

Proactive Arrears Management

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Overview

- The importance of preventing evictions.
- The benefits of preventing evictions.
- Shelter Scotland's work with Stirling Council.

The importance of preventing evictions

- *The framework offered by statute and guidance.*

Scottish Government and COSLA

June 2009

Prevention of Homelessness Guidance

“ **Early intervention** in managing rent arrears is an accepted and embedded principle for local authorities and RSLs. Arrears must be tackled to prevent them from escalating to unacceptable and unmanageable levels for the landlord and the tenant. Good practice in arrears management promotes that every effort will be made to tackle arrears efficiently and sensitively with **eviction only ever used as a last resort.**”

“As well as issuing letters indicating missed payments, home visits and/or **face to face contact** with tenants should be an integral aspect of arrears recovery methods. This is particularly important when dealing with tenants who have limited literacy skills and will assist the landlord in understanding if there are, e.g. housing benefit issues, which could be contributing to the arrears.”

Meeting the Best Interests of Children Facing Homelessness

Statutory guidance

June 29, 2010 - Scottish Government

“In line with early intervention principles, the focus should be on preventing homelessness where possible.children’s local surroundings are likely to have a stronger influence on their quality of life due to their limited mobility in comparison to adults.”

Pre-action requirements

housing bill 04.11.10

- The introduction of pre-action requirements aims to help protect tenants against unnecessary eviction and save social landlords money on unnecessary court actions.
- It recognises the need for changes to a system which arguably facilitates evictions that could be avoided.
- The changes do not aim to make eviction illegal for arrears, but input steps in order to ensure reasonable measures have been taken to try and avoid eviction.

Housing Support issues

housing bill 04.11.10

Where a local authority are subject to the duty under section 31(2) or 32(2) in relation to an applicant; and *have reason to believe that the applicant may be in need of prescribed* housing support services. The local authority must assess whether the applicant, and any other person residing with the applicant, needs prescribed housing support services.

.....housing support services "includes any service which provides-

•*support, assistance, advice or counselling to an individual with particular needs with a view to enabling that individual to occupy, or to continue to occupy, residential accommodation as the individual's sole or main residence."*

The benefit of avoiding eviction -

The costs of eviction

	Crisis case study 1 ^[1]	Crisis case study 2	SCSH case study ^[2] 1	SCSH case study 2
Tenancy breakdown cost in £	n/a	3,000	6,141	5,112
Temporary accommodation costs in £	7,000	21,000	10,232	5,038
Support costs in £	2,500	4,500	6,700	2,600
Other costs eg health services, criminal justice costs in £	5,500	54,500	Not quantified	Not quantified
Duration of homelessness	1 year	2 years	1 year	6 months
TOTAL COST in £	15,000	83,000	23,074	12,750

The benefit of avoiding eviction –

- Stirling Council Audit showed the cost of evicting 23 households in 2008/09 was more than 3 times the rent arrears owed
- Although eviction caps the debt, it becomes former tenant arrears – difficult to recover
- Long + short-term impact on tenants including those with families with children

Shelter Scotland & Stirling Council

- Outline the early pilot.
- Outline the current one.
- Results.
- Benefits of independence.
- Case study.

Initial pilot

Aims:

- To visit the 10 most hard to reach tenants (who were in danger of losing their homes) to ensure they had independent advice and assistance (housing and debt advice) and to aim to prevent the loss of their home;
- To determine whether difficult to engage tenants would speak to an agency outside of the statutory sector;
- To attempt to draw tenants back into discussion with the council about their arrears position.

Parameters:

- Under no circumstances were Shelter involved in the collection of rent or future decisions taken to evict tenants from their homes;
- The pilot was to be unpublicised, for fear of prejudicing the attempts at contact;
- No feedback would be given to Stirling on each client during the pilot, unless the client advised that they would like Shelter Scotland to become their advocate and speak to Stirling on their behalf.

Outcomes of initial pilot

- Of the 10 tenants, Shelter made contact with 9 of them .
- All of these 9 tenants have subsequently been in touch with either the housing or benefits team of Stirling Council.
- 4 of them made payments to their accounts - 2 of these paid sufficient amounts to reduce their arrears and 1 is keeping to a repayment agreement.
- The remainder made no payments to their account.

Ongoing Pilot

- Required detailed pre-planning between both organisations.
- The project, whilst having a core group, will engage with tenants at different stages in the arrears process.
- Aims to reengage tenants with Stirling Council.
- Offers advocacy and mediation between the parties.
- Works with Stirling Council staff in the joint objective of the presumption against eviction.
- Maintains independence and mutual respect.

What have we learned (so far)?

- Independent intervention can help.
- Landlords need to be able to turn that contact into active reengagement.
- Local Authority and 3rd Sector/ Shelter Scotland can work actively together.
- Landlord(s) with a positive commitment to proactive work and a presumption against eviction can shape organisational culture and tenant perceptions.

•Any queries?

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