

Housing Rent & Income Collection Policy

COVERAGE This policy applies to Cannock Chase Council

DATE OF APPROVAL: Cabinet 12th October 2023

Next Review: October 2028

Housing Rent and Income Collection

Policy Statement

Cannock Chase Council owns and manages approximately 5045 general needs and sheltered housing properties. The Income Management Team forms part of the Tenancy Services Section within the Housing Service of the Council.

The Council operates a Housing Rent and Income Collection Policy which promotes the delivery of an open, fair, and consistent service.

We aim to:

- Ensure that services are accessible to all current tenants, former tenants, garage licence holders and leaseholders by being **customer focused**.
- Ensure that all tenants receive full and accurate information on the level and composition of rent at the beginning of their tenancy and at each rent review to promote **a culture of payment**.
- Enable staff to deliver a good quality, fair and consistent service. Ensure that staff receive appropriate levels of training in relation to welfare benefits. **Work in partnership** where possible with Citizen Advice, Tenancy Support Scheme, Revenue and Benefits Service, Job Centre, Housing Options Team, and Social Services. Liaise with Housing Benefits and the Department for Works and Pensions to maximise benefit entitlements and income opportunities for tenants, leaseholders, and former tenants.
- Develop and maintain awareness of other successful income collection measures **to minimise rent arrears**.
- Provide tenancy sustainment assistance for those who **can't pay** and act against those who **won't pay**.

The Head of Housing and Corporate Assets is responsible for ensuring Council staff are appropriately trained and for the effective implementation of these policies. All procedures are regularly monitored and reviewed as part of our on-going commitment to ensure the Council is meeting the needs of our community.

General

The effective control of income collection is a crucial element of financial management for the Council. Tenants' rent and management charge payments are the major source of income to meet our Housing Revenue Account (HRA) commitments i.e. management costs, repair costs and to make provision for future investment in our housing stock. The prevention, management and recovery of Rent income and arrears are a key element of our overall financial viability.

Failure to maintain an adequate income stream or the collection of income can put pressure on the Council's Housing Revenue Account (HRA). Therefore, the collection of debts from tenants, licensees, and leaseholders in an efficient and effective way ensures that the Council's key business objectives are met. Arrears are a major issue for tenants /leaseholders and the Council has a responsibility to prevent its customers from accumulating arrears that may trap them within a cycle of poverty or lead to their eviction.

Links to other Council Policies:

Neighbourhood Management Policies

Tenancy Sustainment Strategy

Garages Income Collection Policy

Former Tenant Debt Procedure

Allocations Policy

Leasehold Management Guidance

Information for tenants:

Former Tenant Leaflet

How to pay your rent

External sources:

- Department for Levelling Up, Housing & Communities - Rent Policy statement (December 2022)
- Social Housing Regulator - Rent Standard 2023
- CLG Publication – HRA Self-Financing Determination (February 2012)
- CLG Publication – A Guide to Social Rent Reforms in the Local Authority Sector (February 2002)
- CLG Publication – Guidance on Rents for Social Housing (May 2014)
- Council Business Plan and Budget 2020+ (including HRA Business Plan 2020+)
- Policy statement on rents for social housing (February 2019)

The Legal Framework

- The Housing Act 1985, Part 4 (Sections 82 to 85) sets out the legislation on possession proceedings against tenants in rent arrears.
- The Housing Act 1996 (Sections 127 to 130) sets out the proceedings for possession of an Introductory Tenancy.
- Tenancy agreement or Lease

- Data Protection Legislation (including the General Data Protection Regulations and The Data Protection Act 2018) -sets standards for the gathering, checking, searching, and sharing of personal information.
- The Human Rights Act 1998- influences housing management functions, including Recovery of Possession Proceedings.

Customer focus

We will:

- Ensure that all tenants/ leaseholders receive full and accurate information on the level and composition of rent or charges at the beginning of their tenancy or the start of their lease and at each rent and management charge review.
- Clearly specify the amount of rent or charge that is due in the tenancy agreement or lease and when it is due.
- Ensure that every tenant and leaseholder is given good quality information about agencies that may be able to help, for example, through the provision of welfare benefit advice and debt counselling services.
- Encourage tenants to engage with our Tenancy Sustainment Service or Leaseholders to engage with the Leasehold Officer.

Promoting the culture of payment

We will ensure:

- Rent payment options will be discussed and a payment method will be selected at allocation interview and confirmed at the accompanied viewing. Also, at the start of any lease agreement
- Direct Debit will be promoted as the Council's preferred payment method for most of our customers.
- Tenants and Leaseholders will be reminded of their obligation and that rent is paid in advance and **not** in arrears.
- Encourage tenants to register for Housing Online services, so they have instant access to their rent account details allowing them to check payments received and account balances.

Working in Partnership to promote advice and support.

When tenants or leaseholders raise the issue of financial hardship, we will use a variety of support mechanisms, including:

- Signposting to a debt management agency
- Promotion of basic bank accounts and access to digital services, including the provision of training on digital skills
- Debt advice and referrals to Citizens Advice

- Provide support and help to sustain tenancies and work with other partners to promote independence and avoid customers experiencing debt and other financial problems.
- Working with, and the promotion of, other agencies and partners such as Credit Unions, Chase Advice, Citizen Advice, DWP, the voluntary and third sector organisations.
- Promotion of early action including pre-tenancy workshops, effective sign-up procedures, new tenant visits and tenancy audits
- Regular training updates for staff

Measures to Minimise Rent Arrears

We will:

- Alert tenants or leaseholders of any arrears or an unacceptable payment pattern immediately after these arise.
- Encourage personal contact between tenants and leaseholder with Tenancy Services staff via text, web site, online services, social media, email, phone calls and letters. These are key to successful prevention, control, and recovery. Most of the collection work by staff should involve personal contact with tenants.
- Secure lump-sum repayments wherever possible and if not possible, secure an agreement for payment of arrears that is affordable and based on knowledge of tenants' income and expenditure.
- When vulnerability is identified there will be a referral to Tenancy Sustainment Service to support the tenants with their tenancy.
- All new tenancies that fall into the following category will need an affordability/ Pre-tenancy assessment completed:
 - those in their first tenancy.
 - those who are aged under 25, receiving support or are vulnerable.
 - tenants who are formerly homeless, with a history of arrears or anti-social behaviour.
- All new tenants are visited by the Neighbourhood Officer within 4 to 8 weeks of taking up occupancy. New leaseholders will be contacted within 8 weeks of the start of their lease. This enables early identification of any problems and gives the tenant/leaseholder an opportunity to raise any issues they may wish clarified with staff. The Council aims to complete 100% of all New Tenancy Visits and new leaseholder contacts.
- Income Management Officers should refer tenants in arrears for interview by the Tenancy Sustainment Officer or Citizen Advice when arrears arise and at any point where they feel that a significant change of circumstances has occurred.
- Apply for arrears payment through direct deductions from Benefits (including Universal Credit) where the conditions for such deductions are met.

Can't pay

We will continually review our processes to ensure they are effective, proactive, and fit for purpose:

- We believe that early contact is critical, and staff are aware of the requirement to contact customers at the earliest opportunity to alert them to any arrears and discuss the reason for this.
- We will use an affordability tool to assess tenants' circumstances and, if the tenant/leaseholder is unable to clear their arrears in full, agree an affordable and realistic repayment plan over a set period.
- We will refer and promote partnering agencies and signpost to other advice services where appropriate, e.g., external support providers.
- We will work closely with the Department for Work and Pensions and the Council's Revenue and Benefits Department to ensure that tenants and leaseholders receive appropriate advice and their full benefit entitlement.

Won't pay

If a tenant or leaseholder continues to be in debt and fails or refuses to engage with us in adhering to a repayment schedule, we will:

- Start legal action as a last resort where all efforts to reach an agreement and to provide support and advice are exhausted and a customer's debt is not reducing.
- Ensure that the tenant understands the implications of non-payment and/or late payment and encourage them to engage in any legal proceedings. If eviction or repossession is unavoidable, we will refer tenants to the Housing Options team to help secure alternative accommodation.

Homelessness

We will advise the Housing Options team of our intention to raise proceedings for possession and where repossession has been obtained against a tenant, we will contact both the Social Services and the Housing Options Team to make them aware of the situation.

Measures of our success in controlling income collection

We aim to achieve our annual arrears targets which will be set within the Tenancy Services work planning process. The actions necessary to achieve this will be set out in annual personal development plans. Targets will be set for Key and General Performance Indicators and performance will be reported to the Housing Strategy and Service Improvement team and the Housing Management Team, as well as being included in the corporate performance reporting schedule. We will also compare our performance against the Midlands Rent and Income Registered Provider group and Housemark, a national benchmarking organisation.

Review

We aim to review the policy every 5 years or if there is a substantial change in social welfare policy or legislation.

Equality Impact Assessment

We will ensure that the service is delivered in a fair and accessible way to all our customers regardless of; age, gender, race, ethnicity, religion or sexual orientation, and due regard will be given to the Council's Public Sector Equality Duty.

For monitoring purposes, the Council includes Income Management within its key performance reporting data and monitor the number of evictions and arrears figures with quarterly reports to Leadership team.

An annual rent setting report will go to Cabinet and will prescribe how the Council will meet the Social Housing Regulator's Rent Standards.