



Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

Report to Housing SPC

Date: Wednesday 9th June 2021

Item No. 3i

Dublin City Council
Meeting of Public Housing Sub-Committee of the Housing SPC
Held on 26th May 2021 via Zoom

Review of Rent Arrears Recommendations

In attendance: Councillor Alison Gilliland (Chairperson), Councillor Cieran Perry, Councillor Donna Cooney, Councillor Mary Gallagher, Councillor Pat Dunne, Mike Allen, Clare McManus, Karen Murphy

Also in attendance: Tara Robertson, Administrative Officer, Housing Rents

Apologies: Councillor Catherine Stocker, Councillor James Geoghegan, Councillor Seamus McGrattan, Councillor Tina McVeigh, Liam Kelly, Áine Wellard

Progress on recommendation of subgroup of Housing SPC – Rent Collection and Arrears:

- *Seek the commencement of Section 53 of this Act to allow deduction at source from social welfare and to establish a deduction at source facility from employers. With 66% of principal earners on social welfare, and a similar profile among subsidiary earners deduction at source would be the most effective tool in maximising rent collection and preventing arrears. Likewise, seek a deduction at source facility to support those tenants in employment in paying their rent charge, as is the case with the Local Property Tax. Such a facility would act as a preventative approach to rent arrears. If the Minister refuses to commence this section of the Act DCC should explore establishing a voluntary opt-in deduction at source system.*
Action reported: *Dublin City Council is participating in a working group with the LGMA which is looking at pursuing the voluntary deduction at source of rent from Social Welfare payments.*
- *That an opt-in deduction at source system be developed and offered to tenants in PAYE employment. This system would be targetted in the first instant at tenants in arrears who earn more than €600 p/w.*
Action: *Deduction at source of rent from multiple employers would not be feasible given the level of resources it would require from both the employer and Dublin City Council. We will investigate the possibility of deduction at source from Government employments.*
Recommended Action: *Explore possibility of deduction from PAYE earnings via Revenue*
- *Establish a more effective system of ascertaining changes in tenants' income levels.*

Action reported: We are no longer relying on tenants volunteering income details for us to assess rent accounts as the new system LAVA provides access to all income of an individual. Documentation will still be requested to ensure an accurate assessment as the information provided through LAVA is gross, and is currently being netted off via a basic spreadsheet. The circa 25k accounts are reviewed routinely on a two year cycle, the introduction of LAVA will mean that even in the absence of tenants sending in their income details, exposure to arrears is limited to 2 years. The aim is to reduce the review cycle to 1 year however this is resource dependent.

Recommended Action: To investigate if LAVA can be integrated with DCC rents system.

- Develop a simple training module for current tenants on their rent system and managing their finances and make the module obligatory for all new tenants

Action Reported: E-learning and brochure being developed

Recommended Action: Proposal to develop videos (possibly in conjunction with MABS) explaining the Rent Scheme and basic budgeting.

- Develop a communications plan for publicising the importance of paying rent/returning Household Details/payment methods for rent/availability of financial advice through MABS

Action Reported: Video option, along with ongoing social media posts and the tenants handbook will reinforce the importance of engaging with the rent scheme.

- Consider an alternative treatment of rent arrears that arise due to undeclared increased income that provides the option to raise the amount owed as a charge/projected debit to be paid over the course of no more than two years (treat amount of liability as rental income due rather than arrears.)

Action Reported: Arrears are added to the account at the point of assessment and effectively become a charge on the account. Depending on the extent of the arrears accrued, requiring repayment over two years may be extremely punitive to the tenant.

- Inform tenants of alternative banking options other than large financial institutions in order to facilitate greater uptake of direct debit facility.

Action Reported: All payment methods will be explored and we facilitate as many payment options as possible and communicate these to our tenants.

Further action: To check with MABS about the availability of basic bank accounts for low earners.

- Require all new tenants to pay rent charge by direct debit or household budget scheme

Action Reported: Implemented

- Promote greater awareness of financial advice service of MABS to support households that may be experiencing financial management difficulties

Action Reported: All tenants in arrears are advised of the availability of financial advice from MABS. Contact details are included in all arrears correspondence and EHOs inform tenants also. DCC will explore the possibility of working more closely with MABS.

- *Provide information regarding debt relief notices for tenants in arrears. This is a once off facility for tenants on low income, with few assets and debts of less than €35k to have debts written off in full provided they adhere to certain conditions.*
Action Reported: *Debt Relief Information booklets are provided to tenants in arrears where they indicate inability to pay. The bar to qualify for Debt Relief is high, tenants must prove that they have only €60 per month left after reasonable expenses are deducted from income. As this can be a protracted process, DCC will explore working more closely with MABS to make a local determination on the recoverability of rent specific debt.*
- *Apply the provision in the Scheme of Letting Priorities (section 2.7.2) which states that tenants must have a clear rent account in order to seek a transfer. Applications for transfers from tenants will not qualify if there are arrears on the account. The tenant may make a new application when the rent arrears are repaid. Where an application for a transfer has already been accepted and arrears accrue, the application will be suspended (and no time on the list will accrue) until such time as the arrears are cleared. Managerial discretion in this regard is exercised in exceptional circumstances*
Action Reported: *Implemented*
- *Develop an early warning text alert system to advise of a debt arising after 1 or 2 missed payments. (This facility will be available under the new IT Housing (Ohms) Update).*
Action Reported: *New Northgate system will facilitate text alerts.*
- *Develop of an application for mobile phones to facilitate easier payment of rent and checking of rent accounts and to facilitate communicating changes in income levels to DCC*
Action Reported: *A mobile friendly webpage is due to go live. Possibility of a payment application is being investigated.*
- *Develop a protocol for liason between the local estate manager and the local executive housing officers to support tenants in arrears.*
Action Reported: *Housing Rents and the Area Housing Managers are in close contact on arrears cases.*
- *Develop a protocol for liason between the welfare section and the rent section to support vulnerable tenants in arrears*
Action Reported: *A protocol exists between Housing Welfare and Housing Rents whereby the Rent Section formally notifies Welfare of vulnerable tenants. Social Workers make every effort to engage with those tenants and link when in with support services where necessary. If Welfare consider that a tenant may benefit from a the application of the Hardship clause, a recommendation is made to Rents for consideration. Hardship can comprise of either a reduced weekly rent for a period or a reduction in the arrears balance.*
- *Take Court proceedings to seek Possession Orders for serious arrears cases where DCC is satisfied that there are no circumstances outside the control of the household which prevent the repayment of arrears.*
Action Reported: *Proceedings will recommence June and Possession orders will be sought for those tenancies with ability to pay who are not engaged in a repayment plan.*

Other initiatives being considered:

- Engagement of audit services to carry out a comprehensive review on debt and report on same.
- Establish a Tenant's Forum to engage and consult with tenants on barriers to payment of rent and accrual of arrears.