

**WRITTEN QUESTIONS TO THE MINISTER FOR HOUSING
BY DEPUTY G.P. SOUTHERN OF ST. HELIER**

ANSWERS TO BE TABLED ON TUESDAY 23rd OCTOBER 2007

Question

1. Following an oral question without notice on 9th October 2007, has the Minister made himself aware of the content of the “zero tolerance” letters on rent arrears sent out by the Housing Department and, in particular, does the Minister accept that the terms of the letter, containing words to the effect that failure to bring the rental account to a nil balance within one week “*will result in action which will include the withdrawal of services such as (...)disconnection of TV aerial and/or heating and hot water services where these are elements in your rent*” are likely to cause unnecessary anxiety to those who receive these letters?

Answer

I am aware of the letters and have previously endorsed the zero tolerance approach in the Department’s Policy in respect of this matter.. This policy has been in place since January 2007. The policy is based upon a principle of early intervention and is in accord with best practice in the UK by Social Rented Landlords.

In its 2003 investigation into the Management of Rent Arrears by UK Housing Associations, entitled ‘Housing Association Rent Income, Rent Collection and Arrears Management by Housing Associations in England’, the Audit Commission opined that:-

‘Good practice guidance in managing rent arrears is widely available and most Associations recognise the benefits of prevention, of early intervention and of firm but fair policies for further action. However, application of good practice is very patchy, with management resources focused on high-value arrears cases at the expense of prevention.’

This professional advice has been heeded. The Housing Department focuses as much of its resources as possible on early intervention and prevention, thus keeping those on low incomes from getting into unmanageable levels of debt in the first place. In the past 10 months this approach has reduced the outstanding arrears figure by over £300,000. this is a real success story. Let us not forget that this recovered money can be spent where it is most needed, maintaining homes.

Whilst firm action is advocated; that action must be fair. It is important to state that the letter which Deputy Southern has circulated, is the second letter, in a series of letters sent to advise Tenants who fall into arrears that the matter requires their immediate attention. Tenants who address their arrears have nothing to be concerned about. However if such correspondence is ignored, then the letter to which Deputy Southern refers will be sent.. Given that the first letter has been ignored it is necessary to emphasise as strongly as possible the importance of addressing rent arrears and therefore the consequences of failing to contact the Department and make some arrangement to pay rent regularly and repay any debt. Any form of action is always carefully considered and is always the last resort. Indeed it is important to protect the position of the vast majority of States Tenants who pay their rent and understand their responsibilities under their Tenancy Agreement.

Question 2.

Would the Minister state what consultation, if any, has taken place over the content of this letter with representatives of the elderly and vulnerable prior to sending the letters?

Answer

Although these letters are generated electronically, each letter is examined by the Officer responsible for the individual account to confirm that it is appropriate that the letter be sent. Only those who continue to fail to address their arrears after receipt of the first letter will receive the letter in question. Where the Department is aware of personal circumstances which might affect an individual's ability to pay, such as, hospitalisation, second letters will simply not be sent. In all cases where the Tenant is identified as 'vulnerable', consultation will be undertaken with the Housing Department's Assisted Living Team who in turn has access to local support agencies through the Supported Housing Group.

Question 3

What measures, if any, does the Housing Department have in place to contact social services to protect the vulnerable in the case of actual disconnection?

Answer

The Department coordinates the Supported Housing Group which seeks to house vulnerable people who are then assisted to live independently with the support of agencies such as Probation or Health and Social Services. In some cases tenants do provide authority for the full disclosure of personal information to their referring agencies and in such cases rent arrears can be addressed through that medium. However, the constraints of the Data Protection Law apply equally to the Housing Department as they do to any other organisation and therefore the Housing Department is simply not at liberty to divulge financial information about clients to third parties without such authorisation. If actual disconnection ever became necessary, (and to-date it has not), all appropriate measures would be put in place to secure the health, safety and welfare of any vulnerable person. Were there ever any suggestion that disconnection might be prejudicial to health it quite simply would not happen.

Question 4.

Would the Minister inform members –

- (a) when the Department started to send these letters;
- (b) how many such letters have been sent in total, and
- (c) how many have been sent to the elderly and vulnerable?

Answer

- (a) when the department started to send these letters;

Letters as a means of alerting tenants that their rent account is in arrears have been used for many, many years. The present letters have been in use since January 2007.

- (b) how many such letters have been sent in total, and

Only those tenants who fail to respond or otherwise act upon the initial letter will receive the second letter setting out the consequences of continuing to ignore the issue. Approximately 10 to 15 such letters are sent each week. No more than 600 of these letters have been sent in total.

- (c) how many have been sent to the elderly and vulnerable?

These letters are not sent to clients of the supported housing group and who are therefore considered vulnerable..

Question 5

Will the Minister inform members whether any such letters have been sent to tenants with rent arrears of under two months, and of under £350 in total and, if so, does he consider this action is appropriate?

Answer

An initial letter is generated after the first missed rent payment. i.e. after a week for weekly payers and after a month for those paying monthly. The particular letter in question is the second letter and is sent out a week later if no communication has been received or payments made.

Letters of this type have certainly been sent out to tenants with arrears of less than £350.00, although Members must consider that for a tenant on a very basic income paying minimum rent, £350.00 could equate to as much as 15 weeks rent. As I have already said early intervention is vital to prevent Tenants accruing levels of arrears which they would simply find unmanageable to address.

Question 6

Will the Minister agree to stop this practice forthwith, and apologise to those tenants in receipt of this letter for any distress which may have been caused, and will he further assure members that no States tenants will have heating cut off during the coming winter months?

Answer

No. Any tenant who pays their rent as set out in their lease has nothing to concern themselves about.. Further, I and my Department fully accept that tenants do, for a multitude of reasons, sometimes experience financial difficulties which might result in rent not being paid. The initial letter firmly points out that failing to pay rent is unacceptable and requires that the tenant rectify the matter immediately. That letter provides contact details for the Department so that the tenant can discuss the matter and if there are genuine difficulties, officers will assist with advice and where appropriate, establish repayment schedules to see debts cleared as quickly and as affordably for the tenant as possible. The Housing Department treats tenants in such situations compassionately but on the understanding that rent arrears cannot be ignored but addressed. The introduction of the zero tolerance approach has reduced the arrears figure by more than £300,000 since January 2007. Central to this has been the early intervention measures which have prevented many tenants from getting into unmanageable debt. Further evidence of the success of this approach is that no Tenant has actually had their heating or hot water cut off. Such measures have not had to be employed.

Question 7

Would the Minister agree to take steps to ensure that letters relating to rent arrears are amended so that they meet criteria similar to those set out in the Code of Practice on Payment of Bills and Guidance for Dealing with Customers in Difficulty, applied to utility suppliers in the UK, especially with respect to elderly and vulnerable tenants (in particular paragraphs 2 and 4 of Condition 35)?

Answer

No. The Codes of Practice referred to are those which govern the activities of utility providers, specifically gas suppliers in the United Kingdom. The Housing Department is not a utility provider. For 40% of its tenants it does pay for energy (Electricity, Oil or Gas) to generate heating and hot water which is then made available to tenants. Discounts generated from bulk buying in this way are passed on to the tenants in their entirety. Those tenants benefiting from this service are charged a fee alongside their rent. Therefore, when a tenant ceases paying rent or declines to enter into a repayment plan for their arrears they are refusing to pay for the discounted receipt of heating and hot water. Services they would normally have to pay for direct to an energy supplier. Any disconnection of heating and hot water by the Department would not interrupt or otherwise affect the supply of normal mains electricity, water and gas to the property.

The infirm and the elderly have nothing to concern themselves with regarding this Policy. They will be looked after. As Housing Minister I take great pride in doing just that. No, it is those that simply do not care about their rent and see the States as a soft option. Those days are over. The Public of this Island would expect nothing less.