



Income Recovery Strategy

2020

Housing and Property Service

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1. Aims and objectives

- 1.1. The overall aim of the Income Recovery Strategy comprises a focus on prevention, allowing us to maximise rent collection, minimise tenant debt and enable tenants to maintain their tenancy wherever possible. We are committed to keeping outstanding current and former rent arrears to a minimum through a combination of preventative and remedial actions executed in a firm but fair manner.
- 1.2. We are committed to working with other statutory and voluntary agencies to agree effective measures to prevent rent arrears and former tenant arrears from occurring in the first place and to support our vulnerable tenants.
- 1.3. This Strategy aligns with the higher-level Corporate Plan aims:
 - Strategic aim one: Stronger Communities
 - Strategic aim two: Stronger Place
 - Strategic aim three: Stronger Council

The Council will provide for an efficient and effective income recovery service in order to meet its objectives to create stronger communities, stronger place and a stronger council.

- 1.4. We believe that tackling rent arrears is a key part of delivering sustainable communities and improving the quality of life of our residents.

2. Introduction

- 2.1. This Income Recovery Strategy gives direction to the Income Recovery Service and links to the strategic framework of our council. This strategy, along with the Income Recovery Policy, will convey clear and consistent messages about our service ethos to staff, tenants and other stakeholders
- 2.2. This Income Recovery Strategy draws upon the previous Strategy on Rent Arrears which was considered and endorsed by the Council's Housing Scrutiny Panel on 21 October 2014 and approved by the Housing Portfolio Holder in November 2014.
- 2.3. The prevention and effective management of rent arrears is critical in terms of maximising the resources available to the Housing Revenue Account, so that the Council can maintain and continue to improve existing council stock, fund the development of new stock and continue to provide good quality service to customers. This Income Recovery Strategy has been formulated in consultation with representatives of the Epping Forest District Tenants and Leaseholders' Panel.

3. Related documents / statutory requirements

3.1. The Housing Income Recovery Policy underpins this strategy and there are associated processes and work instructions which give guidance to staff.

3.2. The relevant statutory requirements for recovery of rent arrears are as follows:

- Welfare Reform Act 2012 including:
 - Withdrawal of the spare room subsidy for social tenants;
 - Introduction of the Benefit Cap; and
 - Introduction of Universal Credit.
- Data Protection Act 1998 and GDPR 2018:
 - The protection and use of personal data held by the Council.
- Housing Act 1996:
 - Discretionary powers to operate an Introductory Tenancy Scheme.
- Housing Act 1985:
 - Notice of proceedings for possession or termination (Section 83);
 - Grounds and orders for possession (Section 84);
 - Variation of terms of tenancy (Section 102 & 3);
 - Provision of information and consultation (Section 104);
 - Consultation on matters of housing management (Section 105); and
 - Variation of rent (Section 102b).
- Protection from Eviction Act 1977:
 - Requirement of landlord to apply to Court before regaining possession; and
 - Any Notices served must give the tenant 28 days' notice.
- Human Rights Act (Articles 6, 8, and 14):
 - Rights of a fair trial, respect for private family life, home and correspondence.
- Civil Procedure Rules:
 - Rent Arrears Pre-action Protocol.

4. Background to Income Recovery

4.1. The phased introduction of Universal Credit introduced via the Welfare Reform Act 2012 has impacted greatly on the Housing Revenue Account income stream. Epping Forest District Council (EFDC) began live service in September 2017, initially with new simple single claimants. Full service was introduced in December 2018 after which all new claimants and all of those registering a change in circumstances were required to claim Universal Credit. Claimants are paid monthly in arrears, there is an initial 5-week delay in the receipt of the benefit and for many Claimants the concept that the housing element of their claim is no longer paid direct to the Council is a novel one.

4.2. The Income Recovery team has ensured that relationships have been developed with the local job centre Manager and that the District is represented at the Department of Work and Pensions (DWP) regional meetings to collect best practice and tips from other organisations. The Income Recovery Team also takes part in the EFDC Universal Credit Mitigation Group which meets quarterly, and the Multi Agency Centre meetings which are held regularly at Waltham Abbey Museum.

4.3. Historically housing management services within EFDC were delivered from within geographical teams. This suited our business at the time; however, during the recent service structure review it was agreed that the housing management function should be executed along workstreams rather than geographically and generically. One of the key drivers for this change was that the generic housing management officer model, consisting of conflicting priorities, undermined the ability of staff to focus on critical functions such as income recovery.

4.4. Current Structure and Resource

In February 2020 the housing management functions were divided in to three teams dealing respectively with Income Recovery, Neighbourhoods and Estate and Land. The Income Recovery Team is now based at the Civic Offices at Epping and is responsible for the income recovery from all council owned stock in the District. Supported by a Team Manager, the team comprises 6.5 full time equivalent officers including a Lead Income Recovery Officer all of whom are exclusively focused on recovering rent and other housing management charges. The team is supported by a Housing Support Officer.

4.5. Performance Statistics

The table below sets out the Council's last four years performance on rent arrears and former tenant arrears:

Rent Arrears & Former Tenant Arrears Collection				
	2016/17	2017/18	2018/19	2019/20
HP01 - Rents collected as a proportion of rents owed	100.33%	100.22%	100.40%	100.41%
HP02 - Current rent arrears as a % of total rent debit (excluding voids)	1.91%	1.44%	1.50%	1.81%
HP03 - Amount of former tenant arrears collected per annum	£92,637	£66,887	£79,120	£110, 770

5. Client Consultation, Information and Involvement (Statutory Requirement)

5.1. The way in which tenants will be consulted, informed and involved with regard to the Council's Strategy on Income Recovery in accordance with the Housing Act 1985 is as follows:

- Consultation with the Epping Forest Tenants and Leaseholders' Panel;
- Information to tenants in publications e.g. Housing News, Annual Report;
- Information published on the Council's website;
- Quarterly liaison meetings with the Citizens Advice Bureau;
- One to one consultation with tenants; and/or
- Changes in policy through The Cabinet or Housing Portfolio Holder.

6. Actions / targets (KPIs)

6.1. The performance for rent arrears recovery for 2019/20 together with the proposed key targets for the following five years is detailed in the table below.

The plan of action is to monitor the KPIs over time to gain an accurate picture of progress towards our strategic aims of preventing arrears, maximising rent collection, minimising tenant debt and enabling tenants to maintain their tenancy.

Key Targets and Performance						
	2019/20 Actual	2020/21 Target	2021/22 Target	2022/23 Target	2023/24 Target	2024/25 Target
HP01 Rents collected as a proportion of rents owed	100.41%	100%	100%	100%	100%	100%
HP02 Current rent arrears as a % of total rent debit (excluding voids)	1.81%	1.80%	1.75%	1.70%	1.65%	1.60%
HP03 Amount of former tenant arrears collected per annum	£110,770	£70,000	£70,000	£70,000	£70,000	£70,000

7. Review and monitoring

- 7.1. The Income Recovery Strategy will be reviewed by the Council's Stronger Communities Select Committee following five years of operation in consultation with the Epping Forest Tenant and Leaseholders Panel, who shall recommend any changes to the Council's Cabinet.

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Version control

Version no.	Date	Details of changes included in update	Author
0.1	June 2020	First draft	Income Recovery Team Manager

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