

# Local authority housing rent income

Rent collection and arrears management by local  
authorities in England and Wales

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**At 31 March 2002, local authorities in England and Wales were owed £647 million in rent by current and former tenants, an average of over £2 million for each authority. Overall levels of debt are on the increase. Between 1997 and 2002...**

- current tenant arrears increased by 20 per cent, from £335 million to £403 million
- former tenant arrears increased by 42 per cent, from £172 million to £244 million
- average debts increased by 41 per cent, from £246 to £348

**More council tenants than ever are on low incomes, are dependent on benefits and are vulnerable...**

- two-thirds receive housing benefit (HB)
- delays in settling HB claims was estimated to account for 10 per cent of arrears in 2000/01

**Although the performance of rent arrears services has been judged to be weak by housing inspectors in relation to other housing services, 82 per cent of the services inspected had promising or excellent prospects for improvement. To realise this potential, authorities need a strategic response to the problem...**

- a clear, corporate approach to managing rent arrears and other debts, backed by councillors and senior managers, with clear links to other corporate priorities such as the homelessness strategies
- effective management arrangements, with clear and challenging targets; enhancing staff performance; and developing efficient and effective information systems
- a tenant focus, including flexible payment options and providing information, advice and support to help tenants maximise their incomes and manage their finances

**...coupled with action at the operational level...**

- placing an emphasis on prevention – providing pre-tenancy information and advice to prospective tenants and making early contact with new tenants to reinforce responsibilities and identify support needs
- improving working relations between housing and housing benefit services
- implementing effective recovery procedures that involve early personal contact with tenants in arrears. Councils should offer tenants independent debt advice before they take legal action to recover debts
- pursuing former tenant arrears more actively and ensuring that rigorous procedures are in place to identify the previous rent debts of housing applicants

**How effectively councils prevent and recover housing debts has a major impact on service provision to tenants and on the sustainability of tenancies. It is, therefore, encouraging that some authorities are progressing their services and taking positive steps to tackle escalating arrears. All authorities should be working towards this goal.**