

Housing Neighbourhood Services

The effects of Covid-19 on the
Housing Revenue Account (HRA)



North Tyneside Council

Background – Government

- Wednesday 18th March 2020 the Government announced a complete ban on evictions and new possession cases during the coronavirus emergency.
- The Government took early steps to introduce legislation to require landlords to give three months' notice of their intention to seek possession of a property as opposed to the standard 4 week notice (social council tenants)
- This meant that it would be three months before a landlord could apply to the court to proceed with any possession action. The legislation was that all notices issued between the dates of 26 March 2020 and 30 September 2020 inclusive (although this period can be extended if needed).
- 29th August 2020 brought further changes into the regulations requiring landlords to give tenants six months' notice of their intention to seek possession, except in the most serious cases (those that had the previous three months notice was still valid)



Background – North Tyneside

- Stopped new cases going to Court and any that had dates set for court hearings we asked the courts to adjourn/suspend.
- Cancelled all arrears letters that mention any reference to taking court action or eviction (suspend rent escalation process)
- Created a new suit of letters
- We created new codes in the management system to capture all cases where our tenants have informed us of financial difficulties due to covid-19. This help us understand the impacts covid-19 has had on arrears.



Support for our tenants

- Discretionary Housing Payment (benefit applicable)
- Poverty Intervention Fund to help Children, Working age adults with Children and Older people
- Hardship fund applicable to all Council tenants
- Water Rates Discount Scheme - Northumbrian Water Scheme that allows a discount of up to 50% of your water rates, depending on your finances
- Employment and Skills Team Referral - For support with employment opportunities and access to increase skills
- Referrals – Citizen Advice Bureau, Council Tax Subsidy, Armed Forces Charity Support

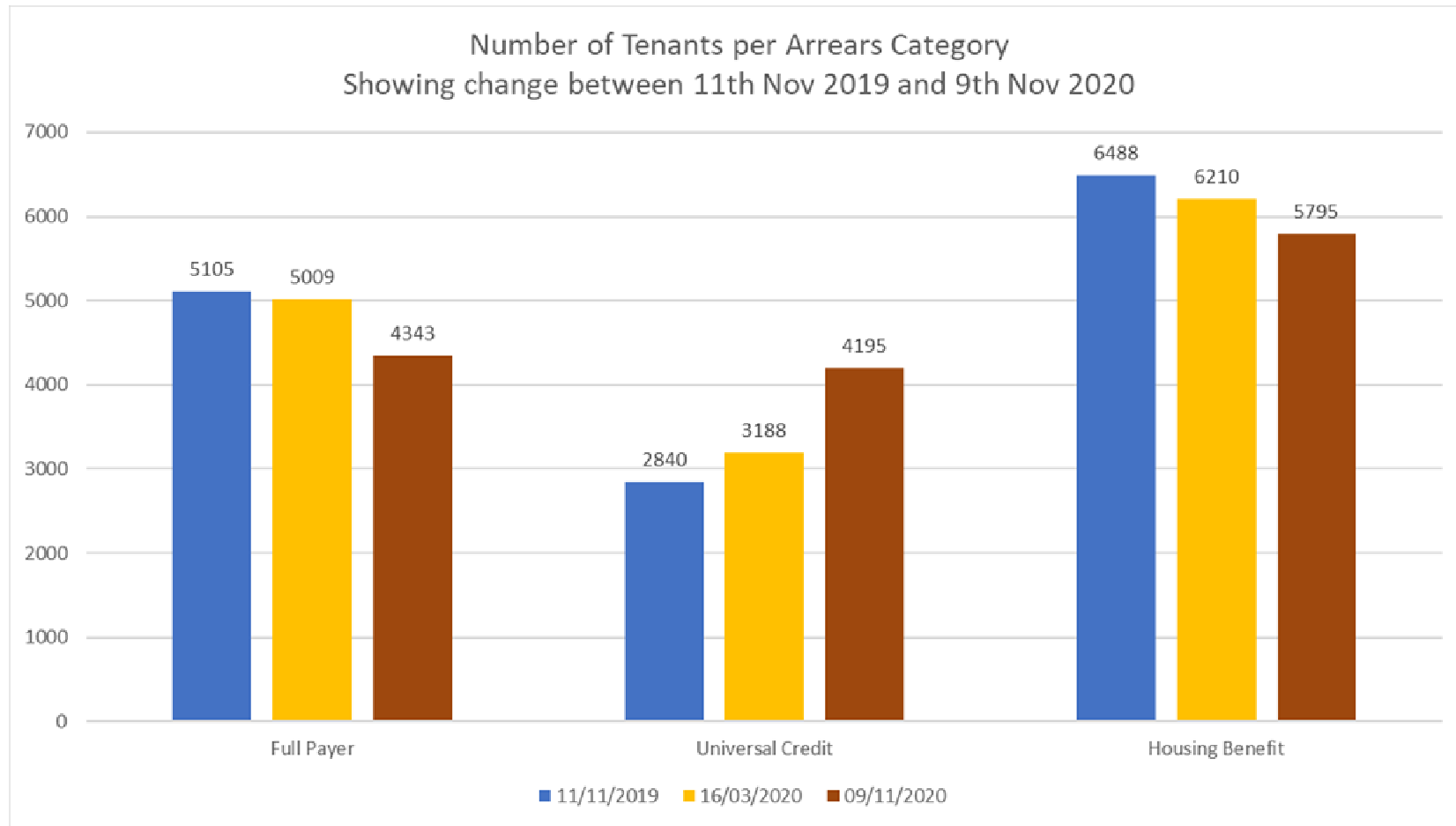


Impacts of Covid-19 on Rents

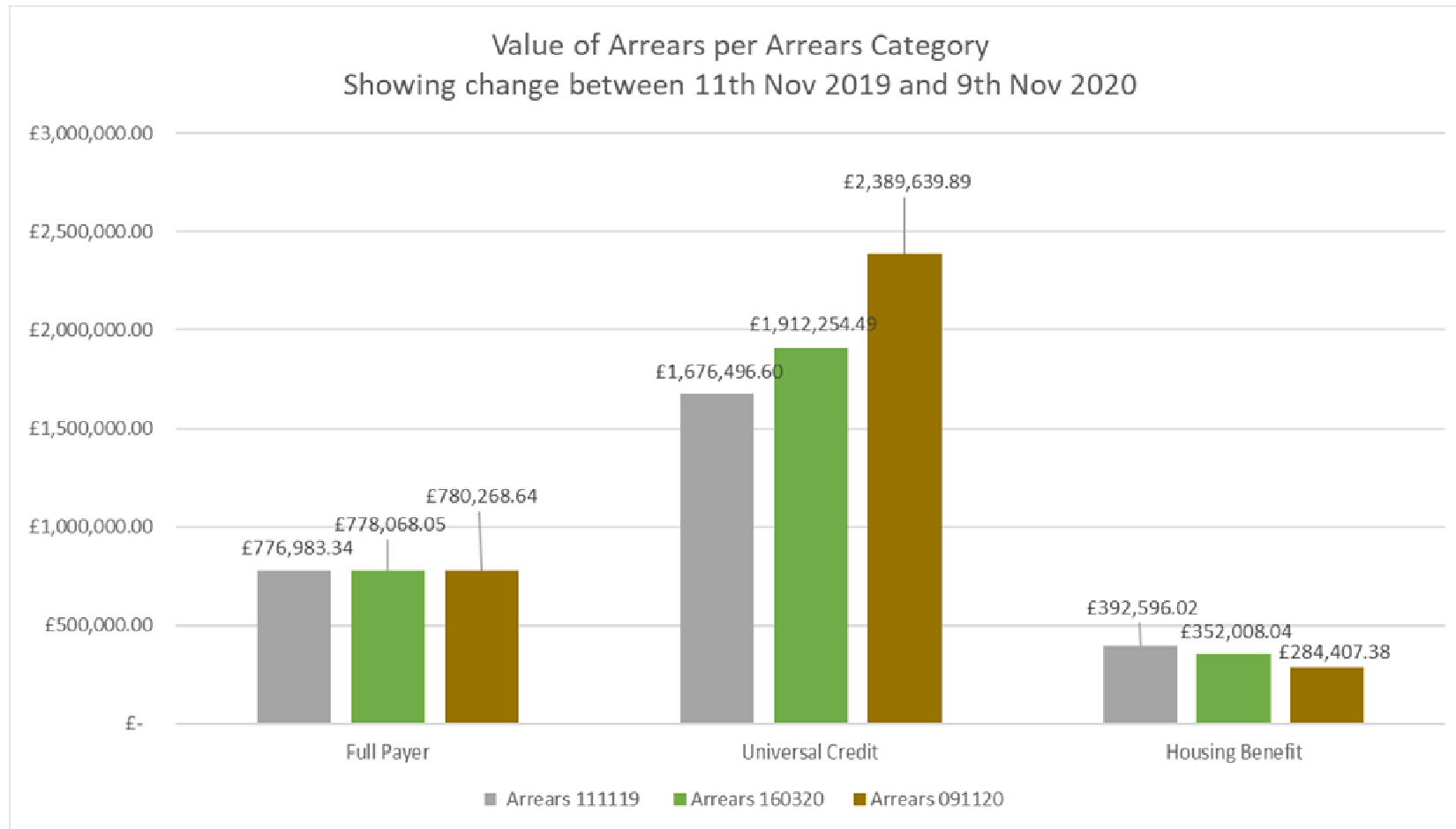
- Arrears have gone up
- Influx of UC case at beginning of lockdown
- Initial impact of rental loss following not being able to let properties
- Enforcement / Legal action



Number of tenants per arrears category



Value of arrears by category



Current Position

- Government Furlough scheme to cover 80 per cent to continue
- Restart the notice seeking possession process to encourage tenants to engage with the Council to make arrangements for repayment of rent arrears.
- Evictions will not be enforced whilst national restrictions are in place
- Evictions will not be enforced by bailiffs until 11 January 2021 at the earliest, except for the most egregious cases such as anti-social behaviour
- Six month notice periods still in place until at least the end of March 2021, except for most serious cases
- To continue to support or tenants to be able to sustain and maintain their tenancy.

