

Research report

Evictions by social landlords in Scotland 2010-11

From the Shelter Scotland policy library

March 2012*

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*This report has been updated to reflect the revised figures produced by the Scottish Government

<http://www.scotland.gov.uk/Resource/0038/00387146.pdf>

Shelter
Scotland

Summary

- This report examines the number of evictions¹ across Scotland from the socially-rented sector, looking at both local authorities and Registered Social Landlords (RSLs) for the period April 2010 – March 2011.
- The vast majority of eviction actions are for rent arrears and are often a symptom of wider debt and money problems or housing benefit issues.
- Across Scotland in 2010/11, evictions in the socially-rented sector as a whole are down by 17% on the previous year and by 49% since 2007-08. The fall since 2009-10 is slightly less than the reduction in evictions in the previous year, but is very significant, particularly in light of the current challenging financial circumstances.
- Local authorities have seen a 16% reduction in evictions while RSLs have reduced the number by 19% compared to last year. There has also been a reduction in the number of tenants taken to court and the number of decrees granted (down 8% and 19% respectively).
- Actual eviction is down but in 2010/11, social landlords still issued over 78,000² Notice of Proceedings for recovery of possession (NOPs). This suggests that eviction or the threat of eviction is still being used as a routine mechanism for rent collection which we argue is an expensive and unproductive way to engage with tenants who are struggling with debt issues.
- Despite a significant reduction in evictions at a national level there remains a great deal of regional variation across different social landlords, with some actually seeing an increase in their evictions. The wide spectrum of eviction rates shows the potential that all social landlords have to change their approach to tenants with arrears and how much impact a change in policy and procedures can have. It also shows that, despite improvements, more work needs to be done to ensure consistency across Scotland.
- Social landlords still evicted 1,822 tenants in 2010/11. Apart from the ongoing social and financial problems for these individuals and families, these evictions, even at a conservative estimate, would have cost a minimum of £11m.
- Across Scotland there has been a small increase in the amount of rent arrears in 2010/11. However some landlords have seen a reduction in both evictions and rent arrears, showing that, with good policies and practice, reducing the number of evictions does not necessarily mean an increasing total rent arrears.

¹ For the purpose of this report, 'eviction' includes post-decree abandonments as per the Scottish Government statistics. A post-eviction decree means that the landlord has been granted decree for eviction by the court and the tenant has decided to leave the property before being forcibly removed.

² In 2010/11, local authorities issued 57,990 NOPs and RSLs issued 20,842 NOPs.

- Although total arrears have risen a little, the *number* of tenants in rent arrears has fallen. This is encouraging, especially in light of the recession and rent levels rising above inflation.
- The introduction of legal protection for social tenants in arrears, through the Pre-Action Requirement checklist in the Housing (Scotland) Act 2010, is a very positive step forward in reducing eviction in Scotland. This legislation will be commenced in 2012, and builds on existing good practice based on good communication between tenants and landlords, focusing on early intervention.
- The successful implementation of Pre-Action Requirements (PARs) will require good guidance from the Scottish Government and will be an appropriate place to collate and disseminate good practice examples from both councils and housing associations.
- While a lot of progress has been made to reduce eviction numbers and the use of eviction to manage arrears, eviction is still too common. It is important that social landlords try to prevent homelessness wherever possible and a key part of that is ensuring that eviction is only used as a genuine last resort.

1. Introduction

This report, the fourth in a series of Shelter Scotland reports looking at evictions in the socially-rented sector across Scotland, draws on Scottish Government and Scottish Housing Regulator (SHR) statistics for the period 1 April 2010 to 31 March 2011. The report considers official statistics for evictions, in particular the number of actions for repossession started, number of cases going to court at a national and local level and 'technical evictions'. It also looks at regional variations and the policies behind the statistics.

Shelter Scotland has been campaigning, over the past few years, for the high numbers of socially-rented sector evictions to be reduced and for a fundamental change in the approach to rent arrears management and tenancy sustainment. The majority of all social sector evictions are for rent arrears and we believe that eviction is, in most cases, a blunt and ineffective tool to deal with individuals and families often struggling with debt and other complex financial and social issues. Leaving aside evictions for antisocial behaviour which only constitute a tiny minority of the total³; eviction and the threat of eviction is used too frequently as a mechanism for collecting rent and in many cases simply displaces the problem rather than solving it. Eviction compounds many of the issues that have contributed to the mounting of arrears and places additional stress onto individuals and families. Forcing someone to leave their home should only ever be a last resort.

In 2008 Shelter Scotland produced a report highlighting that there were nearly 4,000 evictions by social landlords in 2007/2008 and urged the Scottish Government and all social landlords to do more to try and reduce that number⁴. In the second report, published in 2009⁵, Shelter Scotland highlighted research showing that evicting a single person would cost the social landlord £15,000 at a conservative estimate, and, if that person went on to be homeless, the costs can rapidly rise through ongoing temporary accommodation and support costs. Last year's report showed a significant reduction in the number of social sector evictions, with a 33% reduction on the previous year. Due to the difficult economic landscape that social landlords were operating in, this reduction is likely to be because of significant and successful changes in policy and practice rather than changes in the environment or the tenant group.

³ According to Scottish Government figures, 95% of the evictions/abandonments carried out in 2010/11 by local authorities were for rent arrears, the remaining being largely for antisocial behaviour.

Figures from 2008/09 show that 93% of RSL evictions were for rent arrears.

⁴ 'Research: Evictions by social landlords in Scotland' (Dec 2008)

http://scotland.shelter.org.uk/_data/assets/pdf_file/0003/152517/Evictions_2007-2008.pdf

⁵ 'Briefing: Eviction of children and families. The impact and the alternatives' (November 2009)

http://scotland.shelter.org.uk/_data/assets/pdf_file/0004/223672/Evictions_Nov09_Shelter.pdf

With local authority arrears currently standing at £36.5m⁶ and RSL arrears at £42.3m⁷, the payment of rent is rightly a priority. The payment of rent is vital for effective housing management and a key obligation of any tenancy agreement. Shelter Scotland believes that a clear policy focusing on helping tenants retain their tenancy and resolving debt as early as possible can reduce arrears and evictions at the same time.

Background

Forcing someone to leave their home should only ever be used as a last resort, as landlords could simply be displacing tenants' social and financial problems. Since the publication of the first Shelter Scotland eviction report in 2008, there have been a series of national and local developments in policy and practice which have focused on reducing evictions where possible and changing policy and practice to focus on communication and tenancy sustainment. With a reduction of more than 1,600 social sector evictions since 2007/08, the shifts in policy and practice appear to have had an effect. Below we touch briefly on how the policy environment has been evolving.

On 1 April 2009, Section 11 of the Homelessness etc (Scotland) Act 2003 was implemented which places a duty on RSLs, mortgage lenders and private landlords to notify the relevant local authority when they plan to initiate legal proceedings to repossess a property. These notifications are designed to alert local authorities to households at risk of homelessness, providing an early warning in order that councils can provide information and support. This should prevent homelessness or allow a planned route into suitable alternative accommodation if required. Across the two years where there is data, there have been 8,079 notifications from RSLs⁸, falling from 4,406 notifications in 2009/10 to 3,673 in 2010/11. It is currently unclear to what extent these notifications are helping to prevent evictions, although there is evidence⁹ that RSLs are engaging with local authorities in the Section 11 process to share information about households at risk of eviction and ultimately homelessness.

Following the final report of the Scottish Government's Repossessions Working Group there was a recommendation that the Scottish Government should investigate what protection was in place to protect tenants in the socially rented sector from eviction for rent arrears¹⁰. These recommendations were taken through various consultation stages and have resulted in the introduction of new legislation as part of the Housing (Scotland)

⁶ Scottish Government Housing Management Statistics 2011

<http://www.scotland.gov.uk/Publications/2011/09/27083556/9>

⁷ Scottish Housing Regulator RSL Annual Statistical return 2011

http://www.scottishhousingregulator.gov.uk/stellent/groups/public/documents/webpages/shr_tablea4agrossrentarrearsby.xls

⁸ Scottish Government Operation of the Homeless Persons Legislation in Scotland 2009/10 and 2010/11 <http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/hmlss1011>

⁹ http://scotland.shelter.org.uk/professional_resources/policy_library/policy_library_folder/review_of_section_11_of_the_homelessness_scotland_act_2003

¹⁰ 'Repossessions group: final report' Scottish Government (June 2009)

<http://www.scotland.gov.uk/Resource/Doc/274765/0082205.pdf>

Act 2010 to ensure social landlords explore all possible alternatives to eviction before resorting to court action. These 'Pre-Action Requirements (PARs)' are a series of steps that landlords should take in rent arrears cases to try and resolve the underlying debt and financial difficulties. These PARs build on existing good practice and should help to reduce not only the number of evictions but the number of unnecessary NOPs issued and court actions raised. The Scottish Government is currently drafting the regulations and guidance for the introduction of Pre-Action Requirements and the legislation will be commenced in the summer of 2012.

As we show in the next section there continues to be a very high number of court actions initiated which do not result in eviction. This suggests that more could be done at an earlier time to resolve debt management issues, sort out Housing Benefit errors or back payments or to agree a repayment plan. The checklist introduced by PARs focuses on engagement and early communication between tenants and landlords and Shelter Scotland believes that these Pre-Action Requirements will not only reduce the number of evictions by social landlords, but also reduce the number of expensive court actions raised and ensure a consistent response across all social landlords.

This legislation is an extremely positive step forward and should be welcomed by social landlords. The successful implementation of this legislation will require detailed guidance from the Scottish Government and support for social landlords who may need to change their policies and procedures.

The introduction of section 11 notices and PARs are two examples of how national policy has evolved in relation to eviction. Of course, individual landlords have been taking their own steps to change policy and practice, sometimes quite radically.

2. Evictions in Scotland 2010/11

The statistics for the period 1 April 2010 to 31 March 2011 show a reduction in the number of evictions for socially rented tenants. Across the sector, the number of evictions has fallen from 2,204 in 2009/10 to 1,822 in 2010/11 a fall of 17%. These figures include actual evictions as well as properties which were abandoned after a decree for eviction has been granted. This fall of 17% is smaller than the reduction evictions last year, but is still significant, particularly in light of the current challenging financial circumstances in which landlords are operating. This suggests that the reduction is due to explicit changes in policy and practice rather than changes in the financial environment. Beyond this 17% reduction in the number of evictions, there is also a significant reduction in the number of decrees granted, down 19% and actions taken to court, down 8%.

Table 1 gives the combined totals for eviction actions for all social landlords and the percentage change from the previous year.

Table 1: Eviction actions by social landlords 2010/11				
	Councils	RSLs	Total	Percentage change from 2009/10
Notice of Proceedings	57,998	20,842	78,840	-0.2%
Taken to court	10,789	3,812	14,601	-8%
Decree granted	3,743	1,313	5,056	-19%
Eviction occurred*	1,061	761	1,822	-17%
Technical evictions**	434	305	739	1%

Source: Housing Statistics for Scotland 2011, Scottish Government (August 2011), Annual Performance & Statistical Return (APSR), Scottish Housing Regulator (September 2011).

* Including post-decree abandonments
 ** Where a new post-decree tenancy has been granted at the same property

Technical evictions

The data shows there has also been a small increase in the number of “technical evictions”, where a new post-decree tenancy is created in the same property because an agreement has been reached between the landlord and the tenant. In previous years we have highlighted the use of ‘technical eviction’ as an ambiguous area. It is clearly much better than losing one’s home, but it seems a very cumbersome way of dealing with debt. An amendment to the Housing (Scotland) Act 2010 will mean that the tenancy is only ended once the landlord recovers possession of the property instead of when the decree is granted. This will effectively end the use of technical evictions as we know them and mean that if the landlord and tenant reach a repayment arrangement and the landlord no longer wishes to evict the tenant, there is no need to create a new tenancy.

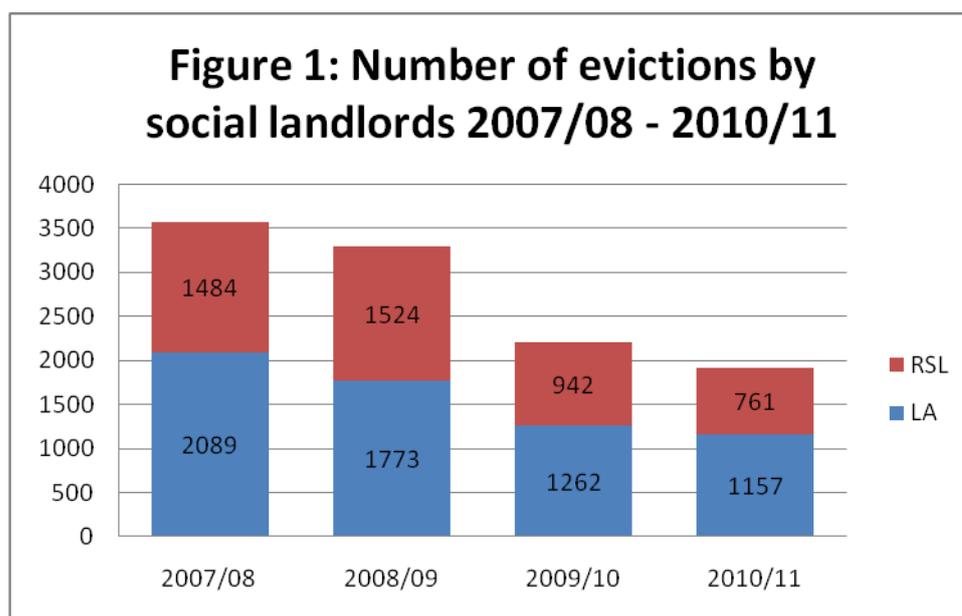
Eviction costs

Although eviction numbers are down, there were still 14,601 eviction cases taken to court by social landlords last year, three quarters of these by local authorities. This very high volume of court actions represents a significant cost to landlords and the court system but also places the stress of an eviction court case on over 14,000 households.

For those 1,822 households that actually lost their home in 2010/11, the conservatively estimated cost of £6,000¹¹ per case means a total cost of a minimum of £11million. In addition, social landlords issued over 78,000¹² Notice of Proceedings for recovery of possession (NOPs) in the same time period, which suggests that eviction or the threat of eviction is still being used routinely as a mechanism for rent collection. Particularly in local authorities the number of NOPs has seen a slight increase.

Trends in eviction

Figure 1 shows the number of evictions carried out from 2007/08 to 2010/11 showing the proportion carried out by both RSLs and local authorities. There were 3,573 evictions in 2007/08 and since then there has been a significant decline, of a 49% reduction.



¹¹ Research by Community Finance Solutions in 2006, suggests that every eviction costs a social landlord £6,000 [Community access to money: social landlords reaping the benefits](http://www.crisis.org.uk/policywatch/bkpage/files/howmanyhowmuch_full.pdf). Crisis research from 2003 put the cost of eviction between £15,000 and £83,000 for a single person http://www.crisis.org.uk/policywatch/bkpage/files/howmanyhowmuch_full.pdf and SCSH research from 2007 put the cost of eviction at between £12-23,000 <http://www.scshe.co.uk/information/briefings/07%20Tenancy%20Failure%20Briefing.pdf>

¹² In 2010/11, local authorities issued 57,998 NOPs and RSLs issued 20,842 NOPs.

Local authority evictions 2010/11

There has been a significant policy focus on reducing evictions at both national and local level over the past few years and local authorities across Scotland have seen evictions fall from 1,262 in 2009/10 to 1,061 in 2010/11. This is a 16% reduction which means an additional 200 households kept their homes this year. Across the 3 year period from 2007/08 there has been a 49% reduction in the number of evictions by local authorities.

Table 2: Eviction actions initiated by local authorities resulting in termination of tenancy in 2010-11¹³

	2007/08	2008/09	2009/10	2010/11	Percentage change from 2007/08 to 2010/11
Scotland	2,089	1,773	1,262	1,061	-49%
Aberdeen City	245	221	171	135	-45%
Aberdeenshire	36	33	41	37	3%
Angus	14	28	34	31	121%
Clackmannanshire	25	26	13	17	-32%
Dundee City	85	71	103	69	-19%
East Ayrshire	179	104	95	77	-57%
East	22	23	13	11	-50%
East Lothian	15	14	10	5	-67%
East	10	6	6	12	20%
Edinburgh, City	230	263	180	113	-51%
Falkirk	110	76	58	44	-60%
Fife	63	73	56	96	52%
Highland	26	25	34	29	12%
Midlothian	60	49	17	15	-75%
Moray	28	5	7	7	-75%
North Ayrshire	69	54	44	47	-32%
North	410	302	167	113	-72%
Orkney	4	1	1	-	-100%
Perth & Kinross	10	10	6	3	-70%
Renfrewshire	170	146	55	60	-65%
Shetland	3	1	6	1	-67%
South Ayrshire	30	21	21	18	-40%
South	97	70	59	51	-47%
Stirling	27	27	3	2	-93%
West	29	49	11	9	-69%
West Lothian	92	75	51	59	-36%

¹³ Housing Statistics for Scotland 2011

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS/Evictions>

The following local authorities have been removed from this table as they no longer have stock due to whole stock transfers: Argyll & Bute Council, Dumfries and Galloway Council, Eilean Siar, Glasgow City Council, Inverclyde Council and Scottish Borders Council.

This reduction in numbers is a continuation of work that has occurred in previous years and seems to represent a shift in policy and practice by a number of councils towards early intervention and tenancy sustainment.

While a fall in the overall number of evictions is very positive, there is huge regional variation in local authority performance over the past year from a 71% increase in eviction by Fife Council to a 33% decrease in eviction by Dundee City Council. This disparity is unlikely to reflect regional circumstances and economic factors; rather it is much more to do with significant variation in practice and the management of arrears.

In total, 19 of the 26 local authorities with housing stock saw a fall in the number of evictions from 2009/10 to 2010/11 and 1 saw no change. There are 6 local authorities that have seen an increase in evictions. These were: Clackmannanshire, East Renfrewshire, Fife, North Ayrshire, Renfrewshire and West Lothian. Interestingly, if these changes are compared to the previous year, it was 6 different local authorities that saw an increase in evictions, all of which saw a decrease this year. In fact, Dundee City Council has seen biggest (proportionately) rise and fall in evictions over the last three years¹⁴. Given the relatively small numbers involved, the volatility in the number of evictions year to year by different landlords may be due to individual management decision and whether evictions happen to fall in one year rather than another. Nevertheless, landlords should seek to examine these trends closely.

Table 2 shows the total number of evictions for each local authority with housing stock over the past 3 years and shows the majority of councils have seen a drop in their evictions each year. The table highlights the spectrum of performance by local authorities and how varied eviction practice is. Certain councils have shown a fairly large reduction such as City of Edinburgh which carried out 67 fewer evictions in 2010/11 than the previous year and over 3 years has seen a 51% reduction. Similarly, North Lanarkshire council evicted 54 fewer households in the last year with a 72% reduction in the last three years and Renfrewshire Council evicted 110 fewer tenants than in 2007/08. In the case of both City of Edinburgh and North Lanarkshire Councils, it has been noted that evictions have been high in previous years, meaning that there these councils had room for improvement. These reductions in the space of a year highlight the potential for all social landlords to re-evaluate their practices to ensure that eviction is truly a last resort. This includes Fife Council, with a 52% increase in evictions over the last three years.

In 2010/11, local authorities took 10,789 cases to court and secured 3,743 decrees against tenants which resulted in 1,061 evictions or post-decree abandonments shown in Table 3. This means 10% of court actions actually result in evictions and in real terms represents a considerable investment of both time and money for councils.

¹⁴Eviction actions resulting in eviction and abandonment carried out by Dundee City Council in 2007/08: 85, 2008/09: 71, 2009/10: 103, 2010/11: 69.

	2007/08	2008/09	2009/10	2010/11	Percentage change from 2009/10
Notice of proceedings	-	-	57,068	57,998	1.6%
Taken to court	13,382	13,323	11,782	10,789	-8%
Decree granted	5,063	5,246	4,613	3,743	-19%
Eviction occurred	2,089	1,773	1,262	1,061	-16%
Technical evictions	-	-	470	434	-8%

It is important to note that councils issued 57,998 NOPs which is an extremely high number and an increase since last year – about 1 in 5 local authority tenants received an NOP in 2010/11¹⁵. We would argue that the threat of eviction is still being used too frequently as a mechanism for rent recovery. If NOPs are used too frequently, the process loses its deterrent effect. This also suggests that local authority processes are still too mechanistic. It is clear that the eviction process can kick in too early, with an eviction notification or NOP being ‘triggered’ on the housing management system by a fixed number of weeks arrears, sometimes as low as two weeks. While it is vital to address arrears as early as possible to stop them accumulating, it would be far better for arrears to trigger face-to-face discussions and early interventions to tackle repayment. Shelter Scotland often sees eviction actions being brought against tenants with very low arrears where the cost of carrying out the eviction is more than the debt owed.

RSL evictions 2010/11

The number of evictions carried out by Registered Social Landlords in 2010/11 has fallen since last year. At a 19% reduction in the last year, the fall in RSL evictions is greater than the 8% reduction by local authorities. The reduction in evictions from 942 to 761 over the last year, and a 49% reduction over the last three years, reflects an increased focus on eviction procedures and practices over the last few years. There has also been a decrease in the number of cases going to court for eviction and significant decrease in number of decrees obtained. Collectively this data suggests that RSLs are working with tenants to try to resolve the debt issue before court action is necessary and that across the board, the threat of eviction is being used less frequently. This does still mean however, that last year over 750 households were evicted from their homes by RSLs, many of whom will have become homeless as a result.

¹⁵ In 2010/11 local authority rented stock totalled 319,878 units and 57,998 NOPs were issued. <http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS/KeyInfoTables>

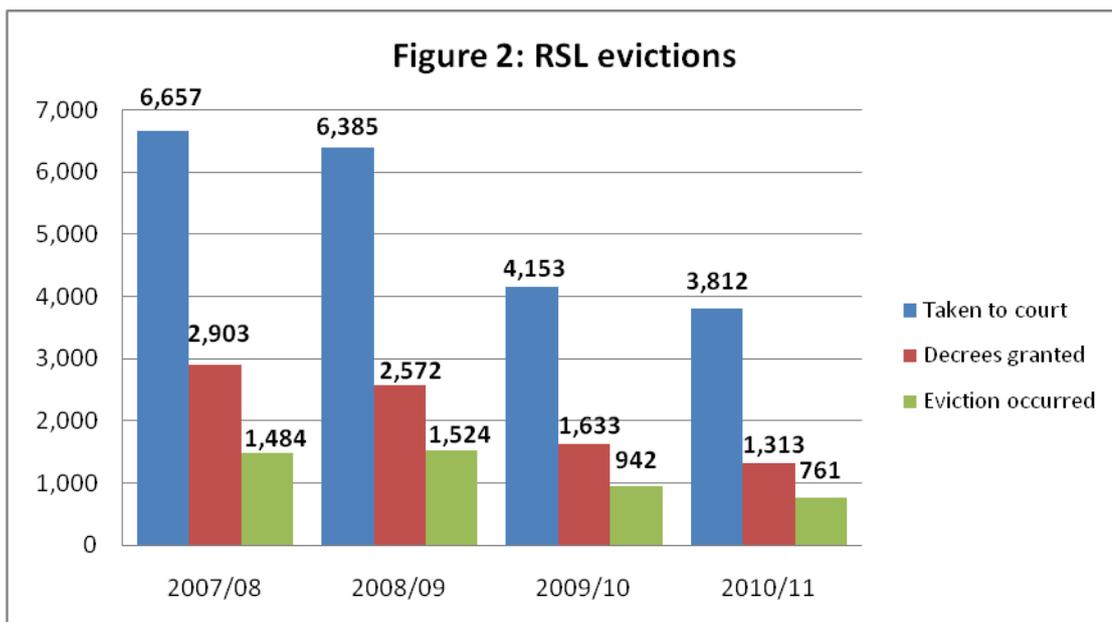
Table 4: Eviction actions by RSLs 2010/11					
	2007/08	2008/09	2009/10	2010/11	Percentage change from 2009/10
Notice of Proceedings	23,144	26,568	21,911	20,842	-5%
Taken to court	6,657	6,385	4,153	3,812	-8%
Decree granted	2,903	2,572	1,633	1,313	-20%
Eviction occurred	1,484	1,524	942	761	-19%
Technical evictions	510	490	261	305	17%

Table 4 above shows RSL data for eviction actions started, decrees granted, evictions occurred and the number of technical evictions from 2007/08 to 2010/11. It charts an overall reduction in all areas over the past 2 years. Of the 3,812 cases taken to court, 20% end in eviction, compared to the local authority rate of 11%.

Once again there is significant variation across different RSLs who vary in size and geographical presence. Glasgow Housing Association (GHA), Scotland's largest landlord with around 60,000 units, has seen its evictions fall by over 20% from 187 in 2009/10 to 148 in 2010/11. Overall GHA, has seen a very large reduction in evictions, 73% since 2007/08. Over the past year Scotland's other larger housing associations such as Dumfries and Galloway Housing Partnership which has more than 10,000 units, have seen a reduction on a smaller scale, from 26 to 24 evictions. Hillcrest Housing Association, with over 5,500 units has seen an increase from 3 to 21 evictions in the past year. Again this shows that where some landlords are leading with best practice and eviction policies, others have some room to improve.

Figure 2 shows that over the past 3 years there has been a steady fall in evictions but also a fall in the number of cases taken to court and the number of decrees granted. However, it also shows that despite this reduction, RSLs took almost 4,000 households to court, mainly for rent arrears, to seek possession of their homes. Despite 80% of these cases not resulting in an eviction, there is still a significant financial and resource implication for RSLs in this volume of court actions on top of the stress and disruption for the tenants.

It also should be noted that technical evictions have increased by 17%. This is where a new post-decree tenancy has been granted at the same property. Again this places undue cost on courts.



3. Eviction and rent arrears

There has been concern from some social landlords that reducing the number of evictions would lead to growing arrears and in turn an increased rent arrears debt mounting up. Nationwide, this year has seen an 8% reduction in local authority evictions, there has also been a 6% increase in the total arrears figure, with a rise from £34.4m to £36.5m in the past year. However, 7 out of the 26 local authorities with housing stock¹⁶ saw a fall in evictions *and* rent arrears, notably East Lothian Council which has seen a 50% reduction in evictions and 15% reduction in total rent arrears. This suggests that there are instances where the approach to working with tenants with rent arrears has resulted in the best outcome for both the tenant and the council – the tenant remains in their home and councils overall rent arrears are reduced.

¹⁶ The following local authorities do not appear on this table following whole stock transfers to housing associations meaning they control no social housing: Argyll & Bute Council, Dumfries & Galloway Council, Comhairle Eilean Siar, Glasgow City Council, Inverclyde Council and Scottish Borders Council.

Table 5: Relationship between evictions and rent arrears 2009/10 – 2010/11¹⁷

	% change in evictions 2009/10 – 2010/11	% change in rent arrears 2009/10 – 2010/11	% change in number of current tenants with arrears 2009/10 – 2010/11	% change in number of former tenants with arrears 2009/10 – 2010/11
Scotland	-8%	6%	-1%	-6%
Aberdeen City	-21%	39%	-5%	-42%
Aberdeenshire	-10%	-1%	-6%	7%
Angus	-9%	17%	6%	-8%
Clackmannanshire	31%	19%	48%	27%
Dundee City	-33%	-7%	0%	-6%
East Ayrshire	82%	125%	-3%	-43%
East Dunbartonshire	-15%	8%	13%	22%
East Lothian	-50%	-15%	-2%	5%
East Renfrewshire	100%	-11%	-7%	14%
Edinburgh, City of	-37%	-8%	-6%	-16%
Falkirk	-24%	13%	4%	16%
Fife	71%	-1%	3%	6%
Highland	-15%	-7%	197%	44%
Midlothian	-12%	-38%	-54%	-23%
Moray	0%	8%	0%	3%
North Ayrshire	7%	-4%	1%	15%
North Lanarkshire	-32%	8%	-2%	-17%
Orkney	-100%	7%	16%	-6%
Perth & Kinross	-50%	17%	1%	20%
Renfrewshire	9%	54%	-10%	-44%
Shetland	-83%	-1%	-8%	-3%
South Ayrshire	-14%	12%	9%	6%
South Lanarkshire	-14%	2%	-7%	0%
Stirling	-33%	34%	-35%	-5%
West Dunbartonshire	-18%	3%	-8%	1%
West Lothian	16%	14%	-1%	-3%

Encouragingly, the *number* of tenants in rent arrears has seen a decline, specifically with a 1% reduction in the number of tenants with current arrears and 6% reduction in the number of previous tenants in arrears.

¹⁷ Housing Statistics for Scotland 2011

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS/Evictions>
<http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS/HRATables>

The increase in the amount of rent arrears, coupled with the decrease in the number of tenants in rent arrears suggests that there are fewer tenants but with larger total rent arrears. This is not surprising considering the current economic climate and that rents in the last ten years have been going up at a higher rate than inflation. Local authority rents are currently £54.63 per week, where ten years ago, they were £39.30¹⁸. If rents had increased in line with CPI levels, rents would currently be 13% less expensive at £47.77 per week¹⁹.

Across RSLs there has been very small increase in rent arrears in the past year (from £42.26 million to £42.30 million) while evictions have seen a 19% decrease. Again RSLs have shown that it is possible to reduce evictions without increasing the level of rent arrears in real terms. For example, Angus Housing Association recently announced the level of outstanding rent arrears had hit an all time low, following an explicit policy to reduce rent arrears amongst its tenants. The RSL, with a stock of around 1,800 properties, only evicted two tenants last year showing it is possible to sustain people in their tenancies and reduce overall rent arrears.

It is also worth noting that due to proposed changes in the Welfare Reform Bill 2011/12, there may be increased pressure on rents in socially rented tenancies. One of these proposals is to allow the Government to reduce the amount of housing benefit working age tenants in the socially rented sector are eligible for, if the tenants are deemed to be under-occupying the property. This will affect 32% of all working age housing benefit claimants in the socially rented sector²⁰. There is therefore a risk, that with a reduction in housing benefit, these families may struggle with their rents and become more at risk of eviction. This is something that will need to be monitored as these changes take effect.

4. Conclusion

Shelter Scotland is pleased to see a continual reduction in social sector evictions, especially considering the recession and tough economic environment.

It is positive to see the overall reduction in eviction actions which suggest a change in emphasis from eviction to tenancy sustainment and the positive management of arrears, with fewer tenants in rent arrears. From our own work with clients and social landlords but

¹⁸ Housing Statistics for Scotland 2011

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS/KeyInfoTables>

¹⁹ Office for National Statistics Detailed CPI and RPI Briefing Tables.

<http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/november-2011/index.htm>

If rent levels increased in line with CPI (2001: 94.2) the current rent levels would be £47.77 a week for local authority lets. CPI is used as this is what is currently used by the Government to set LHA rates.

²⁰ Welfare Reform Bill 2011/12 Shelter Briefing for Lords Report Stage

http://england.shelter.org.uk/professional_resources/policy_and_practice/policy_library/policy_library_folder/briefing_welfare_reform_bill_-_lords_report_stage

also from best practice case studies, it is evident that good communication, early engagement and positive advice and assistance to tenants in arrears can, in the majority of cases, remove the need for eviction which is better for both tenant and landlord. Reducing evictions is also an important part of a social landlord's responsibility to help prevent homelessness where possible. The introduction of pre-action requirements as part of a pre-eviction process for the management of arrears will help to build on existing good practice and help landlords change their internal processes.

Three years ago, when Shelter Scotland began this series of reports, it was argued that evictions were only ever a last resort and were as low as they could be. The fall of 49% since then shows that was a misguided claim and thanks to the efforts of housing practitioners, real change has been achieved. That needs to continue.

We are still concerned by the variation and lack of consistency across local authorities and RSL's in eviction rates and more must be done to tackle the rising eviction numbers that some social landlords are experiencing. As part of the ongoing development of tenancy sustainment practices and policy around the management of arrears, Shelter Scotland would like to see the following measures:

- All social landlords to audit their own practice around eviction to review policy and see where changes and improvements could be made. The huge reduction that some landlords are seeing in their eviction actions shows how much potential there is to change practice – even amongst those landlords who already feel they are only using eviction as 'a last resort'.
- The Scottish Government to produce detailed guidance to accompany the commencement of the Pre-Action Requirements as part of the Housing (Scotland) Act 2010 in 2012. For some social landlords, and in particular those landlords with poor practice reflected in their eviction figures, the introduction of this pre-court checklist will mean changes to current practice. Detailed guidance, templates and best practice examples will help to make this transition more successful.
- Measures put in place to mitigate against changes to housing benefit including making debt advice available to all housing benefit recipients and a review of allocation policies in relation to under occupancy of a property.

Shelter Scotland, January 2012

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