



Senate Scrutiny Exercise Into Rent Arrears Recovery 2018/19



1. Introduction

1.1 This report has been written by the Senate to provide feedback from their investigation into how River Clyde Homes recover rent arrears.

2. Background

2.1 The Senate discussed a number of areas of River Clyde Homes' performance and identified that the arrears figure was continually increasing year on year.

2.2 This information tied in with the Housing Team revising the Arrears Policy, which was to be reviewed by the Senate.

2.3 The Senate agreed that they could see a pattern with the increase in arrears and the introduction of Universal Credit.

2.4 The overall purpose was to look at what might stop or slow down the increase in rent arrears and help RCH tenants to remain in their homes.

3. The Senate

3.1 The Senators carrying out this investigation were Marion Wilson, Ian McArthur, Elizabeth Berry, Jennifer Scott, Alice McQuillan, Alex Bowers, Alasdair Morgan, Elspeth Ahlfield, John Clenaghan, Margaret MacLeod, and Jim Lennon.

3.2 The Senate were supported in their investigation by Siobhan O'Kane, Governance & Executive Team Support Manager, RCH, Anne Ross, Governance Officer, RCH and Tony Kelly, Tenant Participation Advisory Service (Scotland), (TPAS(S))

4. Report Structure

4.1 The report outlines the methods used to investigate the current practices and the Senate's findings. It makes recommendations based on these findings.

5. Methods used

5.1 The exercise was conducted as follows:

- A meeting was held by the Senate to discuss the potential areas for investigation to be carried out.
- The group discussed some of their own recent experiences and the information they had heard from friends and relatives in regards to Universal Credit payments.

- The Service Improvement Manager (West) discussed the revised Rent Arrears Policy with the Senate.
- The Senate used the comparison tool online to look at RCH performance against other similar RSLs.
- The Senate reviewed the current and last five year arrears figures as supplied by the Finance and Procurement Manager
- The Manager responsible for the Welfare Benefits Team met with the Senate to discuss Universal Credit in detail.
- Two Housing Officers met with the Senate to discuss their day to day interactions with tenants, in regards to the build-up of rent arrears and repayment of arrears.
- The Senate had refresher training on scrutiny delivered by TPAS(S) using the current information and figures.
- The Finance and Procurement Manager supplied information explaining the arrears figures in more detail.
- The Senate received information from other Housing Associations via TPAS(S) member enquiry service and from Ardenglen H.A.

Group discussions

The Senate are fully aware that all comments and information are treated in the strictest confidence.

Senate members have signed a Code of Conduct and confidentiality agreement and feedback will not be attributed to individual managers or customers who took part in this investigation.

6. Results

Method	What happened	Comments
The Senate met to discuss possible areas to be investigated.	They considered a number of areas including tenancy sustainment, rent arrears and the impact of Universal Credit, cost of RCH rents, quality of repairs, and re-let timescales	<p>They discussed what RCH might be able to do, to keep people in their homes for longer.</p> <p>They also had a conversation about RCH trying to keep the rent arrears from increasing further and also how to ensure people paid their outstanding debts, in the most cost effective way for RCH.</p> <p>They talked about how RCH sets the rent charges/increases and were informed that a rent consultation had just been undertaken.</p>

		<p>They discussed the quality of some repairs and the need for additional visits to complete or carry out the same repair again.</p> <p>Some Senate members had recently looked at the ARC and suggested revisiting the void re-let times. Although timescales had reduced, RCH's were statistics were still higher than average.</p>
<p>The Senate met with the Service Improvement Manager leading on the review of the Rent Arrears Recovery Procedure.</p>	<p>Discussed the reasons for RCHs rent arrears and the various steps to be taken to recoup monies</p>	<p>The manager asked the Senate to review the procedure, to comment and inform on whether the timings and tone were tempered correctly, for the purpose of recovering rent arrears effectively.</p> <p>Appendix A – available on request</p>
<p>The Senate looked online at the Annual Return on the Charter(ARC)</p>	<p>Some Senate members used the online comparison tool to view RCHs performance against other comparable Housing Associations</p>	<p>The members found it difficult initially to find the information they required. On closer investigation they were able to compare by looking at 4 comparable Housing Associations' full reports at indicator number C23.</p>
<p>The Senate met with the manager who is responsible the Welfare Benefit Team.</p>	<p>Discussed Universal Credit (UC) and the impact on the rent arrears.</p>	<p>The Manager advised that UC works very well for some people but for others it has created arrears. There was information shared about support to help tenants claim all benefits they were entitled to, setting up bank accounts and direct debits and teaching people how to use digital technology to pay their rent online.</p>
<p>The Senate had a training session on scrutiny</p>	<p>The group had a TPAS(S) representative deliver a session on scrutiny to refresh the previous Senate members and to assist the newest members. He based his session on this investigation.</p>	<p>The Senate asked about how they could drill into the figures more, for a better understanding of the overall arrears total, the percentage of rent collected and the targets for monies to be paid back.</p>

<p>Two Housing Officers attended a Senate meeting.</p>	<p>The Housing Officers (HOs) were invited to share how they felt about the day to day interaction they have with tenants, when trying to encourage them to enter into payment arrangements.</p>	<p>The Senate were interested in the HOs safety when attending home addresses. They were also interested in how firm or forceful individual HOs could be.</p>
<p>Requested specific information from the Finance and Procurement Manager.</p>	<p>Questions asked:</p> <ol style="list-style-type: none"> 1. How much arrears have been recovered in 2017/18? 2. How much was written off and how is that figure arrived at? 3. What is the figure for current arrears and the last 3 and last 5 years? 4. Definition of ARC terms: <ol style="list-style-type: none"> a) 'Gross Rent Arrears' b) Total Rent due c) Arrears written off 	<p>See Appendix B</p>
<p>Other HAs responses to TPAS(S) members enquiry on the Senate's behalf</p>	<p>The group had requested a representative from another HA meet with them to discuss their processes but none were forthcoming. In the absence of this TPAS(S) circulated a list of questions on the Senate's behalf to their members.</p> <p>A contact at Ardenglen HA was identified and although they were not available to meet with the Senate they sent information.</p>	<p>The responses received were from Ochil View HA and West of Scotland HA.</p> <p>The Senior Housing Officer sent a copy of their policy and also her thoughts and ideas around rent arrears recovery in general.</p>

7. Investigation supporting notes

7.1 Having met with all parties, the Senate discussed and put forward a suggestion that they report back to the Board that they were unable to move forward on this investigation. Some felt they could not make any recommendations due to what

appeared to be the main reason for River Clyde Homes' Rent Arrears; the introduction of Universal Credit.

- 7.2 They then discussed Universal Credit at length with the managers and staff they met and did agree there were possibly two or three recommendations they could make. The group commented that the actions taken based on the revised Rent Arrears Recovery Policy, were making some improvements to River Clyde Homes' overall arrears figure.
- 7.3 They agreed that the interactions with tenants, which begin prior to them signing for a tenancy, gave the tenants a better understanding of what they could actually afford in terms of rent and assisted them with overall budgeting information.
- 7.4 They noted that this early discussion also ensures that tenants are given information on any additional benefits they could be accessing to increase their income. Assistance is given to complete forms to make a claim, giving tenants an opportunity to afford to stay out of arrears.
- 7.5 The Welfare Benefits Team utilises the services of the Future Skills team to help tenants with limited IT skills or access to set up Direct Debit payments online.
- 7.6 The Senate also agreed with the practice of the Customer Services staff, highlighting to customers, any outstanding arrears on their account when customers call in to request repairs.
- 7.7 The Senate's meeting with the Housing Officers was to ascertain how the Housing Officers feel, and cope with, the sometimes difficult and challenging conversations with tenants in arrears. In this investigation the Senate have not met or spoken with any customers but have heard from Senate members who have been in receipt of Universal Credit.
- 7.8 The Senate commended River Clyde Homes on the support that is available to assist tenants in finding ways to stay out of arrears, to continue to be able to pay their rent and to pay back arrears should their circumstances change.

8. Recommendations

The Recommendations agreed are:

	Recommendation	Reason for making this recommendation
1.	Management will review staffing requirements in the event of an increase in rent arrears.	The Senate have been advised by the two housing officers who attended their meeting, that concentrated effort had made an improvement to the arrears amount outstanding. All Housing Officers have dedicated patches and build up relationships with the customers living there. When discussing

	The Customer Experience Team to continue to highlight arrears when customers call to request a repair.	arrears, this ensures the customers are speaking to someone that is known to them and that they are more comfortable with. This ensures customers who may be struggling are always offered support at every opportunity.
2.	Continue to prioritise collaborating with the DWP to streamline UC payments to customers in every case.	The Senate are aware that staff are already working with tenants and have close links with DWP staff to arrange this. However the Senate consider this to be a significant factor in addressing rent arrears and recommend this to be high priority for teams.
3	Publication of feedback on lobbying activities in regards to the Housing Benefit part of UC being paid directly to RSLs in every circumstance.	The Senate have been informed that lobbying is undertaken by the NFHA and SFHA on the behalf of their members. The Senate's recommendation is for RCH to publish regular updates for tenants and residents on this specific issue.

9. Review

- 9.1 The Senate will meet to discuss the Board's acceptance or rejection of any of the recommendations.
- 9.2 An action plan for the recommendations approved by the Board, will be generated by the responsible Director and presented to the Senate.
- 9.3 Team Leads will be invited to the Senate meeting on a quarterly basis to report progress on their specific actions.
- 9.4 The Senate will have the option to attend any subsequent meetings of the Board or the Social Landlord Operations Committee, during which an update of the action plan is being presented by the relevant Team Lead.