OSC – 21st February 2011 – Action No. 176.12

IC 01 - % of rent collected – The Committee noted that Performance Officers had queried how this target could be 100.5% and further information would be circulated once received. (Action 176.12).

The answer is that arrears are included in the numerator but not the denominator so that it is possible and desirable to collect more than 100% of rent. The formulae for calculating the indicator is as shown below and hopefully adds some clarity although I agree the indicator description is misleading.

IC01 =[A / (B + C – D)] * 100
where
A = Rent Collected in year from current and former General Needs tenants - GN & HfOP
B = Rent and Service charges due for the period benchmarked (whether property is occupied or not and excluding all arrears brought forward) - GN & HfOP
C = Current tenant rent arrears - start of the year - GN & HfOP
D = Rent loss due to empty properties (voids) - GN & HfOP)

So if we collect arrears *from former tenants* they are included in the numerator but *not* the denominator, thus a outcome of over 100% is possible and desirable.