

December 2011

Overview and Scrutiny Committee

**Debt Recovery Process
Report from the Challenge Panel**

Members of the Challenge Panel

Councillor Tony Ferrari (Chairman)

Councillor Kam Chana

Councillor Jerry Miles

Councillor Sachin Shah

Anne Diamond

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CHAIRMAN'S INTRODUCTION & ACKNOWLEDGEMENTS

This is the report of the scrutiny challenge panel which has considered the application of the council's debt recovery process. This is an issue close to many councillors' hearts and our casework is full of examples of where the council appears to be applying its policy in a manner which doesn't take account of what are at times the very distressing personal circumstances of our residents.

We start from the premise that it is critical that the council collects the money owed to it as robustly as necessary. The council is only able to provide services to those in the borough in need based on this income. We fully endorse our officers in pursuit of those who deliberately withhold the funds. However, we are also aware of circumstances in which the blanket application of our policies has resulted in disastrous consequences for some of our more vulnerable residents. Whilst it is not our intention to propose change to policy or the introduction of a different policy for some members of our community, we simply wish to investigate whether there is an opportunity in our debt recovery process to operate in a way that protects the council's financial interest but also reduces the impact on the most vulnerable of our debtors.

At the same time we considered if there were opportunities for the council to streamline the debt collection functions, looking to reduce cost, improve collection rates of some of the smaller collection functions or both.

We also make some smaller recommendations in an attempt to help residents getting into difficulties, earlier in the process.

We are extremely grateful to the following officers who attended the panel and offered us their opinions on the cases we used as the basis of our investigation:

- Donna Edwards, Service Manager-Directorate Finance Lead, Adults and Housing
- Maggie Challoner, Service Manager Residents' Services
- Fern Silverio, Divisional Director - Collections & Housing Benefits
- Lynn Allaker, Service Manager, Revenue
- Jonathan Price, Head of Reablement & Personalisation
- Julie Alderson, Interim Corporate Director of Finance
- Mike Sofianos, Contributions Policy Programme Manager
- Debra Norris, Assessment Officer

We are also grateful to Pamela Fitzpatrick from Harrow Law Centre for giving us her time and the benefit of her expert opinion.

Whilst this is a challenging area for the council we do not accept that there is little more that can be done, we make a number of recommendations which we hope can both support the organisation to maintain robust debt recovery whilst at the same time ensuring that our policies are applied in a reasonable, sensitive and proportionate manner.

On behalf of the challenge panel, I commend this report.

Councillor Tony Ferrari
Chair of the Debt Recovery Process challenge panel

BACKGROUND

This project derives from the considerations of the Corporate Effectiveness Lead scrutiny councillors who have been concerned that the council's application of its debt recovery procedures was having an adverse impact on our more vulnerable residents. Initial analysis undertaken by the Lead Councillors suggested that our policy on debt recovery is no more rigorously applied than other London boroughs but anecdotal evidence led to the opinion that uniform application of the policy was resulting in a disproportionately adverse impact on a small number of vulnerable residents. The aim of this panel therefore, has been to identify the potential for the development of a more sensitive application of the policy in specifically identified circumstances.

Our deliberations have also led us to consider whether there is scope for the various debt recovery/management processes which are operating across the council to be combined, again, anecdotal evidence suggests that where residents experience financial difficulties they can do so across a number of services and can thus be confronted by numerous officials seeking repayment. We wished to explore whether there could be a more efficient approach to this multiple recovery which could both improve the customer experience and deliver economies for the authority.

The scope for the project is attached to this report as Appendix One.

CONTEXT OF THE INVESTIGATION

The council's overarching debt management policy's objective is:

'to maximise collection through joint working and sharing of information.... As budgetary settlements tighten, the amount of income from our collection processes is key and must be maximised further'.

It is precisely in this context that residents' experience of recession may increase their indebtedness. The point may be obvious but various commentators have identified the negative impact of the recession on the capacity of residents to meet their financial responsibilities – increased unemployment, increased incidents of mental health problems, family breakdown, the impact of multiple debts etc. The recession means that the pool of people in debt and those subject to our recovery policies is likely to expand. In Harrow, the Housing Benefits caseload has risen by 20% since 2009, from 16,681 to 19,947. It is interesting to note in this context that research by the Audit Commission identifies that 50% of single tier authorities and county councils have changed their policies on council tax or rent payments ¹

The council's policy states that

'In carrying out our duty to collect outstanding monies, we aim to take account of differing customer needs and circumstances and to reflect these in our policies for recovering each of the said debts. The minimum objective of this policy is that an individual's indebtedness to the council does not worsen. In overall terms, we aim to deal robustly with those who are wilful non-payers using all recovery options available to the council, including where relevant using bankruptcy as a method of debt recovery provided the debt exceeds the 'bankruptcy level' and to deal sensitively with those who are willing to pay but are experiencing difficulties in doing so and to ensure that payment arrangements are fair'

Appendix Two contains some of the current thinking around debt recovery policy.

¹ When it Comes to the Crunch – Audit Commission, 2009 – <http://www.audit-commission.gov.uk/nationalstudies/localgov/Pages/whenitcomestothechunch12aug2009.aspx#downloads>

OBSERVATIONS

The challenge panel met on 7th November 2011 and received evidence from colleagues across the authority and also from Harrow Law Centre. Our deliberations were focused upon real, though anonymised case studies.

Policy

As stated, it is not the intention of this challenge panel to propose change to the council's debt recovery policy. Having considered the policy we are of the view that it incorporates the kind of safeguards we would expect to see in place to protect more vulnerable residents. However, there appears to be a mismatch between the policy and its practical application. Evidence provided by Harrow Law Centre drew our attention to the kind of cases which they see – not people who *won't* pay but people who *can't* pay, people who are vulnerable perhaps as a result of language difficulties, mental health problems or physical disability.

As we have stated, we accept that the council must have a robust approach with regard to debt recovery and indeed we fully endorse the implementation of this process. However, whilst the process accommodates both the majority of those who pay on time and those who deliberately default on their payments, it does not offer sufficient safeguards to those residents who are experiencing difficulties. One size does not fit all and an ethos which views all debtors from the same negative perspective whilst at the same time not having any process in place which can make allowance for their vulnerability is not helpful.

Identifying the vulnerable

There are currently no means within the corporate/council tax debt recovery process through which the *council* can identify vulnerable cases we feel this must be addressed for the small minority who may suffer difficulties. We were advised that it is up to the vulnerable to 'identify themselves'. We would suggest that their vulnerability might militate against this and that those who can ask for help are not in fact vulnerable. We feel that the cases we have seen would present warning signs to the council if we have the means to spot them and if we can take a common sense approach to their consideration – for example if the council is threatening to make someone homeless we would expect to hear from them and if we don't this might suggest they are experiencing difficulties. Similarly, if someone has been paying their rent/council tax etc but suddenly stops, this should suggest to us that there may have been a significant event in their life which ought to be investigated. There is, unfortunately, no systematic approach to identifying such issues at this time. In this context we note that the opportunity to identify vulnerability does not arise until the case has deteriorated and has been placed in the hands of bailiffs which effectively means that we have subcontracted vulnerability identification to the bailiffs. We also note that once in the hands of the bailiffs, residents are advised to liaise directly with the bailiffs rather than the council. This places our residents in an extremely difficult position and we would urge that a safety net is put in place close to the end of the process before the most life damaging steps are taken.

We were advised that the council has, in the council tax collection team one of the most efficient and effective services in London. We were also advised that to change our processes to accommodate the potential to identify those in difficulty could mean a reduction in service performance or the need for increased resources. There is thus, we were advised, 'nothing more that we can do'.

We accept that it is not economic to incorporate any form of vulnerability identification early in the process and we fully endorse the processes in place to secure payment of debt from the majority of residents in default. However, we feel that there should be an in-house evaluation of vulnerability at critical and later stages of the recovery process. This would clearly be before bankruptcy procedures and before foreclosure on a home but may also be in a small number of

other key stages. We feel this will only occur in a small number of cases and is therefore economically practical and would identify the vulnerable before their lives are made much worse. Whilst we do not wish to prescribe how the central debt recovery service introduces this assessment of vulnerability we feel that the principle of establishing the assessment **at some critical point in the process** is absolutely essential and this is our core recommendation.

We would suggest that, by introducing human interaction at the critical points in the recovery process, we might be able to avoid the need (and associated costs) to investigate representations from councillors, MPs and advice agencies. We may also save the costs that other parts of the organisation incur in dealing with the outcome of the application of the debt recovery process. There is also significant reputational cost to getting this wrong, whilst we have so far avoided negative publicity, we are extremely concerned that our single-minded approach to debt collection and the impact of this on vulnerable residents, may have disastrous consequences.

Improved communication

One of the ways we would have thought the council might support the identification of more vulnerable residents would be through the sharing of information. We were advised by officers that the Data Protection Act precludes the sharing of data with regard to the personal circumstances of individuals. Whilst we recognise the difficulties this presents, we feel that it is essential that vulnerable cases are at least flagged up across the organisation and with other agencies. We would draw to the attention of officers, the recently launched DWP consultation on the sharing of data between welfare and social security organisations²

We urge officers to consider how they might facilitate greater communication in order to provide a more holistic experience for residents and potentially identify and respond to specific circumstances which require a more sensitive approach as soon as possible in the process of identifying and collecting debt. We note that as forms are being revised, they include a disclaimer permitting the sharing of information between officers/agencies and we welcome this. We would hope that less formal communication could similarly facilitate this. We would suggest that not only should this less formal arrangement include all relevant service providers but it should also include representatives from CAB/Law Centre.

It might be feasible to use a cross/intra agency communications network proactively to reduce the likelihood of residents' personal circumstances deteriorating. For example, whilst we understand that it is now accepted practice to communicate with all residents in English, we recognise that lack of English language skills, lack of understanding of the system for payment or recovery of benefits can still place many of our residents in difficulties. In this context, engagement with local advice agencies and potentially specific community organisations might provide a helpful early warning. In all circumstances our communications with residents must be absolutely clear and they must recognise that by definition, the vulnerable may find that their language difficulties, their mental health difficulties and their general circumstances mean that we need to take extra measures to ensure we are clearly understood. In this context, we welcome the proactive work being done in this area specifically the work with the Children's Centres at which staff are able to speak directly to residents with regard to the implications of debt and specifically Council Tax debt. We note that the council does not appear to be able to provide appropriate signposting for residents to those organisations which can support them and advocate on their behalf in difficult circumstances. We would hope that improved co-ordination between relevant organisations would facilitate improved signposting to advice services.

² <http://www.dwp.gov.uk/consultations/2011/ssinfo-sharing-draft-regs.shtml>

Centralisation of debt recovery processes

We do not doubt the potential for greater co-ordination of debt management processes to deliver both economies and an improved service for residents – one of our case studies saw the same family pursued by different parts of the council for debts at a time of significant upset. In this context we also acknowledge that it is not the core business of either the housing or adult care services departments to pursue debt and as such they are less likely to do so with the same rigour as colleagues in the council tax recovery service. Combination of debt recovery in the area with the greatest expertise would on the face of it seem to offer thus an opportunity to maximise the revenue secured for the council. Detailed consideration of the potential to centralise debt recovery activity was beyond the resource capacity of this project however, we feel that further work should be undertaken to assess the whether or not it would be feasible for centralisation.

Miscellaneous

We were pleased to be advised that a 'lessons learnt' process and the ongoing analysis of complaints information have been able to capture learning in this area of the council's work and we welcome the introduction and continuing improvement of the council tax recovery team's checklist as a step in the right direction toward identifying vulnerable residents. However, as we have said above, we think this improvement falls far short of what is required in order to protect our most vulnerable residents.

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RECOMMENDATIONS

1. The central debt recovery service should develop a process for the identification of vulnerable residents and reviewing their cases at appropriate stages in the central debt recovery process
2. The potential integration of all debt recovery services with the central recovery service should be further investigated. No integration should take place until the central service has been able to introduce a process for identification of vulnerable residents as above
3. The council should improve communication processes within the organisation and with external agencies in order to facilitate a greater understanding of the level and impact of debt within the community. They share certain lessons learnt processes and procedures.
4. The council should show how it will improve how it signposts residents who are experiencing financial/debt difficulties to sources of advice and advocacy in the borough.

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CONCLUSION

The challenge panel recognise that this is an extremely difficult area for officers to operate within – we must have robust policy and practice in order to safeguard the council's income stream whilst at the same time recognising that there are some members of the community whose personal circumstances mean they are unable to pay. At present, we believe that there is no balance between the two extremes and that this must be redressed in order to protect our most vulnerable residents. It is crucial that we can begin to operate with a higher level of sophistication than at present in order to find a way to distinguish between those who wilfully withhold payment from the council from those whose personal circumstances have left them at risk, we must put a human component into our processes which will allow us time to step back, consider information presented to us and reflect on our actions. Whilst we hear the concerns of the service regarding potentially additional resource or declining performance, we think that the well being of our most vulnerable residents must be safeguarded. With the increasing economic difficulties faced by many local people, the likelihood of more and more of our residents falling into debt and potentially tipping into more vulnerable circumstances will also increase. In these circumstances we feel that the organisation must take steps to ensure it does not contribute to their vulnerability.

Whilst we recognise the improvements which our main debt collection service is making we have no confidence that mistakes made in the minority of cases won't be repeated because nothing in the process has changed to enable such cases to be identified. Without this, we cannot make recommendation to support the centralisation of debt collection functions.

Members of the Debt Recovery Process Challenge Panel

APPENDIX ONE

DEBT RECOVERY CHALLENGE PANEL SCOPE

| | | |
|----|--|--|
| 1 | SUBJECT | Debt Recovery Challenge Panel |
| 2 | COMMITTEE | Overview and Scrutiny Committee |
| 3 | REVIEW GROUP | <p>Councillors</p> <ul style="list-style-type: none"> • Cllr Kam Chana • Cllr Tony Ferrari • Cllr Jerry Miles • Cllr Sachin Shah <p>Co-optees</p> <ul style="list-style-type: none"> • Anne Diamond |
| 4 | AIMS/ OBJECTIVES/ OUTCOMES | To consider the council's debt recovery policy and examine the feasibility of aligning all recovery policies and to make recommendations to secure a proportionate and sensitive application of the policy. |
| 5 | MEASURES OF SUCCESS OF REVIEW | Project completed in accordance with project plan Panel recommendations able to assist the application of council policy |
| 6 | SCOPE | The project will not consider changes to the debt recovery policy but to its application. |
| 7 | SERVICE PRIORITIES (Corporate/Dept) | |
| 8 | REVIEW SPONSOR | Julie Alderson, Corporate Director Finance |
| 9 | ACCOUNTABLE MANAGER | Fern Silverio, Divisional Director - Collections & Housing Benefits |
| 10 | SUPPORT OFFICER | Lynne Margetts, Service Manager Scrutiny |
| 11 | ADMINISTRATIVE SUPPORT | |
| 12 | EXTERNAL INPUT | Best practice boroughs National advice agencies Residents |

| | | |
|----|---|---|
| 13 | METHODOLOGY | <ul style="list-style-type: none"> • Challenge panel – single meeting with relevant witnesses • Two components: <ul style="list-style-type: none"> ○ Application of the policy with regard to vulnerable residents <ul style="list-style-type: none"> ▪ Consideration of evidence gathered previously ▪ Discussion of case studies with relevant officers ▪ Discussion of case studies with residents ▪ Consideration of guidance from national bodies re flexibility of application of debt recovery policy ○ Potential to align the differing collection processes <ul style="list-style-type: none"> ▪ Consideration of policy with regard to national best practice ▪ Discussion with relevant managers from Corporate Finance and Housing |
| 14 | EQUALITY IMPLICATIONS | The review may wish to consider the potential impact of the unilateral application of the policy on more vulnerable residents whose capacity to pay is limited as a result of disability or age. |
| 15 | ASSUMPTIONS/ CONSTRAINTS | |
| 16 | SECTION 17 IMPLICATIONS | None specific |
| 17 | TIMESCALE | To report in the autumn |
| 18 | RESOURCE COMMITMENTS | The project will be resourced from within the scrutiny budget |
| 19 | REPORT AUTHOR | Lynne Margetts, Service Manager Scrutiny |
| 20 | REPORTING ARRANGEMENTS | Outline of formal reporting process: To Service Director [√] September 2011 To Portfolio Holder [√] September 2011 To CMT [] To O&S committee [√] October 2011 To Cabinet [√] November 2011 |
| 21 | FOLLOW UP ARRANGEMENTS (proposals) | Monitored by Performance and Finance sub committee six months after recommendations agreed, if appropriate. |

APPENDIX TWO

NATIONAL POLICY FRAMEWORK

A number of commentators have made recommendations with regard to the preferred approach to the collection of debt, particularly in the context of the recession. Of particular importance is the guidance produced jointly by Advice UK, Citizens' Advice Bureau, Institute of Money Advisors and Money Advice Trust 'Debt, Do the Right Thing'³. This document outlines 5 steps towards best practice:

- Set the right organisational culture
- Achieve the right motivation for debt collection staff
- Develop clear and encouraging communication
- Provide information and support
- Be willing and able to maintain and develop best practice

The document argues that a flexible and proportionate approach to debt collection is beneficial not just to the debtors but also to their creditors:

'Stability, ability and willingness: we'd much rather someone paid what they can on a regular basis than have to chase people for payments they can't afford.' It is equally arguable that by establishing a clear understanding of an individual's circumstances, expensive and diversionary activities dealing with appeals against decisions or complaints can be avoided.

Of particular relevance for this project is the guidance under Step One, 'Set the right organisational culture. In this it is suggested that creditors should adopt a strategy which takes account of:

- **The person's ability to pay** – making use of the common financial statement⁴ which assess an individual's capacity to make repayments by assessing their income, assets, liabilities and expenditure.
- **The person's circumstances** – creditors should put processes and people in place to identify and help people in a way that meets their needs and potentially take them out of the mainstream collection process
- **The person's whole situation** – debt may just be one of the issues being faced and creditors may need to give their debtors time to face a number of different challenges
- **The needs and powers of other creditors** – creditors need to co-operate in circumstances of multiple debt to maintain the sustainability of arrangements

The National Audit Office in its report 'HM Revenue and Customs, Management of Tax Debt'⁵ also makes some observations which may be of relevance to the review group's considerations. Specifically it talks about risk profiling of debts. The document recommends that HM Revenue and Customs develops:

'Scoring techniques to categorise taxpayers by risk. Risk Scoring combines internal and external data such as socio-economic data and Credit Reference Agency data to gain an insight into the customer's behaviour and level of indebtedness with other lenders and assign a score to debtors. The risk score can be used to group customers in similar characteristics and behaviours and identify the most appropriate collection strategy for each customer grouping..... Risk scoring debtors allow organisations to better support those who do not understand their obligations or are in financial crisis, while dealing promptly with debtors who deliberately pay late.'

The NAO's work points to the Netherlands approach to tax administration as best practice. This 4 step model is attached as Appendix Four.

Of further interest to the review's deliberations might be how to define vulnerability. In general terms this references capacity to pay but work has also been done specifically in terms of mental ill health by

³ 'Debt, Do the Right Thing' February 2010 – included in document file

⁴ <http://www.cfs.moneyadvicetrust.org/>

⁵ 'HM Revenue and Customs, Management of Tax Debt' NAO 2008 – summary in document file

the Money Advice Liaison Group⁶. Their evidence suggests that people with mental health problems are three times more likely to be in debt than others. The work has culminated in the production of the Debt and Mental Health Evidence Form⁷.

Their guidelines include 15 points to the provision of effective support when dealing with debt of people with mental health problems:

- Creditors should have **procedures in place** to ensure that people in debt with mental health problems **are treated fairly and appropriately**
- Relevant staff should be trained on the reciprocal impact of mental health problems and people's ability to manage money and debt
- Creditors, advice agencies and health and social care professionals should work in a joined-up way
- Creditors should **have procedures in place to accurately record relevant information** on client files and manage accounts appropriately
- Creditors should establish referral mechanisms to ensure targeted help is offered to consumers with mental health problems or those acting on their behalf
- Where a mental health problem has been notified creditors should allow a reasonable period for advisors to collect relevant evidence and present it to the creditor. This period could be extended by negotiation if necessary, in order to accommodate delays in gathering particular items of evidence
- Creditors who outsource debts to debt collection agencies should ensure they are satisfied that such action is consistent with the intentions of these guidelines and relevant Codes of Practice
- Where the debts of people with notified mental health problems are sold, the vendor should wherever possible, endeavour to ensure that the purchaser complies with the intentions of these guidelines and relevant codes of practice
- Where a creditor is made aware that a consumer has a mental health problem, they should only initiate court action or pursue enforcement through the courts as a last resort and when it is appropriate and fair to do so
- Creditors should consider writing off unsecured debts when mental health problems are long term, hold out little likelihood of improvement and are such that it is highly unlikely that the person in debt would be able to repay their outstanding debts
- It should be recognised that the issue of whether at all and if so how much of a person's Disability Living Allowance or Attendance Allowance award should be added towards disposable income for the purpose of paying off debt will be the consumer's choice alone
- Advisers will provide creditors with evidence to confirm a client's debt and mental health status that is proportionate to the type of action requested from the creditor
- Creditors will accept evidence provided from an agreed list of practitioners
- Advisers should be encouraged to use the Money Advice Trust/Finance and Leasing Association's Common Financial Statement or a statement that conforms to the general principles of the CFS, when they prepare financial information in support of client repayment offers or other forms of negotiation
- If a creditor requires evidence that is only available on a charging basis, they should be prepared to consider payment proposals made by health or social care practitioners on a case-by-case basis

The Finance and Leasing Association⁸ has also produced a code for Lenders which talks about the action to be taken with people experiencing health problems and those who get into debt

⁶ Good Practice Awareness Guidelines – For Consumers with Mental Health Problems and Debt – Money Advice Liaison Group Autumn 2009 – included in document file

⁷ Included in document file

⁸ 'The Lending Code 2006 – Raising Standards for Consumers' The Finance and Leasing Association 2006 – included in document file

APPENDIX THREE

EMAIL FROM THE SERVICE HEAD – RESIDENTS’ SERVICES

I have some very serious concerns about the accuracy of the information in this report that leads to the observations and recommendations. Following a conversation with Divisional Director Housing Services I have been asked to respond on behalf of the housing department.

I believe that both the observations and the recommendations are flawed because the Scrutiny Panel did not ask the appropriate questions about the rent recovery process, the performance in that area, the costs incurred in collecting rents or the way people who are vulnerable are treated within that process. Without these facts the recommendations do not make sense as such a move would not meet the stated objectives of the panel

I am stating this because I really believe that centralising the rent collection would be a backward step, would not improve collection rates or save money and perhaps would mean that vulnerable people are in a far worse position when in rent arrears than they are currently. It is also not what I believe our tenants want - and with co-regulation ensuring that tenants views are taken in to account in key decisions such as this one - is our statutory duty as a social landlord. To honour the legal requirements to consult tenants on all such issues the proposal must go to the Tenants, Leaseholders and Residents Forum for discussion before it goes to Cabinet, so that tenants' views can be considered by Cabinet members making the decision.

Firstly I do not think that my colleagues from adult services and I were well enough briefed in advance of the meeting as to the objectives so came ill prepared for the discussion. I was only asked to speak on one specific case and did not understand before the meeting started that the panel's main concern was that the Council took a more joined up approach to collection of more than one debt. This one case was a very unusual one, and did not give me the opportunity to talk about the process in the more usual, regular rent arrears cases.

The objectives of the panel, as stated in the report are:

To reduce costs and improve collection rates

No questions were asked about either the cost or collection rates for Council rents. If these questions had been asked the panel would have been aware that both are in the Upper Quartile amongst social landlords in London. In fact the benchmarking report shows we moved from 9th to 5th from a sample size of 27 for the cost of rent arrears collection in 2010/11 and from 23rd to 8th from a sample size of 28 for actual collection.

Whilst these figures show excellent improvement we have not stopped there and our collection rates continue to improve (we reached our year end target 4 months early this year) so do not really need a major change to effect further improvement.

In addition, no questions were actually asked about the rent recovery process. You may recall that the panel chairman asked each service area present to talk for 5 minutes about their procedures. In fact the Divisional Director - Collections & Housing Benefits was the only person to answer that question. He spoke for 15 minutes about the Council tax process. He had no knowledge of the rent recovery process and did not even attempt to refer to it. The reality is that the rent recovery process is far more targeted to deal with customers as individuals than the council tax process is.

At the end of Divisional Director - Collections & Housing Benefits speech I indicated I wanted to speak but the chairman said we had used up the time allocated to that item and needed to move on to get through the agenda. The panel therefore had no information whatsoever about the rent recovery process - which is completely different, partly because of the legislation but just as much

because of our duty as a social landlord to support vulnerable people and sustain communities. We do far more than Council Tax do to protect and support vulnerable people in our recovery processes. Our % collection rates are also higher, despite all the additional steps we take to support vulnerable people.

Had I been allowed the opportunity to answer this question I would have been able to explain the following:

In the rent recovery process all tenants are treated as individuals. Every attempt is made to engage in a face to face conversation with all tenants in rent arrears before any decision is made about taking possession action. This is either an office interview or a home visit.

Our objective is never to evict people. What we want is to recover the rent, possession action is always a last resort. We will try all other alternatives, such as a payment agreement before we seek possession

Where we discover that tenants are in financial difficulties we always offer them a referral to the CAB for independent money advice. This is a service we commission annually so it is free to tenants

Where there are vulnerabilities such as mental health, disability etc we always engage with appropriate professionals to try to enlist their support. This can also include a referral to floating support when no agencies are already involved

And this is just before we make the decision to proceed to court to seek possession

Before we get to court we are obliged to comply with a court protocol that covers all possible vulnerability issues. This ensures that we have considered all the possible alternatives options before we even apply to the court for possession

Were we to be awarded an outright possession order by the court (and that does not happen in many cases) there is another safeguard built in that during the time between the court decision and the actual eviction another senior officer reviews the decision to proceed to eviction

If an eviction is to go ahead we ensure that anyone who needs to know is aware before it happens. Where children are involved we alert Children's Services and if the household being evicted have a priority need we ensure that our housing needs team are alerted that a homelessness application may be made. Where possible our colleagues in Housing Needs will work with the family prior to the eviction and in fact all these agencies can work with the tenant and/or the court to try to prevent the eviction where appropriate and we will support that wholeheartedly. Remember we do not want to evict people- all we want is that an agreement is reached, and kept to, to reduce the arrears.

I think that the success of these measures can clearly be demonstrated by the fact that we served notices of seeking possession on 46% of our tenants in 2010/11 for rent arrears. Of course many of these were early intervention but by working closely with the tenants to resolve whatever problems they were experiencing in paying their rent throughout the whole year only 0.26%-or 12 households were actually evicted. To put this in context during the same year rent arrears reduced by £300k and our percentage collection rate improved to 98.36%.

Other relevant information is that all of this work is managed by 4 staff, who each have other income collection duties on top of rent collection This is specialist work and a great deal of knowledge of housing legislation is needed. Their work is also very closely integrated with the

tenancy management team, so separating the functions could have a detrimental effect on vulnerable tenants. Again this point was not explored by the panel

I would very much welcome the opportunity to explain these points further if it helps

Maggie Challoner
Service Head - Resident Services

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