

<b>Committee:</b> Housing Management and Almshouses Sub-Committee	<b>Date:</b> 22/07/2019
<b>Subject:</b> Revised Rent Collection Performance Targets	<b>Public</b>
<b>Report of:</b> Director of Community & Children's Services	<b>For Information</b>
<b>Report author:</b> Liam Gillespie, Head of Housing Management	

### Summary

An internal audit of Housing Revenue Account rent management identified a need to review the targets for both current tenants' rent arrears and former tenants' rent arrears.

This report explains the revised targets and how performance against them will be monitored.

### Recommendation

Members are asked to:

- Note the report.

### Main Report

#### Background

1. The City's Housing Service manages 1,929 rented properties and collects approximately £10.7m in rents annually. Income Recovery Officers work with tenants to ensure that arrears are collected, and they provide support to residents, or signpost them to advice services, to help them manage debt issues that affect their ability to maintain their rent payments.
2. Rent Officers assume responsibility for collecting former tenant arrears, including taking steps to trace former tenants and arrange repayment of rent owed, referring these debts on for collection as necessary.
3. An internal audit in 2018 recommended that officers review the suitability of arrears targets for both current and former tenants. Officers agreed to do this and have the targets agreed by the Director of Community and Children's Services.

#### Current Position

4. Performance on current tenant arrears has been very good in recent years, with end-of-year arrears under 2% of the amount due to be collected.

5. A target of £65,000 was set for former tenant arrears some time ago, which represents less than 1% of rental income. This target has not been reviewed for some time. As performance was consistently below target, an audit recommendation was made to either take steps to meet the target or revise the target.
6. An examination of former tenant arrears recovery processes identified that they were satisfactory and that officers were progressing the collection process with due diligence. It was deemed appropriate to revise the target upwards slightly, to reflect the impact of growing external influences on rent arrears, including welfare benefit reforms and changes to the courts service.

### **Revised Arrears Targets**

7. The following year-end targets have been agreed with the Director of Community and Children's Services:
  - Former tenant arrears: £85,000
  - Current tenant arrears: 2% (equivalent to approximately £207,000 for 2019/20)

### **Reporting on Performance Against Targets**

8. Current tenant arrears performance is monitored by senior management via fortnightly reports. These reports are discussed at regular meetings on performance within the Housing Service. Arrears performance (both current and former tenant arrears) is also reported departmentally on a quarterly basis.
9. Performance against the two targets above will be included in the six-monthly Housing Update Report.

### **Conclusion**

10. In response to the recommendations made in an internal audit, performance targets for current and former tenant rent arrears have been reviewed. Performance against the targets will be monitored by senior management and reported departmentally, and to this Committee as part of the twice-yearly Housing Update Report.

### **Appendices**

- None

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