

**Meeting of the Executive Members for
Housing and Adult Social Services and
Advisory Panel**

March 26th 2007

Report of the Director of Housing and Adult Social Services

Review of Former Arrears Incentive Scheme

Summary

1. This report looks at success and value of the former arrears incentive to accepted homeless households and proposes a continuation and expansion of the scheme.

Background

2. The pilot former incentive scheme was agreed at Housing EMAP on 6th March 2006 and was introduced on 1/4/06.
3. The aim of the scheme is to encourage accepted homeless households to make regular repayments off their former arrears (permanent, temporary and B&B) in order to achieve the Communities and Local Government (CLG) target of reducing use of temporary accommodation by 50% by 2010 (from 260 households to 130). The scheme allows homeless households with former tenant arrears the opportunity to fulfil the requirements of the allocations policy (introduced May 2006) that places people on pending 'until the money owed to the Council or RSL is less than £500 or a firm agreement had been kept to for a period of at least 26 weeks'.
4. CLG is aware of the scheme and recognise its value in assisting the authority in meeting temporary accommodation targets.
5. To be eligible for the scheme a customer must 'sign up' to the scheme. A weekly payment must be made for 13 consecutive weeks to be eligible for the incentive scheme. The scheme can continue until the arrears are cleared or a permanent tenancy is offered.
6. During 2006/7 16 people signed up to the former arrears incentive scheme, of whom 8 made regular payments of 13+ weeks entitling them to an incentive payment. This amounted to £3666.86 arrears recovered and £1080.25 incentive given. We acknowledge that this was a slow start but believe that there is significant value in the continuation of the scheme.

Consultation

7. Not applicable.

Options

8. Option A. To continue with the incentive scheme for accepted homeless only until offer of permanent accommodation.
9. Option B. To continue with the incentive scheme for accepted homeless and to extend the incentive scheme to those who 'sign up' and are living in hostels / supported housing projects that are actively engaging in the re-settlement programme until offer of permanent accommodation.
10. Option C. To cancel the scheme at the end of the pilot.

Analysis

11. The scheme is one element of the process which is currently being improved to streamline arrears recovery within Housing.
12. This scheme assists in meeting CLG guidance and / or targets to :
 - reduce use of temporary accommodation by 50% by 2010 by enabling homeless households to move into permanent accommodation.
 - Ensuring effective use of temporary / supported housing stock
13. By offering customers who are going through the resettlement process the opportunity to benefit from the scheme, there is potential to reduce the bed blockages problems that are experienced from time to time. It would also ensure that these customers are being treated equitably.

Corporate Priorities

14. By offering customers incentives to reduce their former tenant arrears, the department will be contributing to an improvement in the health and lifestyles of the people of York by reducing use of temporary accommodation.
15. By encouraging homeless persons to repay former tenancy arrears and therefore accessing more permanent stable accommodation, this scheme is improving the life chances of the most disadvantaged and disaffected children and young people.
16. By increasing the income to the authority by reducing former tenant debt and reducing the reliance on temporary accommodation, this scheme is improving the organisation's effectiveness and efficiency.

Implications

Financial

17. The pilot scheme resulted in £3666.86 arrears being recovered at a 'cost' of £1080.25 in write offs.
18. If the take up of this scheme increased to 100 customers, each paying £5pw then anticipated recovery would be £26,000 pa and 'write off costs' £13,000. If this prevented only 4 customers either requiring or living in temporary accommodation (B&B) for 1 year this could generate a saving of £58,400 per annum.

Human Resources (HR)

19. At present this is a staff intensive scheme relying on manual account checks. Discussion is currently occurring with Housing iworld team to look at computer reporting systems to monitor the incentive scheme.

Equalities

20. To improve access to permanent accommodation homeless customers.

Legal

21. No additional implications to pilot scheme.

Crime and Disorder

22. No implications.

Information Technology (IT)

23. No significant implications (see point 19).

Property/Other

24. No implications.

Risk Management

25. There are no risks associated with this report.

Recommendations

26. That the Executive Member:
 - Approve Option B, to continue the former arrears scheme and to extend to re-settlement customers.

Reason: to encourage and assist customers to repay any former arrears in order to meet CLG temporary accommodation targets and to prevent blockages in resettlement accommodation

Contact Details

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**Report
Approved**

Date 12th March 2007

Specialist Implications Officers:**Financial Implications**

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Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers:

Former incentives scheme Housing EMAP 6/3/06
Tenant Incentive Scheme HASS EMAP Sept 06 (amendment to payment times only).

Annexes: None