

Homes PDG – 28 January 2025 - Public Questions and Answers

Name of person submitting	Questions
Paul Elstone	<p><u>Question 1</u></p> <p>Section 7 (Income Collection) minimises the major historical rent error affecting all tenancies and suggests this was not a factor in the four evictions this year.</p> <p>But Annex C (Rent Recovery) shows that seventy tenancies have been served with Notices Seeking Possession in Q1 and Q2.</p> <p>Notices served quote “in order to protect the Council’s interests whereby we can apply for possession of a property following 28 days after the notice is served if the tenant fails to make an arrangement or clear arrears in full”.</p> <p>How many of these 70 tenants have been overcharged on their rental amounts?</p> <p>Response from the Homes PDG Chair:</p> <p>A notice served doesn’t mean eviction subsequently occurs. The 70 notices for Q1 and Q2 in Annex C also relate to notices served on all legal grounds to seek possession of which rents arrears is just one.</p> <p><u>Question 2</u></p> <p>How long had these same tenants occupied their properties before they were served with Notices?</p> <p>Response from the Homes PDG Chair:</p> <p>Date of occupation is not relevant to a notice and the information is not readily held.</p>

Question 3

How many evictions of social home tenants have there been in MDDC over the last 10 years and due to rent arrears?

Response from the Homes PDG Chair:

70. This includes evictions where rent arrears were the only grounds sought for possession of the property and evictions where there were more than one grounds for possession which included rent arrears.

Question 4

How many of these evictions involved tenants who were being overcharged rent by this Council?

Response from the Homes PDG Chair:

This is an evolving project due to a number of complex and interrelated variables due to the amount of data and the multi-agency approach being taken. It's also important that our tenants are kept at the heart of this work and as such communications need to be consistent and relevant to the time line of the recovery programme.

Due to the time consuming nature of this work in regards to Housing Rents it has been envisaged that further updates including management information would be provided to both our tenants and at relevant Council meetings when the data is better understood. At this time not all of the data is available to include the split between benefits and cash payers or confirm other variables that could impact the individual and aggregated refund position.

The most challenging position, is that we are currently still waiting for clarity from the Dept. of Work & Pensions (DWP) to provide advice on how all associated benefits will be treated. Until this key position is provided some tenant refunds will be delayed. This position is clearly outside of our control, but officers are regularly chasing updates from the DWP.

Our FAQs and webpage will be kept up to date with progress.

Question 5

Section 7.6 says that the rental overcharges were quote “relatively low”. Precisely what does “relatively low” really mean?

Please provide the highest monthly overcharge amount identified and in pounds and pence for any social housing tenant, and not just those given Notice or Evicted?

Response from the Homes PDG Chair:

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Question 6

Annex C (Rent Recovery) states that the year to date rent arrears is 2.29%. What does 2.29% equate to in financial terms?

Response from the Homes PDG Chair:

As per Annex C, 2.29% at the end of Q2 represents a collection rate of 97.71%. Q2 covers the first half of the year (26 weeks), therefore in comparison to a full rent collection of 50% of the annual total, then arrears of 2.26% equates to £166k.

Question 7

One important figure I believe missing from the documents provided to this Committee is the amount of lost rental revenue due to voids.

Information that may support better investment in the resources required to speed up reducing voids overall. Money better spent than building expensive modular homes. Other Councils openly report this information along with much more.

What is the financial value of the void lost rental year to date?

Response from the Homes PDG Chair:

The report and verified data covers the period Q1-Q2 of the current year. Based on a 96.95% occupancy rate in the Council stock during this period then voids accounted for 3.05% of properties. This equates to 90 properties over this period with an average weekly rent of £89.72 (2-bed average void size). Therefore, for the first 26 weeks of the year this equates to £209k.

£209k is the gross rental loss value. It is not the net financial cost, due to the cost/time efficiency of undertaking major works when properties are void (empty). Furthermore, a number of major works can only be carried out when properties are not occupied by a tenant for safety and welfare reasons. Consequently, every major works void and other types of works carried out a void property potentially saves the Council from having to decant tenants. Aside from avoiding significant upheaval and disruption to the tenant that this would involve, it also means the Council does not have to pay the statutory prescribed home loss payment per property, which for

24/25 is set through legislation at £8.1k. Consequently, if 25 such payments are avoided out of the 90 void properties then this would covers the full rent loss in full for the same period.

Question 8

What is the lost rental revenue due to voids for the last 5 years?

Response from the Homes PDG Chair:

Exact data is not available. Based on a conservative estimate of £400k gross rental loss to voids each year (see Q7), bearing in mind rents were lower in previous years, then this equals approximately £2m gross loss over a 5-year period. As set out under Q7, this will have been significantly offset by works efficiencies and home loss payments avoided as a result of the properties being empty.

Question 9

Given that the 39 properties at St Georges Court were purchased nearly 12 months ago using Housing Revenue Accounts (HRA) funds and they have not generated any revenue only absorbed undisclosed cost, are they included on the voids list and if not why not ?

Response from the Homes PDG Chair:

As with all HRA development sites, as soon as individual properties are complete and ready/safe for occupation then they are passed across to the Allocations team. At this point they are included in the reported voids data and metrics. Until a property is ready and available for occupation it is not void. As such the first group of homes ready for allocation at St Georges Court were added to the voids list and will show in the Q4 voids data to be reported in due course.

The following questions relate to the meeting agenda:

Question 10

Given its major importance, and HRA impact, and with many questions being asked - why was the historical Social Rent error not been given a separate Agenda item and Report?

Response from the Homes PDG Chair:

See response to Q11 provided by the PDG Chair at the meeting.

Question 11

Will the historical Social Rent error form part of the next Homes PDG agenda?

Response from the Homes PDG Chair:

The Chair stated that she was able to answer the last question in that a report updating the Group on the Social Housing Rents error would be coming to their next meeting on 18 March 2025. For all the other questions he had asked and which had not been submitted in advance, he would receive a written reply within 10 working days.