

North East Local Housing Forum



Charlotte Acutt, Income Operations Manager

07 September 2021



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Step by Step

Joining a single view of debt

Current Tenant Rent Arrears Pilot

North East Area Housing Forum
7th September 2021

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Background

- Pilots commenced 2018 – Five income streams added to Step by Step or Single View of Debt System
 - Council Tax debts at enforcement stage
 - Business Rates debts at enforcement stage
 - Former Tenant Arrears
 - Housing Benefit Overpayments
 - Sundry Debts
- Initial data matching showed 33% of customers with **current rent arrears** also owed another debt to the Council
- More complex due to ever changing nature of the debt so decision made to split arrears away from ongoing rent



Background – Covid Impacts

- Pilots including current tenant rent arrears were due to commence from spring last year but were postponed due to the pandemic
- Rent arrears and other debts to the Council have grown enormously during pandemic
- From this autumn planned pilots will commence
- An important part of the Council’s strategy for managing debts post-pandemic and will support new statutory “Breathing Space” for debtors

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Background - Examples

Customer	Current Tenant Arrears	Council Tax	Housing Benefit Overpayment	Former Tenant Arrears	Total
A	£1,767	£3,919	£4,133		£9,819
B	£4,466	£3,428	£1,179	£899	£9,972
C	£3,115	£6,246		£220	£9,581
D	£1,346	£954	£596	£329	£3,225

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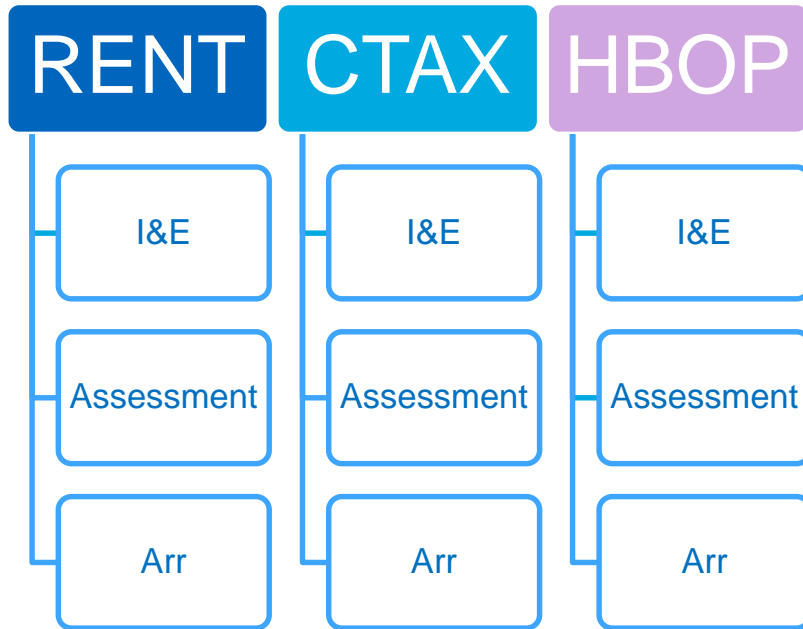
Benefits of approach

- When a new debt is loaded it will automatically link to other debts for the same customer (matched by surname, forename and postcode)
- Enables customers with multiple debts to the Council agree a single joint arrangement and make **one payment**
- The debtor's Income and Expenditure is only assessed **once**
- System allows automation of initial engagement, to free up staff for support
- More immediate response to Breathing Space notifications

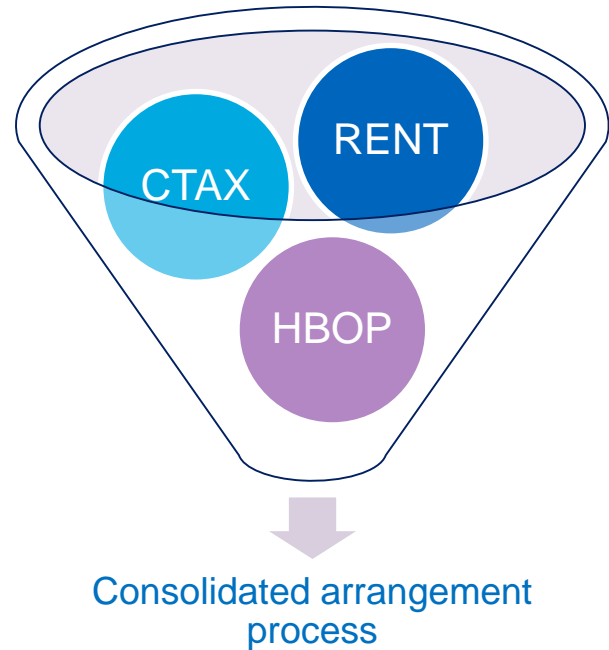


Benefits of approach

Before



After



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Criteria

- ✓ Current tenant with arrears between £1,000 - £5,000
 - ✓ No current arrangement in place
 - ✓ If claiming Universal Credit No Alternative Payment Plan (APA) in place
 - ✓ Not been issued with a Notice of Seeking Possession
 - ✓ No court orders or money judgements in place
-
- Approx. 500 customers currently eligible
 - Participation in Step by Step is voluntary
 - Those who refuse to engage with the Council about their debts will face enforcement action

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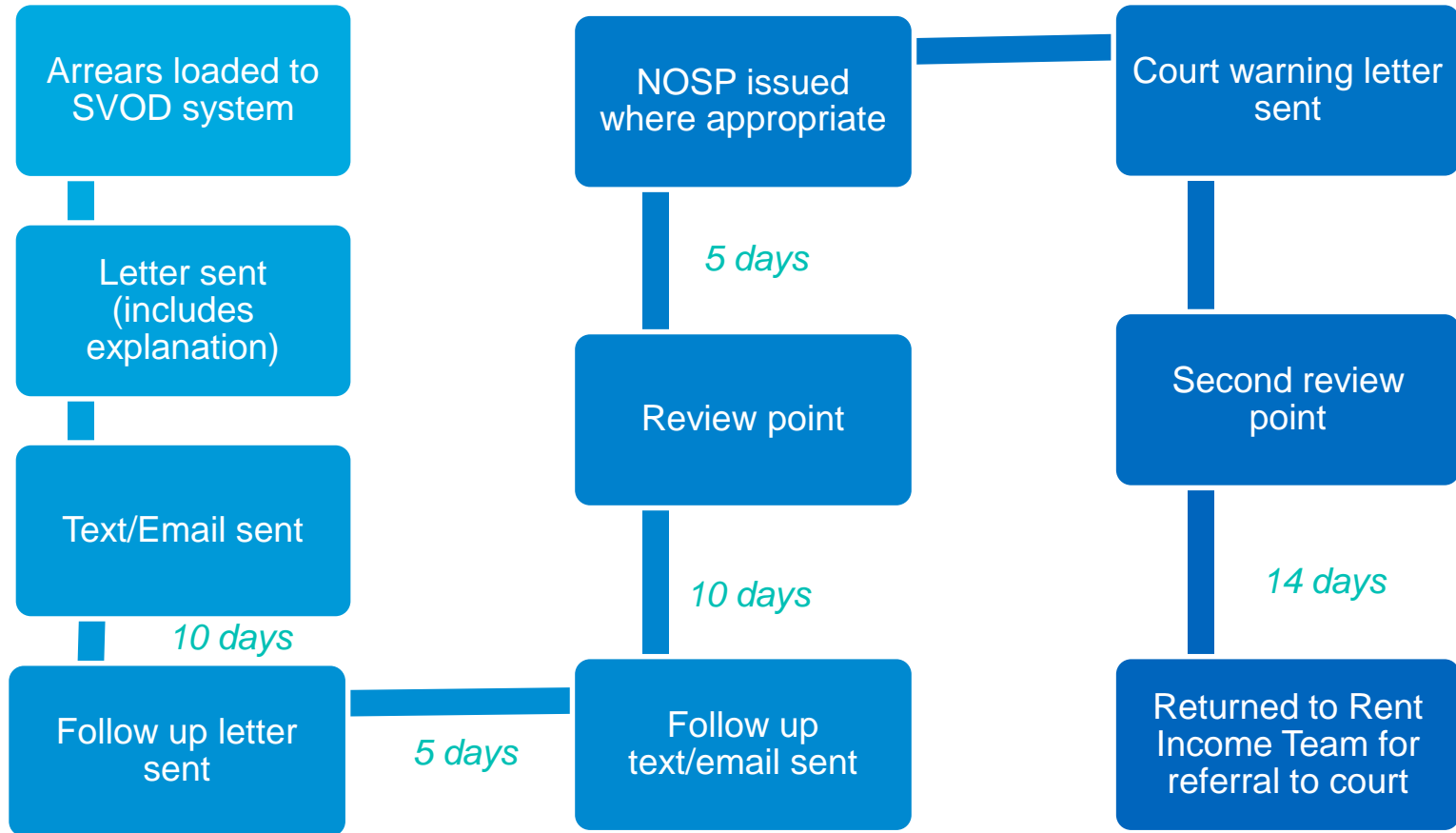
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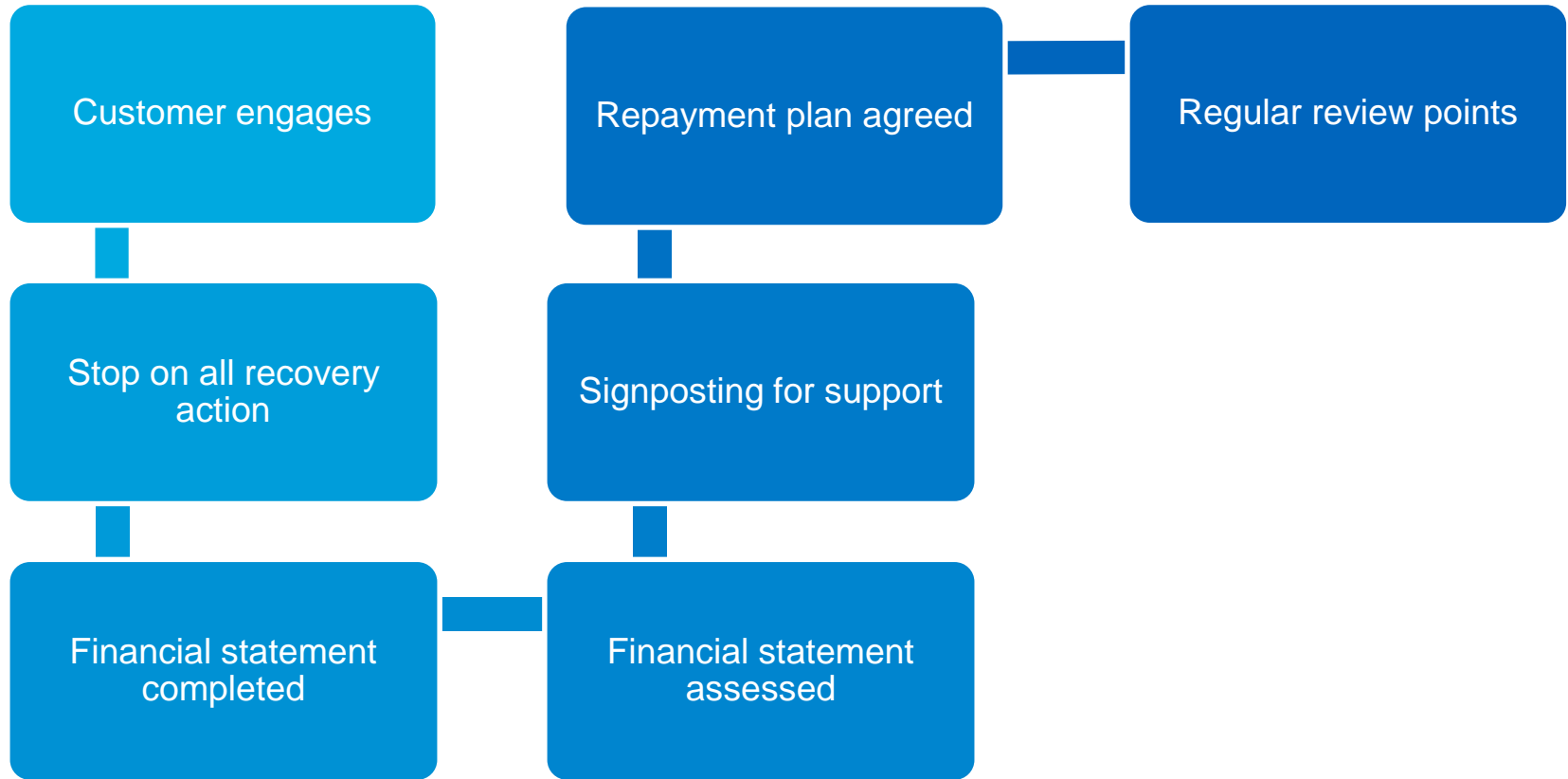
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Process (no engagement)



Process (*engagement*)



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Future developments

- Guys and St Thomas Financial Shield
- Behavioural Insights – rebranding all communications
- Additional income streams added
- Open banking
- Increased automation

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Contacting us

- Contact details and payment information will be on all letters, texts and emails

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