

**Housing Directorate
Strategy
RENT ADMINISTRATION**

1. Introduction

- 1.1 This Housing Directorate Strategy relates to the rent administration and collection in respect of the Council's housing and garage stock.
- 1.2 A rent accounting system is necessary to provide clear audit trails in the administration and control of income. Legislation lays down clear time-scales that must be met on implementation of a rent increase. Failure to meet these criteria could result in loss of revenue to the Authority, criticism and legal challenge. The Council also has an obligation to its tenants to ensure the income is correctly administered and accountable.
- 1.3. Staff within the Housing Directorate co-ordinate this function and draw upon the skills of colleagues within other Directorates, i.e. Finance and Corporate Support Services.
- 1.4. This Strategy was formulated in consultation with the Epping Forest Tenants and Leaseholders Federation and the Housing Scrutiny Panel, and agreed by the Housing Portfolio Holder on xxxxxxxxxxxxxxxxx
- 1.5 The Housing Directorate has been awarded the international ISO 9001:2000 quality accreditation for all its services (post restructure) including rent administration and collection for a further 3 years commencing June 2008.
- 1.6 The Council was awarded the "Investors in People" status during 2002 was re-accredited in 2008 for a further 3 years. This incorporates all the functions of the Housing Directorate, including rent administration and collection.
- 1.7 In addition to this the whole of the Housing Directorate also achieved a Charter Mark Award in 2004 and has been re-accredited for a further three years in 2007.

2. Background to Service

- 2.1. The Rent Accounting and Collection Team of the Housing Resources Section within the Housing Directorate co-ordinate all the activities involved with administering rent accounting and collection. This involves all notifications to tenants of their rent increases, issuing of rent swipe cards, standing orders and direct debits. The main role of this section is to balance and control the collectable debit and reconcile the income in respect of all the Council's residential HRA properties and garages.

2.2. In addition one member of staff (1FTE) was added to this Section in 2002/03 to assist with the additional workload as a result of the changes required to the rent accounts through supporting people and rent restructuring initiatives.

2.3. The Council's Housing stock as at 16th November 2008 is as follows: -

- 6516 residential properties
- 933 leasehold properties
- 2,809 garages
- 1 Homeless Persons Hostel comprising 38 rooms and 10 chalets

2.4. As at 16th November 2008 the stock was made up of:

	No.	%
• 326	Bedsits	5.00
• 2,324	1 Bedroom Properties	35.67
• 1,814	2 Bedroom Properties	27.84
• 1,890	3 Bedroom Properties	29.00
• 162	4/5 Bedroom Properties	2.49
• 6516	TOTAL	100%

2.5. The collectable rent debit in 2007/08 was £26,045,637 (including Norway House Hostel Debit). This is the total annual income collectable from every property and garage, irrespective of housing benefit. Rent is collected through a variety of methods. Due to the rural nature of the District, Post Offices and Pay Points are extensively used to enable tenants to pay their rent at any post office in the country or designated Pay Points within the District. The Council provides three cash desks based in Epping, Waltham Abbey and Loughton. Direct debits and standing orders are also offered to tenants together with text payments, 24 hour payment by telephone and internet payments.

2.6 The three staff (3 FTE) in the Rent Administration and Collection Team are responsible for controlling the overall collectable debit against the actual income received. They are also responsible for accounting for the income collected in respect of other charges such as heating and water rates. The rent accounting service maintains the database in Housing Directorate, which identifies all Council properties, the collectable debit and the income due. The service monitors all payments against the amount due and is heavily relied upon by housing management officers for information on the payment records of tenants and the calculation of individual and overall rent arrears. One member of staff (1FTE) carries out changes required under the rent reforms and reconciling significant financial claims from Essex County Council, in respect of Supporting People. This is covered in more detail in Section 3.

2.7. The section also administers all changes to individual tenants' rent accounts such as the amount charged, the various elements that make up the gross rent and any other changes to the tenant's account such as changes of name.

2.8 The section also updates the computer information for Housing Management Officers to undertake the collection of arrears. It provides the overall statistical information and balances of all accounts.

3. Coverage

- 3.1 This Strategy deals with all aspects of rent administration and collection to ensure that processes are in place to provide a structured and detailed account of the collectable and collected income to the Council.
- 3.2. Rent levels prior to 2003 generally mirrored the guideline base rent. However, the Government has brought rent setting by local authorities onto a common system based on relative property values and average earnings. The intention is that rents for local authorities and housing associations move towards comparable rents by 2012 using an approach which could be readily and easily understood. In March 2001, the Government issued the Guide to Social Rent Reforms which set out how the reforms would be achieved and detailed a standard methodology (or formula) for use by RSL's and local authorities for calculation of rents. The basis of the formula is as follows:-
- 30% of a property's rent should be based on relative property values compared to national property values;
 - 70% of a property's rent should be based on relative local earnings compared to national earning;
 - a bedroom factor so that, all other things being equal, smaller properties have lower rents.
- 3.3. Rents started to be recalculated in this way from April 2003 to produce a "target rent" for each property, which could be much higher or lower than the current rent. The actual rent tenants pay must then increase or decrease, to this target by April 2012.
- 3.4. On average, it was estimated that rents would need to increase by around 9% between 2003 and 2012 to reach these target rents. Around 70% of all tenants would have rent increases, and around 30% would have rent reductions. However, as a safeguard, rents cannot increase or decrease by more than £2 per week in any year, above inflation plus half percent.
- 3.5. All homes have been valued and target rents calculated. However, the government are proposing that the rent increase in respect of 2009/2010 is to be a flat rate increase only and this may continue for more than one year due to the current financial climate but this is still be confirmed.
- 3.6. The government also introduced 'Supporting People' initiative at the same time as rent restructuring but this is a separate regime designed to account for support costs outside of the HRA framework. Essentially, Supporting People removed the costs of care and support from the HRA and other funding streams as this is now funded by a Countywide 'pot'. Commissioners at a County level decide on the allocation of funding across all supporting people contracts in Essex.
- 3.7. The main impact on rent restructuring was that care and support charges (mainly in sheltered schemes) have been separated from rent accounts, to be accounted for through Supporting People charges. The issues are complex but, basically, whilst the total amount payable by existing tenants has not been increased, care and support costs have been separately identified within each

rent account. This had the effect of reducing the basic starting level for use in rent restructuring calculation for some properties and has had an impact on the Council's ability to achieve target rents.

3.10. All new tenants after 1st April 2003 not in receipt of housing benefit have to pay care and support charges in addition to current rent payments. All tenants resident before 1st April 2003 have "transitional protection" met by the Council, which means that they pay no more than they would have if the charge had not been introduced. After this date, only those in receipt of housing benefit will have their charges met by supporting people.

3.11 Changes to the supporting people distribution of funds could have a significant impact on the HRA.

3.12 This Strategy ensures that the processes flow smoothly and provide the information to maximise the income to the Authority. It also provides the information required by tenants and other users of the service.

3.13. Legislation, detailed in Section 6, provides strict time-scale limitations and stipulates the information that must be supplied to tenants, although the Council is committed to reduce administrative time to the minimum.

4. Relationships to other documents

4.1. The provisions of the Council's Housing Charter apply directly to rent administration and collection. These relate to the form of service to the public, which must be a key factor in any strategy.

4.2. Standing Orders and delegated authority govern the power of the Housing Directorate to deal with the ordering of rent swipe cards, which is the main contract for the service.

4.3. The Council provides the Tenants Handbook which contains various information and the tenants payment letter accompanying the Swipe Card for rent payments also contains relevant information.

4.4. Housing Services policies and works instructions available on the intranet are in place to ensure staff have clear processes to follow. This is subject to continual review in order to achieve improvements.

4.5. The Council's Tenant Participation Agreement, Council Plan and the Housing Revenue Account Business Plan are also relevant to this Strategy.

4.6. The Council's web-site incorporates a section on the Housing Directorate Services and is relevant to this Strategy. The address is www.eppingforestdc.gov.uk/housing.

5. Aims and Objectives

5.1. It is the aim of the Council's Housing Directorate Strategy on Rent Administration and Accounting;

"To administer and manage the rent administration and collection service in an effective manner".

This aim will be achieved by:

- a) following best practice and ensuring adequate procedures exist in order to fulfil all statutory, accounting and Council requirements.
- b) monitoring performance against time-scales, legislation, of other service requirements and needs.
- c) providing accurate information
- d) ensuring time-scales are adhered to
- e) responding to changes in legislation
- f) increasing consultation with customers
- g) maintaining ISO 9001:2000 quality systems

5.2. Regular audits of the rent restructuring, rent accounting and administration are undertaken. An audit of rent accounting and administration is now in progress as at November 2008.

6. Statutory Requirements

6.1. Under Section 74 of the Local Government and Housing Act 1989, the Council is required to keep a "Housing Revenue Account" in accordance with proper practices. These include the following issues:-

- Procedure and time-scales for serving any rent increase notifications
- Short term lease of properties
- Equity Share properties
- Various statutory information to be supplied to tenants, at the start of a tenancy and annually
- Appeal procedures
- Calculation of rents
- Procedure for recovery of other charges, included in the rent

6.2. Human Rights Act 1998 (Articles 6,8 and 14)

- Appeal procedures

6.3. Data Protection Act 1998.

- Protection of personal data held by the Council

6.4. Code of Practice in Rented Housing.

- Local authorities adopted approach towards race equality.

6.5. Health and Safety at Work Act 1994

- Responsibilities of the Council as employees in respect of Health and Safety Issues.

6.6. Landlord and Tenant Act 1985

- Provisions relating to tenancies and leases.

6.7. Local Government Act 1999

- The Council's responsibilities in respect of the Best Value regime.

6.8. The Housing Act 2004

- Incorporates aspects of dealing with Anti Social Behaviour

6.9. Housing Regeneration Act 2008

- Incorporates changes to tolerated trespassers

7. Client Consultation, Information and Involvement

- 7.1. The Council publication "Housing News" is distributed to all the Council's tenants and leaseholders. This is to ensure that they are kept up to date with regard to housing issues and also urges their involvement with the Council's consultation process.
- 7.2. The District-wide Tenant Participation Agreement, first introduced in November 2002 and is in the process of being renewed in November 2008, sets out in detail the way in which tenants and leaseholders will be consulted on housing issues.
- 7.3. A Tenant Participation Officer promotes the obligations set out in the Tenant Participation Agreement. The Council is actively involving the Epping Forest Tenants and Leaseholders Federation and promoting a wider interest throughout the District.
- 7.4. The Chairman of the Epping Forest Tenants and Leaseholders Federation is a co-opted member of the Housing Scrutiny Panel, which considers detailed housing issues.
- 7.5. Various information is provided in the "Tenants Handbook" issued to all tenants.
- 7.6. Tenants are regularly being consulted on various issues and surveys.
- 7.7. A census survey has been undertaken in 2008 and an analysis is now taking place to ensure the Council meets and understands the needs of the customers.
- 7.8. A tenant satisfaction survey has also been undertaken in 2008 with very positive results over 84% overall satisfaction with the Housing Directorate. The frequency of these surveys is now every two years and is completed by an independent company who specialise in this area.
- 7.9. The Council's web-site, Housing Section www.eppingforestdc.gov.uk also holds relevant information.

8. General Principles

The general principles governing the service are as follows:-

- 8.1. The Housing Directorate will continue to provide at least three staff (3FTE) dedicated to the activities covered by this Service Strategy.

- 8.2 Since the integrated housing system (OHMS) has been introduced, more information has become available to clients.
- 8.3 Staff within this Section will ensure that all clients and tenants are responded to promptly and accurately.
- 8.4 The Council's Housing Directorate will, at all times, attempt to attain the targets laid down by legislation.
- 8.5 Internet payments and 24-hour telephone payment facilities have recently been provided to tenants. Swipe card payment facilities are available allowing for more choice of places to make rent payments and an additional payment date has been provided for direct debits. In addition to this payment has also been introduced by text to increase the different payment methods and meet the changes in demands.
- 8.6 The ISO 9001:2000 accreditation for the Housing Directorate will ensure that procedures will be maintained to provide consistent quality.
- 8.7 Procedures will be monitored and reviewed to ensure timescales are met and targets achieved.
- 8.8 Tenant and client consultations and satisfaction surveys will continue to be undertaken.
- 8.9 At all times accuracy will be maintained on information supplied and appropriate balances. Standing Orders, Financial Regulations and Corporate Policies will be complied with. Throughout all processes, staff will Be aware of the possibility of fraudulent claims.

9. Future Developments

9.1 The following “SWOT” analysis identifies the strengths, weaknesses, opportunities and threats for the areas covered by this Service Strategy

Strengths <ul style="list-style-type: none"> ❖ Knowledgeable and committed staff ❖ Policy and Works Instructions available on the Intranet ❖ Integrated Housing System ❖ ISO 9001:9002 Accreditation ❖ Good relationship with tenants ❖ Good tenant consultation framework ❖ Comprehensive performance monitoring ❖ Good procedures and timetable 	Weaknesses <ul style="list-style-type: none"> ❖ Bed and Breakfast cases not on OHMS Housing Integral System. ❖
Opportunities <ul style="list-style-type: none"> ❖ Action Plans for Improvement 	Threats <ul style="list-style-type: none"> ❖ Reduced funding from County Council from the “supporting people pot”. ❖ Major I.T.failure ❖ Implications of changes to Rent Reforms on Funding and Resources

10. Action Plan

10.1. The Action Plan for this Service Strategy as follows:-

Action	Lead Officer	Timescale	Resource Implications
Publish annually different methods of rent payments in Housing News including the costs to the Council of various collection methods.	Housing Resources Manager and Principal Housing Officer (Information)	September 2009	Existing Resources
Publish varied costs related to rent Collection	Housing Resources Manager And Principal Housing Officer (Information)	December 2009	Existing Resources

Provide arrears recovery reports and statistics to management within one week of close of each fortnight	Housing Officer (Resources) and Housing Resources Manager	Ongoing Review September 2009	Existing Resources
Provide statistical information to management on National Indicators and Local Performance Indicators each quarter within two weeks of close of each quarter	Housing Officer(Resources) and Housing Resources Manager	Ongoing Review September 2009	Existing Resources
Analyse census survey undertaken in 2008 to ensure that the Council is aware of the needs of the customers together with difficult to reach and diverse groups.	Housing Officer I.T. and Housing Resources Manager	March 2009	Existing Resources
Undertake a further Direct Debit marketing campaign	Housing Resources Manager	December 2009	Existing Resources

11. Resourcing the Strategy

- 11.1 The number of staff resourcing this Strategy equates to 3.0 (FTE) within Housing Directorate 3.0 (FTE) staff within the Rent Accounting and Collection Team including 1 (FTE) dealing with supporting people claims and rent reforms). This excludes senior management and staff from other services who provide additional support such as both the Finance and Corporate Support Services Directorate.
- 11.2 The cost of this service is met primarily by the rent income received from tenants.

11.3 The Housing Directorate oversees the development of staff by, undertaking the following:-

- Training Needs Schedule which records each member of staff training needs and how these are met
- Personal Development Reviews which identifies training needs

An example of the training related to this Strategy that has been undertaken in the past includes training on the housing integrated system on new releases

	Staff Resource Projections			
	2006/2007	2007/2008	2008/2009	2009/2010
Average no. staff to provide service (FTE)	3.00	3.00	3.00	3.00

12. Key Targets and Performance Monitoring

12.1. Listed below are the key targets and performance indicators, which the Rent Accounting and Collection Service provide. However, although this section provides this information, it is not responsible for the performance of these targets, which are as follows: -

Key Targets & Performance			
Performance Indicator	Actual 2006/2007	Actual 2007/2008	Target 2008/09
Rent collected by the local authority as a proportion of rents owed on housing revenue account (HRA) dwellings	98.83%	99.41%	98.81%.
Current rent arrears as a proportion of rent roll	1.69%	1.52%	1.60%
Amount of former tenant arrears collected per annum	£119,465	£85,240	£80,000

12.2. In view of legislative targets involved, and the reliance of other sections on the system, continual monitoring is essential. The Housing integrated computer system allows more detailed and frequent reports. There are quarterly management performance monitoring meetings for all Housing Managers with the Housing Directorate and the relevant Assistant Director of Housing. The

previous quarter's performance is discussed against targets set and a review of action that needs to be taken to improve performance in the following quarter.

- 12.3. The performance indicators are included within the Best Value Performance Plan, which is published annually, and a summary is provided to every household in the District. The Epping Forest Tenants and Leaseholder Federation also monitor the performance, on a quarterly basis. This constant monitoring of all targets should adequately ensure that the provisions of this Strategy are achieved

13. Reviewing the Strategy

- 13.1. This Housing Directorate Strategy will be reviewed in consultation with the Epping Forest Tenants and Leaseholders Federation in April 2012.