangements in place. However, this was still below the figure that was originally predicted.

Arrears are up from 2% in 2011/12 to 2.6% in 2012/13.

The Welfare Reform Act 2012 has seen social housing undergo major changes. Reforming the benefits system aims to make it fairer, more affordable and better able to tackle poverty, worklessness and welfare dependency. The Act introduces a wide range of reforms to make the benefits and tax credits system fairer and simpler while protecting the most vulnerable in our society. Universal credit is a major feature of the Welfare Reform Act and will help claimants and their families to become more independent and will simplify the benefits system by bringing together a range of working age benefits into a single streamline payment.

The transition to direct payments from a range of current income-related benefits will be both an opportunity and a challenge for many tenants and their families.

Tenants with a Non-Dependent Charge have had an impact on the arrears increasing. In the last 12 months 67 tenants have had a Notice of Seeking Possession served upon them, 1 Tenant was taken to Court and 2 tenants were evicted, due to non payment.

A realistic calculation for rent collection and bad debt provision for future years has been factored into the business plan as follows;

Arrears based on tenants not paying for **2012/13**;

Benefit lost due to non dependant charges - £48,000

Benefit lost due to under occupation and/or cap -£75,000

Lack of full time employment, tenants changes in income and length of time waiting for benefits to be resolved are resulting in arrears.

Various payment methods made to tenants has had an affect in the arrears performance.

More expenditure on utility bills, particularly affecting lower income families who have pre-payments meters. More people are using food banks.

Less money to spend so the use of creditors is increasing, this continues to greatly impact on our rental income.

Difficulty to pay rent at certain times of the year for example when children are on school holidays.

Tenants are made to pay unreasonably high levels of payments to council tax, leaving them insufficient funds to pay other debts or even keep up standard payments resulting in rent arrears increasing.

Tenants that have gone bankrupt and cannot pay their rent.

Closure of local courts and the increased time taken for staff and tenants attending their hearings.

During the last year and with the major changes in mind, it has and will have a massive impact on our customers and staff. Below are just a few predictions that will increase;

- Homelessness
- Tenants transferring
- Home swapper
- Evictions
- Higher arrears
- Loan Sharks (no credit union)
- Staff resources
- Stress on staffing levels

Visits, telephone calls, interviews are becoming lengthier as we progress through these changes. Housing Officers have a target of 80 visits per month each to carry out, but a revised target needs to be set due to time constraints.

## Future

The shift to a single monthly payment, including housing costs, will force a change in money management for many. Some tenants will be coping with larger sums of money than they are used to, resulting in the need to budget for a whole month's expenditure for themselves and their family, including rent. Payment of Universal Credit will be monthly in arrears which may result in people seeking credit later in the month. For some, the move will be precipitated by a life event which would already weaken their financial capability, such as having a baby, a relationship breakdown or a bereavement, making it all the more important for them to be supported. If tenants are well supported through the change, this is a huge opportunity to improve financial capability. If not the financial shock could result in longer term debt and other problems.

Over the next few years the need for support in budgeting and money management is expected to increase. There will be increased pressure on low incomes and many tenants will also see reductions in their benefits. Also, reforms and housing policies are driving up homelessness with young people and families will be hit the hardest. So importantly, prevention is the key element.

2013 brings a host of benefit cuts and changes, directly affecting cash flow for landlords and our customers. In this uncertain landscape, housing providers face a triple challenge; maximising rent income by minimising arrears and sustaining tenancies. It will be daunting for individuals and teams whose job is to ensure that the organisation collects its income and that its customer can afford to pay on time, every time.

As we all face challenges around Welfare Reform and Localism Act with regard to benefit caps, reductions for under-occupation and universal credit, we have increased our income team with two income maximisation officers. This will add capacity to deal with arrears cases at the high scale, offer financial inclusion advice and make partner referrals to develop support available in the third sector.

In the future we need to work on rent arrears prevention and recovery in this changing world by understanding the causes and impact of rent arrears and the emerging challenges, promote the importance of rent payment and the value of the service, prioritise cases to prevent rent arrears and reduce cost, drive collection rates through dynamic case management and powerful negotiation, deal effectively with blockages, objections and excuses, work effectively with courts and other agencies and implement excellent practice throughout the arrear process.

### **Tackling worklessness**

In social housing, joint working with our community development officers, identifying the vulnerable tenants and those out of work and without regular income.

In preparation for Welfare Reform, Cabinet approved recommendations in June 2012 to support the development of a Social Enterprise Partnership with Mears, the housing repairs contractor procured 2011/12. The concept being that through Mears' contractual requirements to offer apprenticeship opportunities this could be extended to create a delivery model that engages with other partners to tackle worklessness and contribute to wider economic regeneration.

Mears are already committed to working with South Staffordshire College and others to offer:-

- ✓ Funded training schemes – providing 1 apprentice per £1m turnover (potentially 50 Apprentices over the life of the contract)
- ✓ Work based training – accredited qualifications (NVQs & Diplomas) in relation to construction and services (i.e. customer care)
- ✓ Work Experience and work place skilling
- ✓ Resident DIY training and trade taster sessions

## **Digital Inclusion**

Educating our tenants to use and access a computer to prevent tenants from losing out because of advice, services, jobs and shopping are simply cheaper to offer on line.

- Working with partners and communities to ensure enough free access to computers is available to meet the need.
- Some cheaper deals for gas and electricity are only available on line, estimates that households can save a substantial amount of money a year by buying on line.
- Increasingly, claimants will be expected to apply for benefits online.
- Local services will be accessed more online and there will be fewer opportunities to speak to someone in person.
- Jobs are advertised on the web and job applications are often expected on line. Plus the National Housing Federation estimates that 75 to 90% of jobs require at least some computer skills.

## **Illegal Lending Services**

Partnership working with illegal lending services to tackle loan sharks. Loan sharks could increase due to there being no credit union in Tamworth. Training to be provided to staff so we can report on the following;

- Number of loan sharks that are preying on our area  
and/or
- Help raise awareness about loan sharks in our area  
and/or
- Help us support vulnerable loan shark victims



## **Investment in the Third Sector**

Working with the banks to discuss setting up bank accounts for our customers, jam jar accounts, sensible borrowing.

Discussions round promoting Six Towns and Lichfield credit unions.

## **Development of Landlord Hardship fund**

A hardship fund is available to alleviate some of the problems associated with extreme indebtedness and poverty. The fund is currently £20,000 per annum and will be awarded on a basis of need until such time that the fund is exhausted. It is likely that a maximum of 80 people can be helped with a budget of £20,000. This will be met from the Housing Revenue Account, this will be paid as a payment and not a loan. Tamworth Borough Council recognises that some of its council tenants suffer severe hardship, putting their home and family at risk, without the means to help themselves especially with changes in welfare benefits. This scheme is open to all Tamworth Borough Council tenants who fulfil the criteria and will be managed by the Income Team.

## **Discretionary Housing Payments**

Discretionary Housing Payments give further financial assistance when we consider that more help with housing costs is needed. DHP will increase to £111k for 2013/14. This can be used for help with rent costs and will not be enough to help all those with under occupancy sanctions from April 2013. DHP can be accessed via the benefits team. Tenants must meet the certain criteria and provide evidence.

## **Training and support for staff**

We face unprecedented financial decline and growing demand on our services. We need exceptional resilience skills to achieve performance and bounce back quickly from adversity and set backs.

Training is required to help and support staff through this difficult time, to reduce absenteeism and increase good mental health and wellbeing in the workplace to create effective staff teams. To help deal with customers in financial hardship, including threats, anxiety, stress and emotional drain from offloading of people's worries and desperation.

Training on preventative measures is required and to increase their skills including negotiating skills when dealing with difficult customers and situations.

## **Corporate Debt Policy**

It would appear the introduction of the Corporate Debt Policy is the most effective way to move forward. Tenants prioritising their Council Tax payment over rent payments, the use of bailiffs and threats of prison sentences may be due to this. There is need for a Corporate Debt Policy to ensure rent is paid as well as Council Tax. This has been factored into the action plan and it suggested this is taken forward with the cross service project team.

## **Removal of the spare room subsidy**

Following the removal of the spare room subsidy on 1<sup>st</sup> April 2013, The Minister for Welfare reform, Lord Freud, is aiming to involve eighty local authorities to undertake a small exercise to continue into the summer, looking at engaging with a broad group of local authorities from all regions of the country, including rural and urban communities and with high and low density social sector stock. The immediate focus over the next few weeks will be to discuss how each authority has planned for the change and to identify whether there are any gaps in the guidance and support that the DWP has provided and if so how this might be addressed. To identify emerging live running trends and issues, to include choices that tenants are making to meet the shortfall in their rent and the extent which tenants apply to the discretionary housing payment scheme for support and how authorities are responding.

In Tamworth there are approx 500 council tenants who will be affected by the under-occupancy, with an average weekly loss of £14.41.

The Housing and Health department has been proactive with Council tenants. Responses to the questionnaire sent out with the sanction letters, 75% will stay and pay and the other 25% want to downsize.

## **Bad Debt Provision**

A realistic calculation for rent collection and bad debt provision for future years has been factored into the business plan as follows;

Arrears based on tenants not paying for **2014**;  
Benefit lost due to non dependant charges - £48,000  
Benefit lost due to under occupation and/or cap - £406,000

Arrears based on tenants not paying for **2015**;  
Benefit lost due to non dependant charges - £48,000  
Benefit lost due to under occupation and/or cap - £406,000

There are a few tenants who will be affected by the benefit cap which will be introduced in July of this year.

Arrears are up from 2% in 2011/12 to 2.6% in 2012/13.

It is still not clear if some or any payments will be paid direct to landlords. It is likely that tenants, who are vulnerable, have been 6-12 weeks arrears or have exceptional circumstances may be allowed to have their rent paid directly to their landlord.

Direct payments to the tenant will have a huge impact not only to our tenant(s) but to the authority as over 1,771 of our working age tenants are in receipt of housing benefit which is paid directly to rent accounts. There will be an overall increase in physical collection of £8million.

Collection costs for Tamworth Borough Council could amount to over £450,000 per year, this does not include the cost for replacement of all pay cards.

Tenants will have to manage their finances monthly and will have increased money management and debt issues if the payment is made in arrears.

We are expecting that rent arrears will increase coupled with and an increase in arrears work and evictions. The HRA Business Plan estimates a 20% increase in arrears each year up to 2015.

In addition to the changes of the benefits system the yearly rent charge has increased by 4% which this is having an impact to our customers.

### **Four free rent weeks**

We operate a 48 rent week which enables free periods at times when financial hardship is evident, one at summer, one at Christmas and two at end of financial year. This has contributed towards the reduction of arrears as at year end of 2012/13 the arrears were successfully reduced by £129,382.

In this financial year 2013/2014 there is 53 rent weeks instead of the usual 52. In light of this, for this year only, rent will be charged over 49 weeks which will still give tenants 4 rent free weeks. This will ensure that the impact of rent increases on the tenants will be minimised and that they do not suffer any further financial hardship as a result of the 53 week year.

### **Rent Incentive scheme**

During 2012/2013 a rent incentive draw was introduced where the successful tenant receives a prize of £250. Every quarter tenants that are in credit or have a clear current rent account are entered into the draw. Should the winner have debt on other housing accounts then the money is used to clear these accounts, if not the tenant(s) receive the £250. The next open house will have an article promoting his initiative to encourage tenant to maintain an up to date rent account.

## **Rent First Campaigns**

In trying to increase awareness of financial inclusion initiatives we worked with local schools and carry out rent first campaigns and we also use advertising on local buses to promote 'rent first'. We also promote on the web, blogs, tweets and information plasma screens. For more information and impact of these see attached appendix 2 and 3.

## **Income collection**

- Encouraging tenants to use the cheaper payments methods to minimise collection costs.
- Looking at ICT equipment to enable to take payments when with our customers.
- Monitoring payments, identify problems and start remedial action quickly to reflect monthly payments of Universal credit.
- Finance and digital inclusion - Options for supporting tenants to make and maintain claims of Universal credit on line. This could range from providing PCs for use in the reception area at Marmion House, Community Hubs and other suitable venues to offering support to make online claims or making the claim on behalf of the tenant.
- Identifying cases that would benefit from the Landlord services hardship fund.
- Review performance targets for rent collection and arrears
- Discretionary Housing Payments where appropriate.
- Working with credit union and banks to have Universal credit paid direct to them.
- Incentive scheme to promote our direct debit payments.
- Improving financial confidence
- Two extra members of staff to add capacity to deal with escalating arrears of £2,000 plus, offer financial inclusion advice, working through charges of under occupancy listings, dealing with hardship cases ,the money mentor scheme, promotion of credit unions and transition to new benefits' manage the action plan preparing for welfare reform and deliver training to colleagues.

## **Court attendance**

Court possessions and warrants are the last resort but when Tamworth Borough Council has exhausted every avenue, legal action is required to secure the debt. Tamworth Borough Council use Nuneaton County Court. There is a regular slot each month for our hearings. The court lists 5 cases every half hour, so one hour provides a maximum of 10 cases which will be

sufficient. Obviously, this needs to be monitored throughout the year, should further slots be needed due to increase arrears caseload.

In addition to the regular slot each month, housing officers will need to attend to represent cases for adjournments and suspension hearings. Recently, two separate cases were heard and on the first attendance the housing officer was out of the office over three hours, 1 hour travelling and 2 hours waiting at the court. The second, the housing officer was out of the office for 4 and half hours, one hour for travelling and 3 and half hours waiting to go into chambers. This obviously has an impact on the housing officer's time and impact of staff resources in the office. Should this continue, time management becomes an issue. If appropriate technology equipment is issued to housing officer's, at least they could be working on their workload whilst waiting to enter the court room. Also, due to the length of time waiting to enter the court room, further car parking tickets were required of which adds to the expenses for the authority and our customers.

Impact for staff and customers using Nuneaton County Court as follows;

- Increase in time for staff (cases not dealt with in attendance order. The order is decided by the clerk)
- Increase in tickets
- Increase in travelling
- Increase in expenses for the authority and our customers
- Impact on staff resources attending
- Impact on office cover
- Loss of local resident Judge
- Loss of effective court desk

## Appendix 1

### Payment Methods

Below identifies the payment methods that are being used and a summary of actual payments received during one month period.

#### Payment Methods

Payment Method (Orchard)	Count
Housing benefit	2076
Part-benefit payments	675
Cash Weekly	626
Direct Debits 01	297
Cash monthly	226
Direct Debits 52 Weeks	166
Direct Debits 16	158
Cash fortnightly	107
Standing order	56
On-line payment	44
Telephone payment	27
DSS rent direct	7
e-payment monthly	2
Salary deduction (monthly)	2
Secure Homes (monthly)	1
Secure Homes (weekly)	1
	<b>4471</b>

#### Summary of actual payments Received 4/2/13 - 3/3/13

Transaction Code	Transaction Description	Count
HBEN	HB weekly award	3035
ALPY	Allpay payment card	1048
DEBC	e-Payment debit card	417
DD01	Direct Debits 1st of Month	293
BANK	Bank credit	224
DD52	Direct Debits 52 Weeks	169
DD16	Direct Debits 16th of Month	153
IVRD	Touchtone debit card	57
CRCQ	Cashier receipt-Cheque	29
CRFT	Fund Transfer	17
CRDC	e-Payment credit card	8
CRMI	Cashier receipt-cash & cheque	5
SALA	deduction from salary	4
POST	Post Office payments	1
		<b>5460</b>

## Appendix 2

### Impact Assessment and review of the Income Team Christmas Rent First Campaign December 2012



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## The purpose of the Rent First Campaign

As part of our Financial Inclusion Strategy we carry out rent campaigns during the year to promote our services, engage with the tenants and to raise awareness that paying your rent is always a priority.

The rent first campaigns are currently undertaken at least twice a year covering the Christmas and Easter period with occasional Summer Rent Campaigns. The Christmas Campaign is promoted through the local schools so pupils can participate in a competition. The entries are judged by the tenants consultative group and the winner receives a prize either for the school or the individual.

## How we promoted the event

- The event was advertised on the Tamworth Borough Council website at [www.tamworth.gov.uk](http://www.tamworth.gov.uk)
- Tenants are encouraged not to overspend at Christmas, ensuring tenants budget effectively and additionally pay their rent and don't lose their home. Also if they are facing debt or homelessness to contact either Housing Advice or Citizens Advice Bureau.
- The Tamworth Herald published the winner of the competition from St Gabriel's RC Primary School, the logo saying "Pay your rent.... Best Present Ever" together with an article ensuring tenants budget effectively and additionally pay their rent and don't lose their home. Also if they are facing debt or homelessness to contact either Housing Advice or Citizens Advice Bureau.
- In reception at Marmion House. Display of posters and parcels wrapped in paper with the winners design "Pay your rent.....Best present Ever"
- Also on the information plasma screens in reception.
- Sending a Christmas card to all tenants in arrears.
- Posters were advertised on the Arriva bus service within Tamworth from November through to December. The logo "Pay your rent.... Best Present Ever" You risk losing your home sadly in Tamworth 14 families have been evicted so far this year



## Schools who were involved

The tenancy sustainment team (income) sent letters to 21 primary schools in the Tamworth area asking if they would like to participate in the Christmas rent first campaign where schools are encouraged to take part in a competition. The winning campaign feature will be advertised on buses, on our Christmas card and on the Tamworth Borough Council website. As part of the Tenancy Sustainment Team, we work closely with tenants and partners to sustain tenancies rather than evictions taking place and tenants losing their homes. The idea of the rent campaign is to remind people not to forget to pay their rent during the Christmas period.

## Reasons for not taking part in the campaign

We received 4 replies from the schools, 2 schools saying that they were already producing Christmas cards for the local parish church and local nursing home so unable to take part. Two schools confirmed they would take part in the competition, unfortunately at the last hour, one school decided against it saying that children could be easily confused and potentially worried about their own families' financial situations and that for young children it is quite a difficult concept to comprehend.

One school took part which was St Gabriel's R C. 9 entries were submitted.

## During the event

It was decided that additional work may be undertaken to remind tenants that their rent should always be one of their main priorities when dealing with household finances, and also to promote Direct Debits as our preferred method of payment together with the importance of having Contents Insurance and signposting to other statutory and voluntary organisations including CAB and TamworthCAN.

**Rent First ... Please**

You risk losing your home if you don't pay your rent.  
Sadly, in Tamworth 14 families have been evicted so far this year.

**We are here to help.**

Phone the Tenant Sustainment Team on 01827 709709  
Housing Advice Team on 01827 709459  
Citizen's Advice Bureau on 01827 305950

**PAY Your RENT**

NAME PAY your RENT AT Christmas

**BEST PRESENT EVER!**  
Keeping your Own HOUSE!

Illustration by pupil at St Gabriel's School, age 10. Chosen by the Tenants Consultative Group.

Customers were given the option to pay their rent by Direct Debit with a choice of paying weekly or monthly either the 1<sup>st</sup> or the 16<sup>th</sup> of each month. Appointments were made for customers finding themselves in rent arrears or other debts to discuss their concerns with Housing Officers at Tamworth Borough Council or were referred on to a third party and voluntary organisations for further assistance.

The Christmas card was hand delivered all our tenants in rent arrears when visits were taking place and were also posted to those tenants who received correspondence from us during the campaign. The card was designed by a pupil at St. Gabriel's RC School

## **Statistics before and after the event**

The Christmas Campaign commenced on 19<sup>th</sup> November 2012 and continued through until 21<sup>st</sup> December 2012.

The arrears outstanding at 19<sup>th</sup> November were £514,896. At 21<sup>st</sup> December were £487,366, a successful reduction of £27,530.

During the event contact was made to 2,162 tenants of these 1,696 were successful.

As we have a 48 rent week year, there was a rent free week commencing 24<sup>th</sup> December 2012.

The number of households paying by our preferred method, direct debit decreased by 7 cases from 939 in November 2012 to 932 in December 2012.

### **How to contact the Income Team**

If you would like advice on paying your rent or to discuss debt concerns or even fuel poverty then the Income Team can be contacted in the following ways:

Telephone: 01827 709 709

Website: [www.tamworth.gov.uk](http://www.tamworth.gov.uk)

Email: [incometeam@tamworth.gov.uk](mailto:incometeam@tamworth.gov.uk)

Appendix 3

**Impact Assessment and review of the Income  
Team Easter Rent First Campaign  
March 2013**



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## **The purpose of the Rent First Campaign**

As part of our Financial Inclusion Strategy we carry out rent campaigns during the year to promote our services, engage with the tenants and to raise awareness that paying your rent is always a priority.

The rent first campaigns are currently undertaken at least twice a year covering the Christmas and Easter period with occasional Summer Rent Campaigns. The Easter Campaign is not promoted through the schools like the Christmas Campaign but open to members of housing staff for their ideas. Four entries were submitted. The entries are judged by the tenants consultative group and the design is used for the Easter Card which goes out to all tenants in arrears. The design that was chosen this year was "Don't turn your back on your rent this Easter".

## **How we utilised staff**

The staff in the Income Team were utilised to work on all areas of arrears. Housing Assistants monitored the low level current arrears up to the value of £249, whilst the housing officers concentrated on the arrears from £249.00 upwards. Housing officers were able to enter cases into court and apply for warrants where appropriate.

## **During the Event**

The Easter cards were sent all tenants in arrears asking to pay their rent as a priority. These were sent with rent letters and statements. Cards were also delivered when home visits were carried out by the housing officers.

A supply of Easter cards were delivered to Citizens Advice Bureau and TamworthCAN, and our customer service reception area at Marmion House.

Also, we promoted the rent campaign at a tenants drop in event at the assembly rooms when welfare reforms issues we discussed.

Tweets were sent out two weeks before the end of the financial year reminding tenants that there were two weeks left for them to clear their account. Also this was displayed on the plasma screens in reception area at Marmion House.

## Statistics before and after the event

The Easter Campaign commenced on 4<sup>th</sup> March 2013 through to 18<sup>th</sup> March 2013.

During the event contact was made to 2,030 tenants of these 1,663 were successful.

The arrears outstanding at 28<sup>th</sup> February were £508,278 and at the end of March were £406,076, a successful reduction of £102,202.

As we have a 48 rent week year, there were two rent free weeks commencing week commencing 18<sup>th</sup> March and 25<sup>th</sup> March 2013. During these two weeks the arrears were successfully reduced by £129,382.

The number of households paying by our preferred method, direct debit decreased by 28 cases from the end of February to the end of March 2013.

### **How to contact the Income Team**

If you would like advice on paying your rent or to discuss debt concerns or even fuel poverty then the Income Team can be contacted in the following ways:

Telephone: 01827 709 709

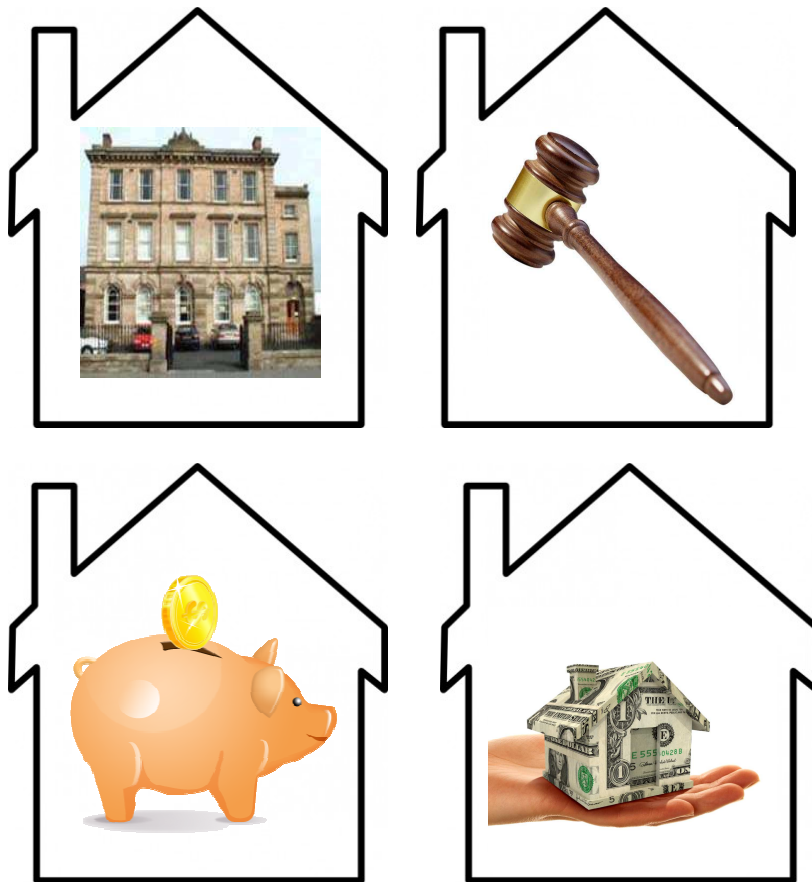
Website: [www.tamworth.gov.uk](http://www.tamworth.gov.uk)

Email: [incometeam@tamworth.gov.uk](mailto:incometeam@tamworth.gov.uk)

## Appendix 4

# IMPACT ASSESSMENT ON RENT ARREARS CASES ATTENDING BURTON COUNTY COURT

BETWEEN OCTOBER 2011  
AND SEPTEMBER 2012



Report produced by Julie Clempson on behalf of  
Tamworth Borough Council October 2012



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## Introduction

The Government have made proposals on the provision of court services throughout the nation including Staffordshire where local County Court and Magistrates Court were due to close. Tamworth being one of the courts that would cease hearing cases for our local community.

Two options were open for debate, one being Burton County Court and the other being Stafford County Court. A decision was made by the Government that Tamworth hearings would be heard at Burton County Court from October 2011 until March 2013 and then proposals for future cases for Tamworth area would be heard at Stafford Court from April 2013.

In the event of Tamworth County Court closing in September 2011 and all our court cases being heard at Burton County Court it has had a significant impact on our services and our customers.

Whilst, landlord services is committed to continue service improvement the changes of the courts has had financial implications to Tamworth Borough Council and to our customers.

In the light of current government changes this assessment highlights how the closure has increased costs and resources for Tamworth Borough Council, when in the present political climate we are being encouraged to cut expenses. This has meant additional travel costs, including parking fees as well as the cost of having housing staff out of the office for up to a complete day as opposed to a matter of hours as previously required for their attendance at Tamworth Court.

The assessment shows the impact it has had over a quarterly basis throughout the last 12 months and included is a 12 month summary. The document shows the financial implications, expenses, facts, findings for Officers and tenants.

## Facts – Impact at a glance!

### Officer costs/resources October/November/December 2011

Time travelling by car	11 Hours 30 Minutes
Time in attending hearings	23 Hours 15 Minutes
Mileage accrued	321 Miles
Petrol costs	£63.00
Parking Fees	£18.70

### Tenant costs/resources October/November/December 2011

How many attended cases	13
Number of reasons for not attending	15
How did they travel	Train 5 Car 8
Costs of travel	£106.05
Parking Fees	£17.60
Child Care Costs	Nil
Loss of time from work	£42.50

### Officer costs/resources January/February/March 2012

Time travelling by car	12 Hours 15 Minutes
Time in attending hearings	24 Hours 5 Minutes
Mileage accrued	376 Miles
Petrol costs	£73.50
Parking Fees	£19.60

### Tenant costs/resources January/February/March 2012

How many attended cases	12
Number of reasons for not attending	1
How did they travel	Train 9 Car 3
Costs of travel	£116.20
Parking Fees	£4.60
Child Care Costs	Nil
Loss of time from work	£65.00

**Officer costs/resources**  
April/May/June 2012

Time travelling by car	7 Hours 50 Minutes
Time in attending hearings	16 Hours 15 Minutes
Mileage accrued	294 Miles
Petrol costs	£56.00
Parking Fees	£13.40

**Tenant costs/resources**  
April/May/June 2012

How many attended cases	9
Number of reasons for not attending	5
How did they travel	Train 3 Car 6
Costs of travel	£58.48
Parking Fees	£8.80
Child Care Costs	Nil
Loss of time from work	Nil

**Officer costs/resources**  
July/August/September 2012

Time travelling by car	14 Hours
Time in attending hearings	26 Hours 30 Minutes
Mileage accrued	456
Petrol costs	£87.50
Parking Fees	£23.10

**Tenant costs/resources**  
July/August/September 2012

How many attended cases	12
Number of reasons for not attending	1
How did they travel	Train 5 Car 7
Costs of travel	£81.00
Parking Fees	£10.40
Child Care Costs	Nil
Loss of time from work	Nil

## Overall Summary (12 months) for Officers

Time in travelling	45 Hours 35 Minutes
Time in attending	90 Hours and 15 Minutes
Mileage accrued	1,447 Miles
Petrol Costs	£280.00
Parking Fees	£74.80

## Overall Summary (12 months) for tenants

How many attended cases	46
Number of reasons for not attending	22 ( see list below)
How did they travel	Train 22 Car 24
Cost of Travel	£361.73
Parking Fees	£41.40
Child Care Costs	Nil
Loss of time from work	£107.50

### Reasons for Tenants not attending:

- 10 tenants could not afford to go
- 3 would lose pay from work
- 1 Father died
- 1 Spent travel money on electricity
- 1 working
- 1 Important lecture at university
- 1 does not like leaving home
- 1 in prison
- 1 just given birth
- 1 too frightened
- 1 Didn't wake up

The remainder 15 tenants gave no reason for not attending

## Findings

Costing for Housing Officers time out of the office, travelling and attending court hearings based at the housing officers hourly rate of £12.32 per hour:

October/November/December 2011		
Travel	11 Hours 30 Minutes	£141.68
Attending	23 Hours 15 minutes	£286.44
<b>Total</b>	<b>34 Hours 45 Minutes</b>	<b>£428.12</b>

January/February/March 2012		
Travel	12 Hours 15 Minutes	£150.92
Attending	24 Hours 15 Minutes	£298.76
<b>Total</b>	<b>36 hours 30 Minutes</b>	<b>£449.68</b>

April/May/June 2012		
Travel	7 Hours 50 Minutes	£96.59
Attending	16 Hours 15 Minutes	£200.20
<b>Total</b>	<b>24 Hours 5 Minutes</b>	<b>£296.79</b>

July/August/September 2012		
Travel	14 Hours	£172.48
Attending	26 Hours 30 Minutes	£326.48
<b>Total</b>	<b>40 Hours 30 Minutes</b>	<b>£498.96</b>

Total time and costing for the year		
Travelling	45 Hours 35 Minutes	£561.67
Attending	90 Hours 15 Minutes	£1,111.88
<b>Total</b>	<b>135 Hours 50 Minutes</b>	<b>£1,673.55</b>

### Staff resources

Total time taken out of the office for housing officers (based on 37 hours) resulted in nearly 3.75 weeks during the year and equates to approximately 11.30 hours per month taken from the housing officers time which otherwise could be spent chasing arrears.

## Impact

During the period October 2011 and September 2012, total court hearings were 83. These were 48 possession hearings, 6 cases of adjourned hearings and 29 warrants cases, 12 tenants evicted and 17 cases of warrant suspension.

Out of 54 possession hearings, 19 tenants attended their hearings which equates to 35.18%

Out of 29 Warrants, 27 tenants attended their hearings which equates to 93.10%.

The time housing officer's spent at the court fluctuated from 30 minutes to 6 hours. In comparison to Tamworth, housing officer's walked to the court and attended cases within 30 minutes to 2 hours. Court closure at Tamworth has had an impact as cases were longer at Burton as they are having to cater for surroundings boundary areas, therefore time increased in waiting for cases to be heard. There have been several occasions where Burton Court has not got tenants scheduled for a hearing although tenants had received letters to attend on that day. This caused time delays for housing officer's whilst tenants had their hearing.

The income team consists of four housing officer's all of which attend hearings on a rota basis. The attendance of hearings has had a significant impact on the rest of the team as the officer can be out of the work place for at least half a day to a full day. An example of this was that on one occasion 2 hearings were heard, one at 10.00 am. and the other at 2.00p.m. Hearings were running late and the officer was delayed at court for 6 hours. This time could have been spent more productively by pursuing arrears.

Comparing attendance at Tamworth Court hearings, currently with Burton County Court and future proposals of hearings at Stafford Court the following facts and implications have and could arise;

### **Tamworth Court**

- Block bookings were arranged either am or pm same day
- Less time attending
- No travel costs
- Able to respond and attend at short notice
- Set days for courts and warrants
- Less inconvenience

## Burton Court

- Increase in time for staff
- Increase in travelling
- Increase in expenses for the authority and our customers
- Impact on staff resources attending
- Impact on office cover
- No block bookings, hearings are received any day of the week
- Loss of local resident Judge
- Loss of effective court desk

## Future

### Proposals for court hearings at Stafford County Court



## Stafford Court

- Additional increase on staff resources
- Further increase in time out of the office
- Additional increase in travel expenses for staff and our customers
- Uncertain if cases will be heard on several days of the week.
- Will our customers afford to attend to defend their case
- Loss of duty solicitor support

The tenancy sustainment team help and support our tenants in trying to sustain their tenancies and evictions are the last resort after all avenues have been exhausted. As the Welfare reform progresses with under-occupancy, introduction of benefit cap, increase on non dependant's charges, and 12 months away until the introduction of Universal Credit and direct payments, we predict this will increase the rent arrears and in turn increase possession and warrant hearings.



## Health Impact Summary

Findings	Actions
Poverty increasing Money being stretched	Assisting tenants to maximise their income when possible, help to gain employment and manage their debt. Promoting rent incentive scheme
Increase of utility bills Making arrangements, finding hard to pay bills. Families not putting heating on due to not affording it, which in turn cases health problems	Staff advising and assisting tenants to look at the cheapest company on line and home energy advice. Articles in Open House
Choosing to pay bills or food Food Banks being used more frequency, not just people on benefits but low income families	Locality event preparing home cooked food for budget price. Advice on income and expenditure
Cheaper food products not healthy, has an impact on individual health	Encouraging tenants not to buy expensive take way food when carrying out income and expenditure assessments. Leaflets on healthy eating
Stress and Anxiety or staff and tenants	Training and counselling for Staff Referrals to support agencies for tenants such as Bromford Support, CAB and TamworthCan
Welfare reform and mental health contributory factor to suicide	Literature to tenants on the Samaritan service, referrals to safeguarding teams, mental health team and social workers
Financial inclusion	Encouraging savings and warning not to use illegal lender or high interest companies. Advice of the benefits of home contents insurance Assisting tenants to use cheapest utility providers

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