

All Committee meetings were cancelled with effect from 23rd March, 2020 due to the COVID-19 emergency.

The recommendations in this report were approved by an Executive Director of the Council, acting under delegated authority in terms of paragraph 2.1.1 of the Council's List of Officer Powers

Approved by Executive Director (Communities) – 26th March, 2020

Covid-19 Response to Rent and Evictions

Report by: John Mills, Head of Housing Services

Wards Affected: Fife

Purpose

The report proposes options to support Council tenants to sustain their tenancies for the duration of the Covid-19 emergency.

Recommendations

Committee is asked to:

- Support the proposal for system changes through Genero / Rentsense to prevent arrears action in COVID-19 cases (Option 1.1).
- Support the decision to stop evictions for rent arrears to six months (i.e. 12x rent periods) to 4th September 2020 (Option 1.2) with a review of position at the end of that time.
- Add £1m from HRA balances in the 2020/21 budget to extend the UC discretionary housing payment fund in 2020-21 to assist tenants affected by financial difficulties due to the COVID-19 crisis, with detailed criteria to be developed through the Rents Group (Option 1.3).

Resource Implications

The report covers the known resource implications for the HRA, however, the full impact of the Covid-19 crisis on rent arrears and bad debt has still to be quantified.

Legal & Risk Implications

The proposals will delay any legal action for rent arrears for at least six months. This will result in a significant risk of increasing rent and bad debt, the financial implications of which will require to be assessed through the update of the HRA Business Plan update in 2020.

Impact Assessment

An EqlA summary form has been completed – the summary form is attached to the report.

Consultation

The proposals have been developed in consultation between Housing, Finance, Customer Online and Revenues Services.

1.0 Background

- 1.1 Of around 30,000 Council tenant households 60% are on Universal Credit or Housing Benefit. A very broad estimate of those with potential to be affected in some way by COVID-19 on their employment and ability to pay rent is 13,170 Council households. This figure represents households with working tenants, or self-employed not in receipt of benefits. Not all these households will require support through the Covid-19 crisis, this represents a worst-case scenario for Housing and Revenues Services.
- 1.2 An instruction has already been given to stop any planned evictions for people in rent arrears until June 2020 with a review to be taken at that point. That decision was taken before instructions by the Scottish Government on preventing evictions for 6 months.
- 1.3 A range of options for rent and evictions have been investigated and set aside for technical and legal issues. At the request of the Community & Housing Services Convener, Service Leads have considered the following support options for tenants who may be in financial difficulties. There are:
 - Advancement of rent-free periods – the HRA offers two rent free periods in each financial year; at Fair Fortnight in July and just prior to Christmas. The Council's rent and benefits systems cannot technically advance the 4 weeks free rent to April. It is not possible given the scale of the task to do this as a manual workaround.
 - Rent holiday or deferral of rent – to comply with the legal position for the assessment and payment of Housing Benefit, any rent deferral or holiday would need to apply to all tenants, not just those who may be in financial difficulty. The cost to the HRA would be significant, between £4m-9.8m depending on the length of the rent deferral of 4-8 weeks. It is unlikely that the Scottish Government would subsidise this move through Housing Support Grant, and the result to tenants in Fife would be a significant reduction in service and investment in council houses.
- 1.4 The Head of Housing has engaged in discussions with the Association of Local Authority Chief Housing Officers, which were informed from input from CoSLA officers. No other Local Authority is currently considering rent deferrals for the above reasons. Equally, feedback from the Scottish Federations of Housing Associations confirms that so far, no RSL is considering this option.
- 1.5 This paper presents the remaining workable options to support tenants.

2.0 Options and Risk

- 2.1 The options for supporting working households are shown as follows along with the potential risks to the housing business:
 - Housing systems – stop the 'browse' in Genero and add a manual code of 'COVID-19' to selected cases, effectively turning off the Rentsense debt system for those tenants. This will prevent arrears letters from being progressed and the debt process from being advanced. Housing Management Officers/Revenue Officers will engage with the tenants to provide support, direct them to make a Universal Credit claim, etc. Once their Universal Credit/job/pay has been resolved the 'COVID-19' status can be removed, and the debt process sensitively restarted. This action is of medium risk to the housing

business, depending on the scale of arrears and potential impact on bad debt if some debt becomes irrecoverable.

- Evictions - extend the decision to stop evictions for rent arrears to 6 months (i.e. 12x rent periods) to 4th September 2020, with a review period after this time. This action is of medium risk to the housing business, depending on the scale of arrears accruing for six months while the no eviction policy remains in place.
- Discretionary housing payments - extend the UC discretionary housing payment fund to support those affected by COVID-19. In 2020-21, £1m has already been set aside for UC cases and a further £1m could be taken out of HRA balances. This action is of low risk to the housing business as the funds are already within balances. The added cost to HRA will be £1m but will directly support those who are affected by COVID-19 as systems and processes are in place to identify vulnerable tenants through Housing Management Officers/Revenue Officers.

3.0 Conclusions

- 3.1 A range of options were considered to support working tenants through the Covid-19 crisis, some being discounted for legal and technical reasons. This report presents the remaining workable options for immediate implementation to help tenants during this difficult time.

List of Appendices

- Appendix 1: Equality Impact Assessment Summary Report

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Appendix 1: Equality Impact Assessment Summary Report

Which Committee report does this IA relate to (specify meeting date)?

Policy and Coordination Committee (date tbc)

What are the main impacts on equality?

Impacts will be positive supporting tenants through the Covid-19 emergency

What are the main recommendations to enhance or mitigate the impacts identified?

Not applicable.

If there are no equality impacts on any of the protected characteristics, please explain.

There will be no direct impacts on equality groups. Although some may benefit from the support, it will be applied irrespective of equality considerations.

Further information is available from: Name / position / contact details:

John Mills, Head of Housing Services