



# Community, Housing & Assets Scrutiny Meeting

## Rent Collection – Progress Report

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David Barnes, Revenues Manager

16/12/2020

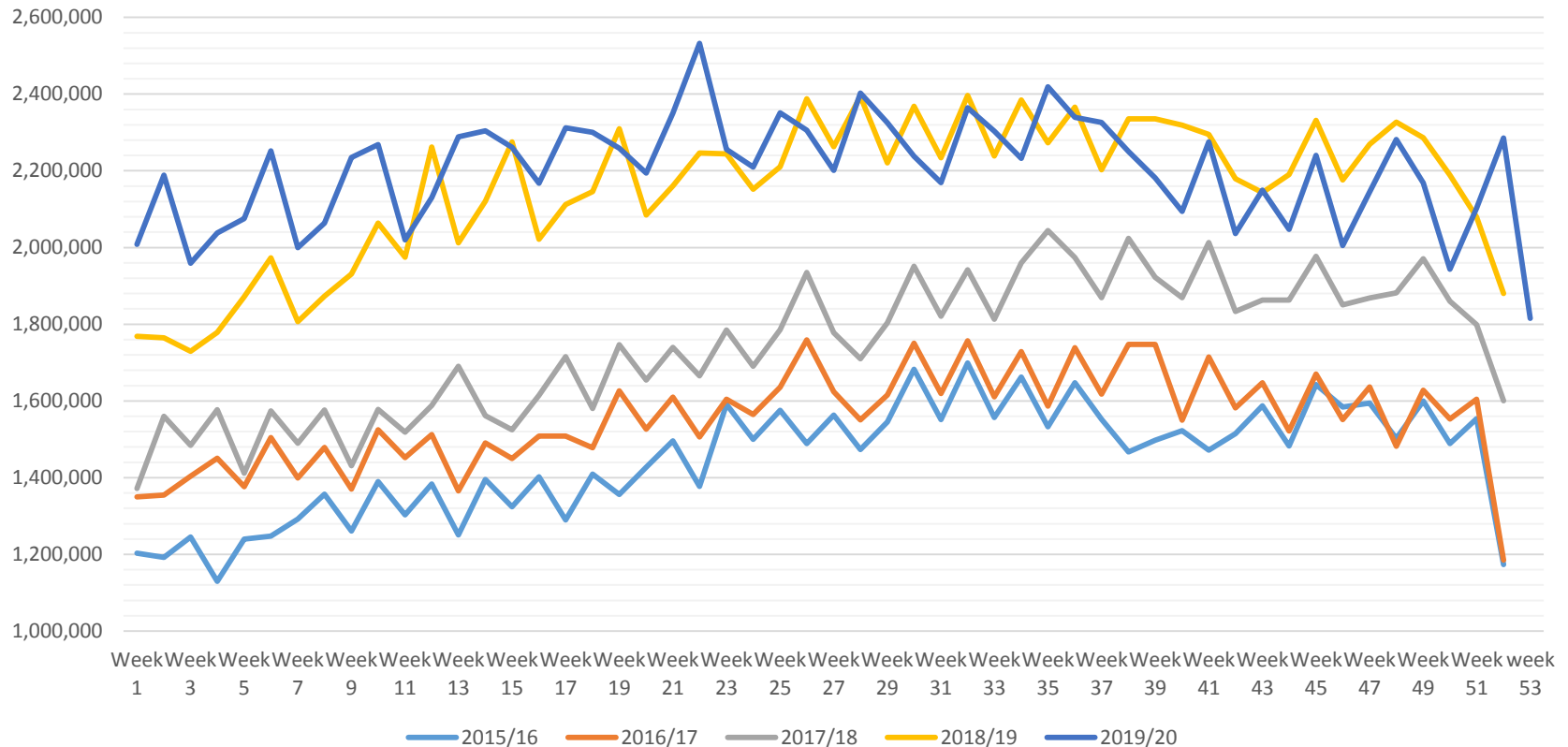
# Re-cap on Rent Arrears over the decade

Financial Year	Gross Rent Yield	Year End Rent Arrears	Rent Arrears as % of Rent Yield	Movement in Arrears (£)	Movement in Arrears (%)
2019-20	£39,969,296	£1,815,514	4.5%	£-65,000	-0.4%
2018-19	£38,086,058	£1,880,514	4.9%	£279,905	0.5%
2017-18	£36,153,000	£1,600,609	4.4%	£415,211	0.9%
2016/17	£34,293,000	£1,185,398	3.5%	£12,368	-0.1%
2015-16	£32,857,000	£1,173,030	3.6%	£143,956	0.3%
2014-15	£31,452,000	£1,029,074	3.3%	£33,325	0.1%
2013-14	£30,859,000	£995,749	3.2%	£8,381	-0.2%
2012-13	£29,222,000	£987,368	3.4%	£-69,017	-0.4%
2011-12	£28,097,000	£1,056,385	3.8%	-	-



# Recap - 2019/20 Rent Collection outturn

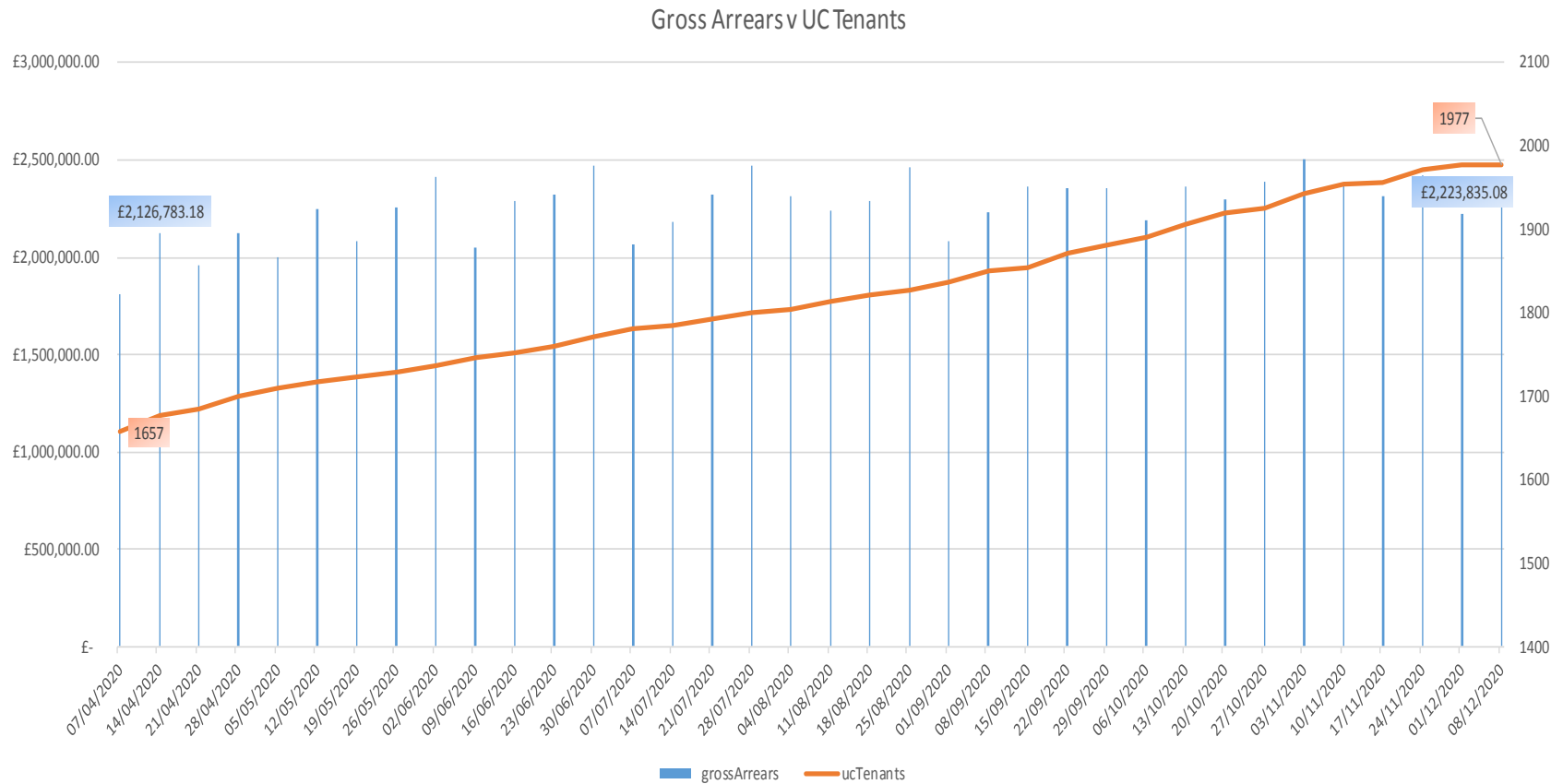
Arrears Comparisons (15/16 – 19/20)



# 19/20 and the 20/21 impacts

- Cumulative rent arrears reduced to £1.82m compared to the previous year end position of £1.88m – a fall of circa £65k.
- Covid emergency measures introduced from mid-March did not initially impact on rent arrears in 2019/20.
- Increase in 20/21 arrears are a direct result of tenants :
  - Subject to Covid related impacts and general disruptions
  - On reduced working hours
  - Being placed on the ‘furlough’ scheme
  - Becoming unemployed
  - New claims for Universal Credit

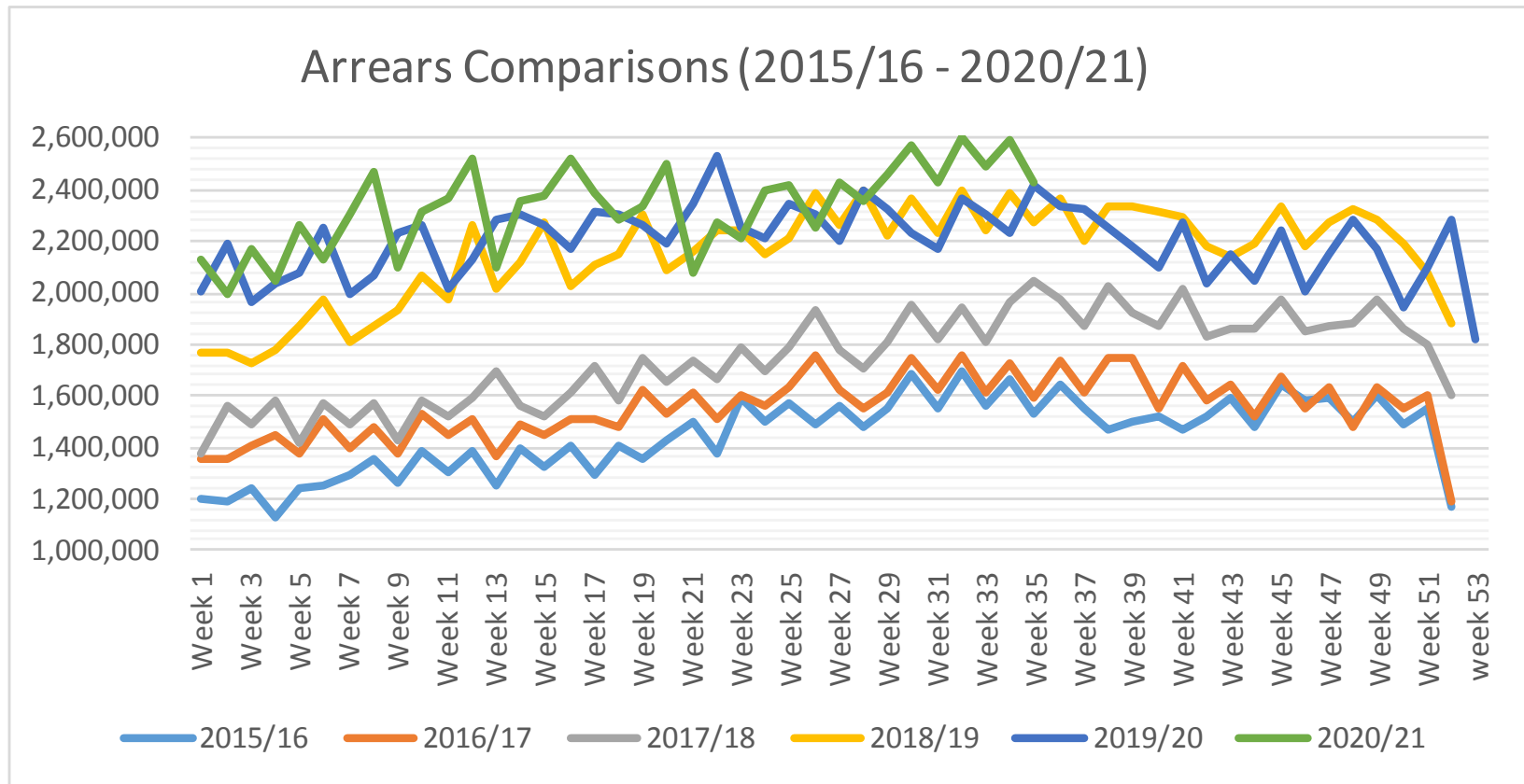
# Tenants claiming Universal Credit



# 20/21 impacts

- Other impacts resulting in the 20/21 increase in arrears are attributable to:
  - Non-engagement and Non-payment of small numbers of tenants
  - An inability to take legal action or end tenancies in appropriate cases, albeit we applaud the measures taken by Welsh Government to protect tenants during the pandemic
  - Inevitable delays of progressing cases already in the court system

# Rent Collection: 20/21 Latest Position (to week 36)



# Movement in Arrear levels (Apr to Nov)

Banded Arrears (£)	Apr-20		Nov-20		Variances	
	No. Tenancies	Arrears	No. Tenancies	Arrears	No. Tenancies	Total Arrears (£)
250 - 500	504	185,702	603	218,371	99	32,669
500 - 750	334	206,413	327	200,747	-7	-5,666
750 - 1,000	197	171,180	201	174,160	4	2,980
1,000 - 2,500	489	768,287	481	754,234	-8	-14,053
2,500 - 5,000	134	444,175	156	530,271	22	86,096
5000+	8	44,787	21	126,509	13	81,722
Totals	1,666	1,820,544	1,789	2,004,292	123	183,748



# Rent Arrears - the local and national challenges



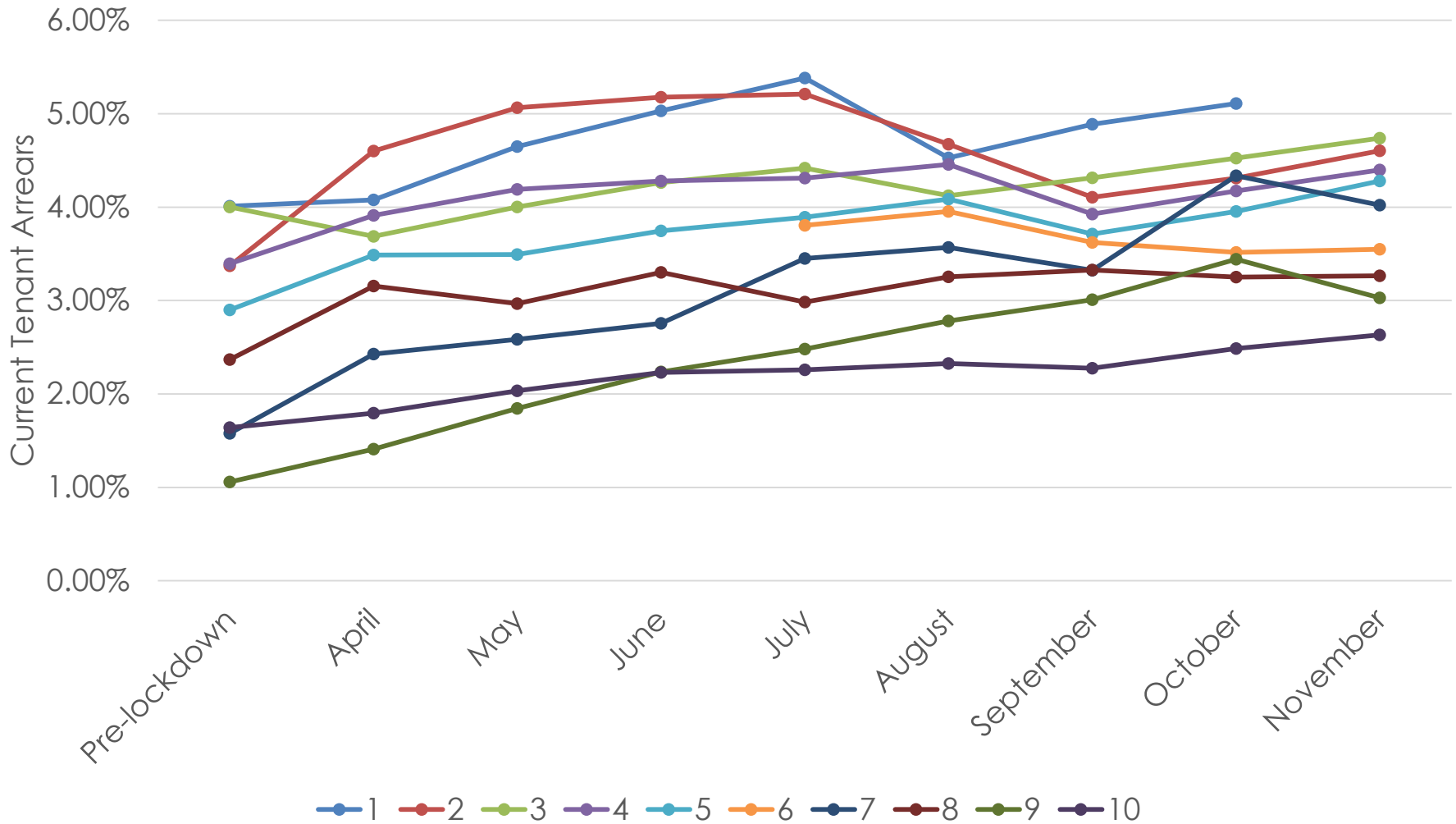
“Rent arrears among social housing tenants are rising across the country, with multiple housing associations reporting increased arrears in the six-month period to September”.

“Scottish council rent arrears increased by 15% since start of pandemic, latest regulator data shows”

“Social housing arrears are 40% higher in areas with tighter local restrictions, survey shows”

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HOUSING**

# Current Tenant Arrears % by LA (anonymised)



# Recovery Planning for 20/21 and 21/22

- We will continue to work with all tenants through the continuing Covid situation to ensure maximum help and support is given to sustain tenancies.
- Continued investment in specialised software is designed to ensure financial risks are minimised.
- Cases are progressing through the legal system as quickly as possible.
- ‘Stress test’ undertaken to ensure sufficient capacity, resilience and headroom in the HRA to meet the cost of any increase in bad debts.