

RENT COLLECTION AND ARREARS MANAGEMENT POLICY

1 SUMMARY

- 1.1 This report proposes the adoption of a revised Rent Collection and Arrears Management Policy.

2 INTRODUCTION

- 2.1 The Council has not reviewed its policy and procedure on rent collection and arrears management for many years.
- 2.2 An internal audit review recommended that a complete overhaul of the rent management policy and procedure should be implemented as soon as was practicable.
- 2.3 Recent guidelines on the collection of Council rents stresses the need to provide an effective service to the customer which is both fair and equitable, maximising income in order to alleviate poverty and taking a firm but sensitive approach to those in debt.
- 2.4 As the Council's collection of rent is monitored via the Best Value Performance Indicators, it needs a policy that aims to improve collection rates and to be in the top quartile of Local Authorities, in terms of performance.

3 DETAILED CONSIDERATION

- 3.1 The attached Appendix 1 sets out the detailed policy and guidelines. It provides a clear set of aims and objectives in the collection of rent, in order to provide a comprehensive arrears recovery strategy.
- 3.2 It ensures that tenants receive a consistent and unambiguous approach to rent arrears recovery; and that tenants are aware of both the responsibilities and consequences of non-payment.
- 3.3 It provides an effective service to the customer, which aims to alleviate poverty by early intervention and referral to debt counselling agencies. Housing Management Officers will continue to be firm in their collection of arrears but tempered with sensitivity and fairness in an era of increasing consumer debt. Nationally, the Citizens Advice Bureau dealt with one million general debt enquiries in 2000/1, of which nearly half were new

customers, with £1.2 billion of debt. This is an increase in enquiries of 39% over the last four years highlighting a growing problem.

- 3.4 The document also provides a written formal policy for dealing with former tenants' arrears. Although the end of year figure for former tenants' arrears has remained fairly static at Rochford, there has been an increase in the write-off of irrecoverable debts and the underlying figures are therefore rising. See Appendix 2.
- 3.5 It provides aims for the Council to improve its collection rates and performance in relation to other Local Authorities. In the financial year 2000/1 Rochford Council collected 98.52% of the total rent collectable. Members are referred to Appendix 3 for comparison with other Local Authorities in Essex.
- 3.6 The procedural notes attached in Appendix 4 are for information purposes only. These give Housing Management staff guidance on how to deal with arrears collection and also act as a training document for new team members.

4 CRIME AND DISORDER IMPLICATIONS

- 4.1 This policy has broad crime and disorder implications; trying to address poverty and deprivation and improve the quality of life of tenants.

5 RESOURCE IMPLICATIONS

- 5.1 The cost of implementing this policy is minimal, involving some in-house printing of letters, additional staff training on the range of welfare benefits available and in-house training to ensure the familiarity of the policy to front line staff.

6 LEGAL IMPLICATIONS

- 6.1 Under the Housing Act 1985 (ss. 82-85) as amended by the Housing Act 1996 (ss.144-147) the Council has to adhere to the procedure and prove acceptable grounds for the re-possession of a dwelling house let under a secure tenancy.
- 6.2 Under the terms of the Tenancy Agreement, sections 3.2 to 3.3 dealing with Tenants' Responsibilities, the tenant undertakes to pay the rent inclusive of all other charges on the Monday of each week and to pay all legal charges in respect of non-compliance.

7 RECOMMENDATION

It is proposed that the Sub-Committee **RESOLVES**

That the Rent Collection and Arrears Management Policy, as specified in Appendix 1, be adopted.

Steve Clarkson

Head of Revenue and Housing Management

Background Papers:

Chartered Institute of Housing Standards Manual and Good Practice Briefing Issue21

Local government Training Resource Pack –Raising Standards, Management of Rent arrears

Housing Quality Network – Achieving Excellence in Rent Income Collection

www.nacab.org.uk Advice Week 2001 Debt Briefing

www.jrf.org.uk Rent Arrears Amongst Social Tenants: Reasons and Responses

For further information please contact Tricia Colwell on:-

Tel:- 01702 318030

E-Mail:- Tricia.Colwell@Rochford.gov.uk