

Y PWYLLGOR LLYWODRAETHU AC ARCHWILIO
8 MAWRTH 2024

ÔL-DDYLEDION RHENT TAI

Y Pwrpas:

Mae'r adroddiad yn nodi cyd-destun a manylion ôl-ddyledion tenantiaid presennol Tai Cymdeithasol Cyngor Sir Caerfyrddin.

Mae'n nodi maint y gwasanaeth o ran casglu rhent, sut yr ydym wedi llwyddo i reoli ôl-ddyledion rhent bob blwyddyn, y gefnogaeth yr ydym wedi'i rhoi ar waith a'r effaith y mae hyn yn ei chael ar Gynllun Busnes cyffredinol y Cyfrif Refeniw Tai.

Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

Pwyllgor Llywodraethu ac Archwilio i wneud sylwadau ar gynnwys yr adroddiad.

Y Rhesymau:

Gofynnodd y Pwyllgor Llywodraethu ac Archwilio am yr adroddiad ynghylch lefel ôl-ddyledion tenantiaid presennol mewn cyfarfod blaenorol.

Angen i'r Cabinet wneud penderfyniad	NAC OES
Angen i'r Cyngor wneud penderfyniad	NAC OES

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:-

Y Cynghorydd Linda Evans (Deiliaid y Portffolio Tai a Dirprwy Arweinydd)

Y Gyfarwyddiaeth:

Cymunedau

Enw Pennaeth y Gwasanaeth:

Jonathan Morgan

Awdur yr Adroddiad:

Steven Jones

Gareth Williams

Swyddi:

**Pennaeth Tai a Diogelu'r
Cyhoedd**

**Arweinydd Rheoli Tai
Rheolwr y Gwasanaethau Tai**

Cyfeiriadau E-bost:

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EXECUTIVE SUMMARY

HOUSING RENT ARREARS

Context

The Housing Management Service is responsible for:

- **9,333** Dwellings spread amongst **767** Housing Estates;
- **387** Blocks of flats and **21** Sheltered Schemes;
- Over **1400** garage plots and bases; and
- Collecting over **£49m** (23/24) in annual rent.

The effective management and collection of rent income from the Council's Housing stock is a vital factor in maintaining and delivering the HRA Business Plan.

The level of Current Tenant Arrears should also be considered in the wider economic and social context. There have been several country wide factors that have influenced the collection of rent and the level of arrears. These are:

- Covid 19 Pandemic which resulted in an embargo on any enforcement activity that would result in homelessness;
- Cost of Living Crisis and other economic pressures;
- Welfare reform and the continuation of the roll out of Universal Credit; and
- Welsh Government Action Plan to reduce homelessness.

All the above has had an impact not just for Carmarthenshire but all Local Authorities in Wales.

Rent Increase

Each year as part of the HRA Business Plan we consider increasing the rent in line with WG recommendations if the Consumer Price Index at September sits outside the prescribed limit. WG have set the maximum rent increase for 24/25 at 6.7% because the Consumer Price Index(CPI) sat outside the 3% threshold (6.7% September 2023).

We have limited the rental increase to **6.5%** overall with a maximum £1 progression for those tenancies below target rent. Most tenants will receive a **6.39%** average rent increase which is below the level set by WG and current inflation values.

Table 1

Year on Year Rent Increase (since 2020)			
Year	Average % Increase (with progression)	Weekly Rental charge Increase (£)	Rent Envelope Increase (£),000
2020-2021	2.43	2.63	406
2021-2022	1.27	1.79	856
2022-2023	2.74	2.47	1,578
2023- 24	5.36	5.00	2,781
2024-2025	6.39	6.42	3,125

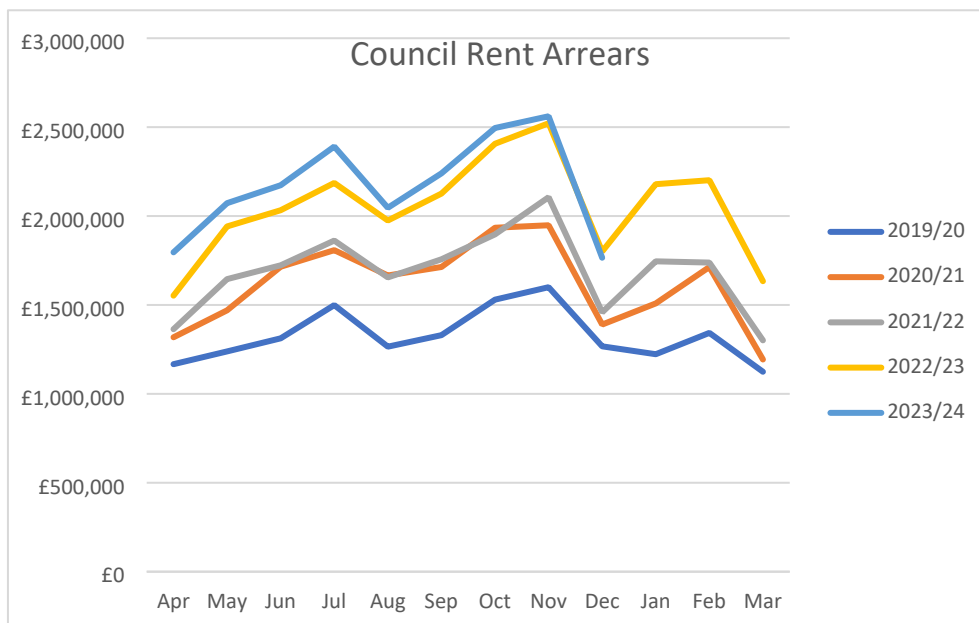
Table 2

HOUSING RENTS 2023/24		
BEDS	Houses / Bungalows	Flats / Maisonettes
Bedsit	£77.77	
1	£96.71	£87.47
2	£107.45	£97.23
3	£118.18	£106.93
4	£128.92	£116.67
5	£139.69	-

Current Rent Arrears

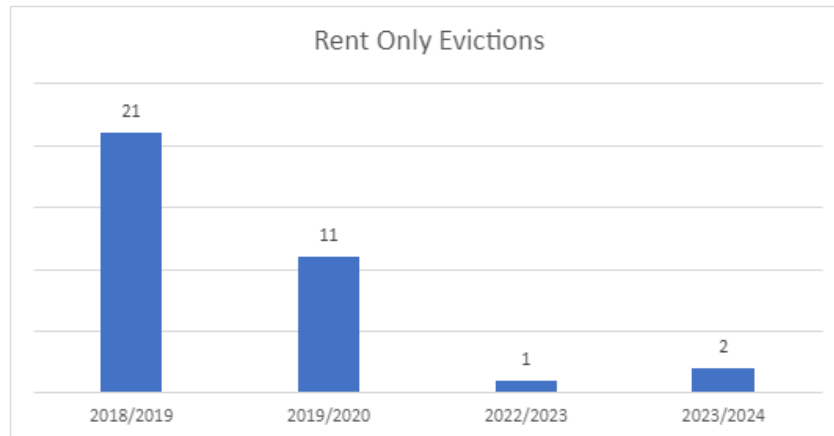
The graph below shows the current tenant debt year on year. This is a cumulative debt from the time each tenancy started and not an in-year debt.

Graph 1



- 4,500 (circa) tenants have the equivalent to one months' worth of debt because they pay their rent in arrears and 3,500 (circa) tenants pay in advance either in full or part;
- Arrears levels at the end of quarter 3 2023/2024 were £35,000 less than at the equivalent period for 2022/2023;
- At the end of week 46 of this year the total arrears were £98,000 less than at the equivalent period for 2023/2024; and
- We are currently predicting (assuming trends remain comparative to previous years) an end of year figure of between £1.5m and 1.6m which is a reduction from the previous year.

Enforcement Action & Evictions



- The level of evictions for rent arrears only has considerably decreased since 2019/20 and there have been no evictions due to financial hardship since 2020;
- Currently there are 419 under notice for rent arrears (where affordability is not the primary cause), 14 due to progress to court and 1 case where possession has been granted.
- The decision to evict is not taken lightly and consideration has to be given to the impact it has on Homelessness as legislation may require us to place into temporary accommodation.

Support

Providing support and assistance is considered the most effective way to maximise income, sustain tenancies and manage the overall debt. Rent accounts are managed weekly and intervention is put in place quickly where accounts begin to suffer or tenants fall behind with their rent. The table below shows the level of pre tenancy support that has been put in place to help maximise income.

Category	Total Value (£)	Cases
Pre-Tenancy Benefits: AA, CTAX, Help U, Pension Credit etc.	326,841	502
Pre-Tenancy DHP: Bedroom Tax, Dual HB, Removals, Arrears etc.	18,309	59
Pre-Tenancy Grants: DAF, Hardship & cost of living grants etc.	197,669	327
Pre-Tenancy: Prevention fund (HRA and WG Grant)	52,441	147
Total	595,260	1035

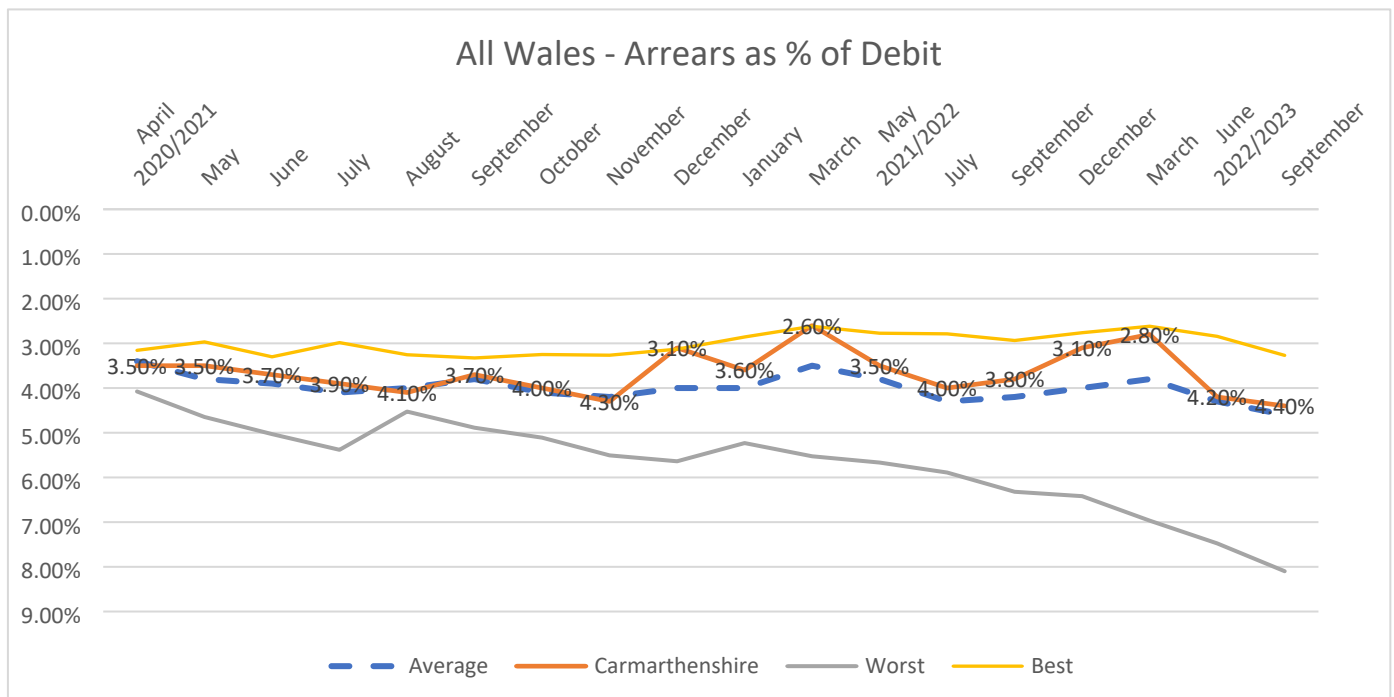
- To date this financial year (01/04/23 -14/02/24), we can show that through assistance we have increased over 1000 household incomes by £595,260 at the start of tenancy;
- This support is carried out throughout the tenancy by the Housing Officers based on an individual basis and tenants' current circumstances; and
- We are currently working on a recording database to accurately show amount of support and financial savings to our tenants, the Housing Officers activity is creating.

National (Wales) Comparison

The graph below shows how we compare to other stock retaining authorities in Wales on the current arrears as a percentage of the overall debit i.e. rent envelope.

The data is only available up to September 2022/23 when WG stopped collecting the information and provided as public information.

Graph 2



As can be seen from the table Carmarthenshire perform under the Welsh average and are amongst the best stock retaining authorities in terms of their collection rates. By the end of 2023/24 we anticipate our collection rate to be higher than previous year and the % of arrears against the debit to be close to 3%.

A reason for the fluctuation in ours compared to other LAs may be because we collect rent over a 48 week period and have four non collection weeks and some months would have 5 weeks and we only collect for four of those weeks. Also our figures are taken after the 28th of every month, this may differ in other stock retaining authorities for reporting purposes.

Impact on HRA

There has been no significant impact on the HRA year on year as a result of rent arrears and our ability to deliver against our revenue and capital commitments.

DETAILED REPORT ATTACHED?

NO

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: Jonathan Morgan Head of Housing & Public Protection

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets	Bio-diversity & Climate Change
NONE	NONE	YES	NONE	NONE	NONE	YES	NONE

1. Finance

Managing income and current tenant debt is critical in maintaining a healthy, balanced and sustainable HRA budget. It has a significant impact on the 30-year business plan and how we investment in front line services and our capital housing programmes.

Our ability to help manage individual contract holders debt helps them maintain their tenancies, support their wellbeing and comfort as well as reduce pressures on front line homelessness services where tenancies fail and subsequently Council Fund budgets.

6. Physical Assets

Failure to collect rent means that we have less scope to invest in current tenant homes, improve the condition of our housing stock, expand our housing development programme and invest in front line housing services that'll prevent deterioration of our asset.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below:

Signed: Jonathan Morgan Head of Housing & Public Protection

1. Scrutiny Committee request for pre-determination	N/A
Scrutiny Committee	
Date the report was considered:-	
Scrutiny Committee Outcome/Recommendations:-	

2.Local Member(s) - N/A

3.Community / Town Council – N/A

4.Relevant Partners - N/A

5.Staff Side Representatives and other Organisations - None

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED YES	Include any observations here
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Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection