

EX17. RENT ARREARS DUE TO SIZE CRITERIA BENEFIT

The Executive considered a report by the Director of Corporate and Neighbourhood Services and the Chief Finance Officer summarising the impact of the 'Bedroom Tax' (size criteria) on the Housing Revenue Account (HRA) since its introduction on 1 April 2013 and setting out proposals to manage consequential rent arrears.

Details were given of the likely housing benefit reduction on tenants. The key measurements of the impact were the decrease in housing benefit in the Falkirk area, the net increase in arrears and the gross increase in arrears as a consequence of the introduction of the bedroom tax. The projected increase in net and gross arrears was calculated to be £477k and £661k per annum. Allowing for the utilisation of discretionary housing payments (DHP) would reduce the impact to £330k and £517k – based on the current collection rate. Additional preventive measures in respect of recovery actions were detailed together with a proposal to increase the DHP fund to £205,047.

The Executive agreed:-

- (1) that for the financial year 2013/14 where tenants accrue rent arrears which are solely attributable to 'size criteria' and the council is satisfied that the tenants are doing all that can be reasonably expected in order to avoid falling into arrears, it will use all legitimate means to collect rent due, except eviction;**
- (2) that the current rent recovery procedure will apply where recovery of possession has commenced or the arrears are not due to size criteria;**
- (3) subject to (4) below, that only tenants with a clear rent account at 1 April 2013 should be considered for the no eviction procedure;**
- (4) that for those tenants with arrears at 1 April 2012, who are making a reasonable and sustainable repayment plan, but have been impacted by the size criteria and therefore cannot afford to pay the extra charge in addition to the existing arrangement, the original repayment plan could remain in place for 2013/14; and**
- (5) to increase the Discretionary Housing Payments budget to £205,047 being the maximum allowed.**