

Improving the effectiveness of rent arrears management for people with mental health problems



How the National Social Inclusion Programme will develop good practice

The National Social Inclusion Programme (NSIP) has responsibility for coordinating the implementation of the Social Exclusion and Mental Health reports action points. The action points relating to housing and homelessness include the reference to vulnerable people in the ODPM guidance on Improving the Effectiveness of Rent Arrears Management and the guidance on Choice Based Letting and upcoming Code of Guidance for Local Authorities both also issued by ODPM (now DCLG). Other actions include improved mental health awareness training for housing professionals and the production of good practice guidance to overcome the barriers for homeless people accessing mental health services.

NSIP are supported in the implementation of these action points by a Reference Group which comprises a range of voluntary and statutory organisations and government officials across housing and health departments. Further information on membership can be found at the www.socialinclusion.org.uk website. NSIP also works with other Housing Leads across the Care Services Improvement Partnership (www.csip.org.uk) to ensure joined up working

NSIP are currently working with York Housing Association to understand the effectiveness of the ODPM (now DCLG) guidance on Improving the Effectiveness of Rent Arrears Management and this mental health specific briefing document.

Where to go for more information

Housing

- Audit Commission: www.audit-commission.gov.uk
- Chartered Institute for Housing: www.cih.org.uk
- National Housing Federation: www.housing.org.uk
- Housing Corporation: www.housingcorp.org.uk

Government Departments

- Department for Communities and Local Government (formerly the Office of the Deputy Prime Minister): www.communities.gov.uk
- Department for Work and Pensions: www.dwp.gov.uk
- Social Exclusion Unit: www.socialexclusion.gov.uk
- Department of Health: www.dh.gov.uk

Mental Health

- NIMHE: www.nimhe.csip.org.uk
- National Social Inclusion Programme: www.socialinclusion.org.uk
- Sainsbury Centre for Mental Health: www.scmh.org.uk
- Mind: www.mind.org.uk

Advice

- Citizens Advice: www.citizensadvice.org.uk
- Shelter advice line: www.shelter.org.uk / tel: 0808 800 4444
- Local Authority housing advice: [www.*****.\(insert your town name\).gov.uk](http://www.*****.(insert your town name).gov.uk)
- National Debt Line: www.nationdebtline.co.uk

Briefing – June 2006

Improving the effectiveness of rent arrears management for people with mental health problems

What is the purpose of this briefing?

- To highlight the key points within the recent guidance¹ issued by the Office of the Deputy Prime Minister, ODPM (now the Department for Communities and Local Government, DCLG) regarding the management of rent arrears by social housing providers;
- To explain why this issue is of particular importance for people with mental health problems;
- To make recommendations for joint action by mental health and housing agencies and set out good practice principles.

Why is the management of rent arrears an important issue for people with mental health problems, their carers and mental health services?

Stable, appropriate housing is critical for people to work and take part in community life. A lack of stability or unsuitable housing can lead to worsening mental health. People with mental health problems are particularly likely to have unstable housing. The Social Exclusion Unit (SEU)² found that, compared with the general population, people with mental health problems are:

- One and a half times more likely to live in rented accommodation, with higher uncertainty about how long they can remain in their current home;
- Twice as likely to be dissatisfied with the housing choices available to them; and

- Four times more likely to say that their health has been made worse by their housing circumstances.

The SEU also found that more than half of all people with mental health problems live alone, and that the incidence of mental health problems among people who are homeless or in temporary accommodation is higher than the general population, and particularly high amongst certain groups, for example a study³ found that they were as high as 30-50% among rough sleepers. There is also growing concern that lack of appropriate housing is a major cause of delayed discharge from mental health in-patient care.

¹ ODPM, Improving the Effectiveness Of Rent Arrears Management, Good Practice Guidance (ODPM, 2005).

² Social Exclusion Unit, Social Exclusion and Mental Health, (ODPM, 2004).

³ ODPM, Addressing the health needs of rough sleepers (ODPM, 2002).

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Research commissioned by the ODPM (now DCLG) found that possession actions by social landlords more than doubled in the decade to 2003. By 2002/03 these were resulting in the eviction of around 26,000 tenants annually. The vast majority of such re-possession actions are triggered by rent arrears.

Vulnerable tenants including people with mental health problems are thought particularly liable to accumulate arrears. Many may find it difficult to keep on top of their rent account and housing

benefit claim, and can be unaware of the help or advice available. The SEU found that one in four tenants with mental health problems has serious rent arrears and risks losing their home. Once evicted, former tenants often find they are no longer eligible to access social housing. This can have a devastating impact upon the person and their carers, and mental health services often have to increase support during a stressful and difficult situation. Mental health services therefore have a strong interest in working with housing agencies to prevent such crises occurring.

Why should housing services pay special attention to the management of rent arrears for people with mental health problems?

Every one in four people in the UK can expect to experience mental health problems at some time during their life. Currently, one in six adults will be suffering from a common mental health problem such as anxiety or depression. The World Health Organisation has predicted that within ten years depression alone will be the single largest cause of disability in the developed world. The incidence of severe mental health problems such as schizophrenia or bipolar disorder is much lower (estimated at 0.5% of the adult population).

As indicated above, the SEU found that a particularly high proportion of people with mental health problems are likely to accrue rent arrears. They also found that rent arrears were behind 90% of possession cases. Most landlords underestimate the costs of evicting tenants by not considering staff costs, legal costs, void costs, homelessness costs, the costs to other agencies, and most importantly the costs to tenants. As well as having a pronounced negative

effect on the well-being of individual tenants, evictions can cost £2000-3,000 per case for the housing provider concerned.

A proactive, preventative approach can therefore provide considerable benefits to housing providers. In particular, regular communication with a tenant is essential especially if they have a mental health problem. Such people may isolate themselves if feeling unwell, and this can frequently be a common trigger for rent arrears. The person may not wish to open written correspondence, such as a letter from the Housing Benefit (HB) office or landlord for fear that it will contain bad news. In such circumstances, it is important to retain verbal communication with the person, firstly to offer support, but also to ensure the person understands what is going on with their rent account, and most importantly the steps to begin addressing it.

The ODPM Good Practice Guidance – Key Points

1 Developing a strategic approach

a Developing a rent arrears management strategy

Guidelines on rent management and the use of possession actions will form an essential component of any rent arrears strategy, and must emphasise pro-active, preventative approaches rather than being focused mainly on reactive enforcement measures. In developing (and reviewing) rent arrears strategies, social landlords should involve all relevant stakeholder organisations and groups (including tenants' representatives).

b Cost-effectiveness

Landlords' tendencies to underestimate the cost of possessions make alternatives to court action look expensive, when in fact, greater investment in alternative measures for recovering the arrears are likely to be less costly. Such alternatives include: supporting a tenant with their housing benefit claim, liaising with the HB office, regular communication and early intervention when arrears begin to accrue (particularly where a tenant is known to be vulnerable).

2 Effective rent arrears management

a Organisation of rent arrears management (specialist vs. generic)

Growing numbers of social landlords are moving towards a more specialist model of managing rent arrears. The benefits of such an approach may include a more consistent and professional approach, as well as building better relationships with the courts and with other key stakeholders.

However, generic working is often considered to offer a more holistic approach to managing arrears, because the knowledge that staff have about tenants' full circumstances, and their ability to connect rent arrears to other problems that tenants may have. It can also help staff in developing local knowledge as well as being more flexible from a managerial perspective.

Consideration will need to be given to which type of approach is most suitable. Consistency of case management can often be most helpful for people with severe and enduring mental health problems, whereas some tenants may prefer having their rent account managed by an 'expert' or having a recognised point of contact for rent issues. Even among landlords who see their overall approach as 'primarily generic' it is common for some 'specialist' staff to be involved in rent arrears collection. In most cases, these are specialist officers who deal with more serious cases and provide support and advice to generic officers dealing with low-level arrears.

b Training

Joint training sessions with other departments and agencies can be a useful way of widening perspectives and building good working relationships, especially in meeting the needs of people with mental health problems. This can include housing staff, HB officers, health and social care professionals, staff in Homelessness Persons Units and staff members of welfare advocacy, money advice or legal organisations. Job shadowing and secondments to other organisations can also assist staff to understand the roles and responsibilities of other agencies.

c Legal and court processes

Even where social landlords implement a range of preventative strategies and effective management procedures, there are some cases where legal action for the termination of a tenancy and possession of the property are the only option left available. Where a tenant either fails to contact a landlord, to co-operate in reducing rent arrears or continuously defaults on a repayment arrangement then legal action must be considered.

Landlords taking tenants to court should encourage and assist them to contact agencies providing relevant advice and/or counselling services, as well as to access legal advice and to attend hearings.

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3 Preventative measures

a Developing a rent payment culture

Rent arrears prevention work begins right at the start of a tenancy. It is essential to have a face-to-face meeting with a new tenant, and often helpful to have a pre tenancy meeting to ensure the person is comfortable with the move, that information can be given, and any potential difficulties with rent payments identified at this initial stage.

Outline the range of support options for tenants experiencing difficulties in paying their rent i.e. local debt and welfare advice agencies. Make it clear to tenants that whilst support will be provided, non-payment of rent is taken very seriously and will lead to action being taken.

It is important to: communicate with new tenants in the early stages of their tenancy to ensure that they understand the rent payment process and their rent account statements; check the appropriateness of their rent payment method; and to identify any issues or difficulties arising from rent payments.

Seek to provide tenants with appropriate support to address their rent issues – always looking to a positive outcome for both the tenant and the organisation. Ensure people with arrears are treated at all times with respect.

b Maximising tenants' income

Offer to assist tenants to complete HB applications and liaise with their offices. Housing associations commonly request the tenant to authorise direct HB payments to the landlord, and obtain authority to allow officers to make HB enquiries on the tenant's behalf. In most instances these authorisations are granted.

Having regular face-to-face meetings between housing employees, their line managers,

HB officers and their line managers can help improve relations and improve understanding of priorities and problems.

The appointment of liaison officers by all parties, with contact points and established procedures, can allow concerns to be raised and disputes to be more readily resolved. The Department for Work and Pensions (DWP) HB/Council Tax Benefit (CTB) Performance Standards expect local authorities to work effectively with landlords to minimise possessions. The Performance Standards also identify good practice such as training Local Authority (LA) and Registered Social Landlords (RSL's) to enable them to provide effective assistance to their tenants in completing HB claim forms and ensuring the HB department addresses the needs of customers with mental health problems.

c Communication

In communicating with tenants with mental health problems about rent arrears, landlords should place emphasis on direct personal contact rather than correspondence – particularly where this involves standard, system-generated, letters. Personal contact is generally preferable to impersonal communication because letters can be more easily ignored or misunderstood, personal contact helps staff understand reasons for arrears, and this provides an opportunity for negotiation. If letters are unavoidable ensure that correspondence to people with mental health problems reflect their personal circumstances. Tenants should be encouraged to inform landlords of any change in their personal circumstances and any likelihood of them missing a repayment. This requires landlords to create a supportive environment whereby tenants feel able to report difficulties rather than avoiding them.

Case studies

Wellingborough Council operate two methods of supporting vulnerable tenants. First, Supporting People grant is used to provide floating support to tenants to help people to sustain their tenancies. Second, properties may be leased to agencies such as Sure Start, Social Services and Substance Abuse Services to supervise vulnerable tenants. To date, none of the tenancies with floating support or leased to other agencies has resulted in a termination.

Source: ODPM research 2005.

The Assessment and Resettlement Team, Bromley London, in the local housing department is responsible for everyone over the age of 16 who is deemed 'vulnerable', including those with mental health problems. The team links health, social care and housing services to ensure that people who are re-housed have the best opportunity to maintain their tenancy. Part of their role is to vet potential properties to ensure that they are suitable and go with clients to the viewing. All team members specialising in mental health have previously worked in a community mental health team. In the last year the team has worked with over 400 people.

Source: The MH and Social Exclusion report (ODPM 2004).

Tenants view

Tenants said that the legal process had significant effects on themselves and their families. Many reported detrimental health impacts, including loss of weight and depression and many were receiving medication. The stress of the legal action was also linked to the circumstances causing the rent arrears, including relationship breakdowns, low incomes and fear about the prospect of losing their home. For many tenants the prospect of court was very intimidating. There was also a general feeling of 'situations being a mess' and a feeling of helplessness and being unable to resolve the situation or see a way out.

Source: ODPM research 2005.

York Housing Association (YHA) uses the referral process to establish a prospective tenant's ability to pay rent, enabling resources to be appropriately targeted at those tenants who need extra help. Housing Support Workers and Housing Officers assist tenants in managing their rent accounts. There is also an IT link between all YHA supported housing schemes and staff add case notes to rent accounts to keep each other informed of actions/concerns. Vulnerable tenants are flagged up on the system and staff will hand deliver and explain rent arrears letters rather than send them through the post.

All staff attend two full days training to enable them to assist tenants in drawing up a budget. The tenants newsletter is used to provide a variety of information about how to reduce debt and save money, and where to go to get further advice. If tenants are able to maximise their income and avoid unnecessary outgoings they are more likely to be in a position to pay their rent. YHA will shortly be commencing money management sessions for tenants on a range of topics including, understanding bank statements and setting up direct debits.

For further information contact: Glenn Plews 01904 636061.

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Housing and Mental Health Services can reduce the difficulties caused by rent arrears among people with mental health problems through:

Assessments of vulnerability

Housing Corporation guidance requires housing agencies to assess the vulnerability of tenants. The outcome of these assessments would be greatly improved if undertaken jointly with local health and social care agencies, ensuring that the necessary support is provided for people with mental health problems.

Setting up new tenancies

Both landlords and tenants have responsibilities to ensure the maintenance of tenancy agreements. It is good practice for housing agencies to ensure that tenants fully understand these mutual responsibilities when first letting a property. Therefore tenancy sign up is a key stage and where the tenant has a mental health problem, there may be significant benefit to all parties if the care co-ordinator from the local mental health service is involved in these 'sign-up' discussions.

Access to financial advice

A key step towards preventing rent arrears is to ensure that tenants receive clear and comprehensive advice about their benefits entitlement and/or budget management. Such advice is available from a variety of agencies, and there is considerable variation in these services from locality to locality. Housing and mental health services both have an interest in ensuring that people are signposted to the right place, and where appropriate, that they are provided with additional support to enable them to access services.

Access to extra support

For people with mental health problems, support may be available from a variety of sources (e.g. the local Supporting People team, the local NHS Primary Care or Mental Health Trust, the LA Social Services Department, or Community and Voluntary organisations). Housing and mental health services should take joint responsibility for ensuring that tenants with mental health problems have clear and comprehensive information about local support services and are provided with assistance to enable access as appropriate.

Care Co-ordination and communication

Having worked to establish someone with a mental health problem in a new tenancy with appropriate support, ongoing liaison and co-ordination is essential if new problems or crises are to be averted. In particular, it is important for housing and mental health services to keep each other informed about changes or developments that might affect either the tenancy or the care package. Consideration should also be given to routinely involving housing workers in CPA meetings in the same way that other support agencies are represented. Of course, such information sharing and joint involvement in the care co-ordination process will require consent from the person concerned, but in most cases such a proactive approach will be welcomed by service users.

Effective joint working between housing and mental health services can be developed through:

Referral and information sharing protocols

It is important to establish inter agency protocols to ensure that all agencies are working to their best in collaboration. Information sharing processes must take account of data protection legislation but this should not be used as an excuse for

refusing to share vital information across services. Tenants will often give their permission for their information to be shared across agencies if it will prevent them being asked the same question many times over by different organisations.

Training

A productive way to encourage and ensure partnership working is to have joint training. Within this both sectors can begin to understand the different pressures and challenges experienced by the other, learn what is helpful to the other agency and outline their own preferences or protocols.

Identification of unmet need

Arguments about the levels and definitions of need within a given population are a frequent source of dispute between housing and mental health agencies. Agreeing a joint, proactive approach to the identification of unmet need will obviate such disputes and provide the basis for shared long-term planning.

Service reviews

A commitment to regular joint reviews of service provision and agency practice should underpin any partnership working and will ensure that agencies from the two sectors are able to support each other in making improvements that will be mutually beneficial.

Involving service users/vulnerable tenants

As previously stated, service users should be involved in developing the rent arrears strategy, and any policies which relate to the design and delivery of the housing and/or support provision. Regular reviews should take place which also involve the tenants.

Promoting Good Practice

- Meet with the new tenant just prior to them moving in to discuss rent payments and the rights and responsibilities of both the tenant and the landlord;
- Have regular meetings with tenants to discuss their rent account, even if they are not in arrears, as this will help to maintain a payment culture;
- Provide as many payment methods as possible (swipe cards, standing orders, direct debits, telephone and internet payments) to make it easy for tenants or their representatives to pay rent and use regular communications (newsletters, notice boards) to remind them of these;
- Negotiate with the Housing Benefit office to get a designated liaison officer assigned. They should be able to help you navigate the system, track your client's claims and update on progress and decisions taken. The HB/CTB Performance Standards contain good practice on encouraging landlords to contact the LA via a direct contact point;
- Negotiate with the local Community Mental Health Team to have designated person to offer advice regards mental health issues and support housing staff;
- Always encourage tenants to deal with their HB claim and offer support where appropriate;
- If tenants have difficulty managing their claim, ask them to authorise you to discuss their HB claim with HB officers, if they are happy do so;
- Always provide as much information as possible when submitting a HB claim – an incomplete file (with requested documentation missing) will be delayed;
- A lack of identification (ID) can often delay a HB claim being paid. Staff should work with the tenant (prior to move in) to secure a form of identification. If this is not possible, HB will accept a letter from an Approved Social Worker involved in the tenants care as proof of identification;
- Always be supportive towards tenants – they are much more likely to discuss any problems if they know they will get support rather than a telling off;
- Always visit tenants to hand deliver letters relating to rent arrears to explain the reasons for delivering the letter and possible actions the tenant can take to address the situation;
- If letters are unavoidable don't send/deliver correspondence to arrive during the weekend if support is only available during normal office hours because this can cause anxiety for people over the weekend;
- If (as a last resort) a Notice (NSP/NOSP) has to be issued, any related correspondence should include contact details for local advice agencies.