

Housing Directorate Strategy
Rent Administration and Collection

1. Introduction

- 1.1 This Housing Service Strategy relates to the administration and collection of rents for the Council's housing and garage stock.
- 1.2 This Strategy sets out how the Housing rent administration service will be delivered for the next three years.
- 1.3 The Service is key to the Housing Directorate as it co-ordinates the payment and collection of rent and rent account administration for all property and garage tenants. It is supported by the Council's Finance team 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

2. Background to Service

- 2.1 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.
- 2.2 Rent accounting and collection is administered by the Housing Incomes Team who co-ordinate all the activities involved with the administration of rent accounts and the collection of rent including:
 - Notifications to tenants of their rent increases;
 - Administration of rent accounts (processing of successions and other tenancy matters);
 - Issuing of rent payment 'swipe' cards;
 - Calculation and processing of standing orders and direct debits;
 - Balancing and controlling the collectable weekly rent debit and reconciling the income in respect of all the Council's residential HRA properties and garages; and,
 - Co-ordination of Housing Related Support (previously Supporting People) payments.
- 2.3 The Housing Incomes Team consists of the Senior Housing Officer and two Housing Incomes Officers, all of whom are full-time employees. In July 2012 the number of live tenant rent accounts was 8,568; of which 6,477 were in

respect of dwellings and 2,091 were garage accounts. During the financial year 2011/12 there were 160,000 payment transactions to the rent accounts totalling over £14.5m

2.4 The Council's Housing stock in April 2012 was as follows: -

- **6486*** Residential properties
- **939** Leasehold properties
- **2814** Garages
- **1** Homeless Persons Hostel comprising 38 rooms and 10 chalets

*This figure excludes 48 rooms at the Council's Hostel, 5 Scheme Managers properties and 30 properties that were "out of charge".

Council Housing Stock by Type and Year (Excluding Homeless Persons Hostel)	
	April 2012
Houses	2725
Flats	2434
Maisonettes	536
Bungalows	791
	6486

2.6 The collectable rent debit in 2011/12 was £30m (including Norway House). This is the total annual income collectable from every property and garage, irrespective of housing benefit.

2.7 Rent is collected through a variety of methods. Due to the rural nature of the District, arrangements are in place for tenants to pay their rent at any Post Office in the country or at designated Pay Points within the District. The Council provides cash desks based in the Civic Offices and in the offices at The Broadway in Loughton. Tenants may also pay by direct debits, standing orders, text payments, by telephone and on the internet. In 2011, The Council also introduced payment of rent by credit card.

2.8 The Housing Incomes Team maintain the Open Housing Management System (OHMS) database of all Council properties, recording the collectable debit and the income due. The Team also accounts for other charges such as heating and water rates. By monitoring all payments against the amount due, the Team provide Housing Management Officers with information on the payment records of tenants and the calculation of individual and overall rent arrears. One member of staff (1FTE) is responsible for reconciling financial claims from Essex County Council, in respect of Housing Related Support. This is covered in more detail in Section 3.

2.9 Members of the Team also make any changes necessary to the records on individual tenants' rent accounts, such as updating tenants' personal details and the various elements that make up their rent. They also update the computer information for Housing Management Officers to undertake the collection of arrears. The computer system also provides the overall statistical information and balances of all accounts.

2.10 In April 2012, the Government introduced 'self-financing' to replace the previous Housing Subsidy system. The Council was required to take out a loan of around £185.5 million which will be repaid from tenants' rents over a period of 30 years. In addition to repaying the debt, under the new arrangements, the Council will also be able to provide tenants with a number of benefits which include increasing rents by only 6% in April 2012, compared to the 8% increase the Government expected the Council to make.

3. Coverage

3.1 This Strategy covers all aspects of rent administration and collection. It aims 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 The Government's Guidelines state that the rents all councils charge for their homes should be almost the same as those for the same types of homes owned by housing associations in the same area by April 2015. They have also said that everyone's rent should be calculated by local authorities using a common system based on relative property values and average earnings. This standard methodology (or 'formula') was set out in the Guide to Social Rent Reforms and is that:-

- 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 earnings;
- 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 higher or lower than the current rent. The actual rent tenants pay must then increase or decrease, to this target. Although the government anticipated that council and housing association rents in the same area would be the same by April 2015, Epping Forest District Council has decided to aim for April 2017. Due to refinancing arrangements, resulting from changes under the Localism Act 2011, more decisions on financing are being made at a local level.

3.4 The Council has agreed the approach it will take to achieve this aim. Rents will increase by an average of 6% in April 2012, and then by around 2% above inflation in the following four years between April 2013 and April 2016. Rents will then increase by around 0.5% above inflation by April 2017. The average Council rent increase of 6% from April 2012 will increase average rents by £4.93 per week from £86.19 per week to £91.12 per week.

3.5 In 2003 the Government also introduced 'Supporting People' arrangements (now called Housing Related Support) which accounts for support costs outside of the HRA, such as the cost of help that people living in supported housing receive from their Scheme Manager. Housing Related Support is funded from a County-wide 'pot' and Commissioners at Essex County Council decide on the allocation of funding across all the providers of Housing Related Support in Essex. Changes to the Housing Related Support distribution of funds could have a significant impact on the HRA.

- 3.6 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.
- 3.7 Legislation, detailed in Section 6, provides strict time-scales 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, Customer Charter and Housing Service Standards apply directly to rent administration and collection. These high-level documents relate to the service we provide to the public, our customers, which must be a key driver for any strategy concerning the provision of services.
- 4.2 Any financial transaction involving the Council, including the administration and collection of rents, are governed by the Council's Financial Regulations.
- 4.3 The Council provides each tenants with a copy of the 'Tenants Handbook' which provides them with valuable information about their tenancy. The tenant's payment letter accompanying the swipe card for rent payments also contains relevant information.
- 4.4 The Housing Directorate's Management System has also achieved ISO 9001:2008 accreditation. The Management System includes written processes and work instructions that are subject to ongoing review in order to provide continuous improvement.
- 4.5 The Council's Community Strategy, Corporate Plan, Housing Strategy, HRA Business Plan and Tenancy Agreement are also relevant to this Strategy.
- 4.6 The Council's website has a section on the Housing Directorate which is relevant to this Strategy. This can be found at www.eppingforestdc.gov.uk/index.php/residents/your-home/council-tenants

5. Aims and Objectives

- 5.1 It is the aim of the Council's Housing Directorate Strategy on Rent Administration and Collection:

"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; and,

g) maintaining ISO 9001:2008 quality systems.

5.2 Regular audits of the rent restructuring, rent accounting and administration are undertaken. An audit of rent accounting and administration was carried out in July 2012.

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 Health and Safety at Work Act 1994

- Responsibilities of the Council as employer in respect of Health and Safety issues

6.5 Landlord and Tenant Act 1985

- Provisions relating to tenancies and leases.

6.6 The Housing Act 2004

- Incorporates aspects of dealing with Anti-Social Behaviour

6.7 Housing Regeneration Act 2008

- Incorporates changes to tolerated trespassers

6.8 The Equality Act 2010

- Replaces previously existing anti-discrimination laws and introduces a new Public Sector Equality Duty. This brings together the existing race, disability and gender duties and extends them to cover age, sexual orientation, religion or belief, pregnancy and maternity, and gender reassignment.

6.9 The Localism Act 2011

- Provides a number of discretionary powers that enable decisions to be taken locally on a number of specific matters, such as whether to introduce tenure reforms. Also changes the way social housing is funded to pass more power to a local level.

6.10 Welfare Reform Act 2012

- Introduces major changes to the benefits system, including changes to housing benefits

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 on housing issues and encourages them to become involved with the Council's consultation processes.

7.2 The District-wide Tenant Participation Agreement, first introduced in November 2002 has been renewed in November 2011 and 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 actively involves the District's Tenants and Leaseholders Federation when setting policies of relevance to tenants and leaseholders and seeks to promote a wider interest in housing-related issues throughout the District.

7.4 The Chairman of the District's Tenants and Leaseholders Federation is a co-opted member of the Housing Scrutiny Panel, which considers detailed housing issues.

7.5 Valuable information for tenants and leaseholders is provided in the 'Tenants Handbook' which is issued to all tenants.

7.6 Regular surveys are also carried out to gauge tenant satisfaction. Until 2008 these had to be carried out every two years, using Government guidelines. The last full survey (general needs and sheltered housing tenants) was in 2006, while in 2008 we were asked to survey general needs tenants only. There is no longer any requirement to conduct a survey, but the Council thinks it is important to do so. The latest survey, which was a random survey of the Council's general needs and sheltered housing tenants, was carried out in March 2012 using a new questionnaire called 'Housemark STAR'. This was developed for all social landlords, so that once other organisations have completed their surveys, the Council will be able to compare its results with other providers.

8. General Principles

8.1 The general principles governing the service are as follows:-

- 8.2 The Housing Directorate will aim to maintain sufficient staffing levels to provide the services covered by this Strategy.
- 8.3 Staff within the Team will ensure that all clients and tenants are responded to promptly and accurately.
- 8.4 The Team will, at all times, attempt to attain the targets laid down in legislation. Procedures will be monitored and reviewed to ensure that timescales are met.
- 8.5 The Council will continue to provide tenants with as many ways as possible of paying their rents, including making payment:
- At one of the Council's cash offices;
 - At any Post Office;
 - At any "PayPoint" access point;
 - By direct debit;
 - By credit card;
 - By text;
 - By standing order;
 - through the internet;
 - by telephone; and,
 - by salary deduction if the tenant works for the Council.
- 8.6 The Housing Directorate was successful in achieving the Customer Service Excellence award in 2007 and the accreditation was successfully reviewed in 2012. The Directorate was also successful in having its quality management system re-accredited to the ISO 9001:2008 standard in January 2012. The Directorate is committed to maintaining these standards by continuously improving services.
- 8.7 Tenant and client consultations and satisfaction surveys will continue to be undertaken.
- 8.8 Accuracy will be maintained on information supplied and balancing accounts at all times. Standing Orders, Financial Regulations and Corporate Policies will be complied with. Throughout all processes, staff will aware of the possibility of fraudulent claims.

9. Future Developments

- 9.1 The Government's Welfare Reform Act 2012 includes a number of changes that will impact on benefit recipients, including those on Housing Benefit. This effect of the reforms may be to reduce the amount of benefit a family receives and, therefore, their ability to pay their rent. The reforms also include the introduction of Universal Credit from October 2013. Universal Credit will replace a range of existing benefits and tax credits for people of working age. Unlike the current system, the Housing Benefit component of the Universal Credit will be paid to the tenant rather than direct to the landlord. This being the case, there are concerns that some tenants may not pass their benefit on to the Council in payment of their rent. The Council is seeking to encourage as many tenants as possible to pay their rent by Direct Debit prior to the introduction of Universal Credit.

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

<p>STRENGTHS</p> <ul style="list-style-type: none"> ❖ Knowledgeable and committed staff ❖ Policy and Works Instructions available on the Intranet ❖ Integrated Housing System ❖ ISO 9001:2008 Accreditation ❖ Good relationship with tenants ❖ Good tenant consultation framework ❖ Comprehensive performance monitoring ❖ Good procedures and timetable 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> ❖ Limited opportunities for succession planning because of the specialist nature of the roles in the section ❖ Retirement of long term Team Leader
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> ❖ Complete review of existing methods and procedures ❖ Introduce a more staff-development focused and progressive management style into the section ❖ Introduction of the new Customer Online System ❖ Introduction of less paper orientated systems 	<p>THREATS</p> <ul style="list-style-type: none"> ❖ Reduced funding from County Council for Housing-Related Support ❖ Introduction of welfare reforms

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)	Spring 2013	Existing Resources

Action	Lead Officer	Timescale	Resource Implications
Provide arrears recovery reports and statistics to managers within one week of close of each fortnight	Principal Housing Officer (Incomes) and Housing Resources Manager	Ongoing Review September 2013	Existing Resources
Provide statistical information on National and Local PIs each quarter within two weeks of close of each quarter	Principal Housing Officer (Incomes) and Housing Resources Manager	Ongoing Review September 2013	Existing Resources
Provide 3 additional Direct Debit dates towards the start of the month and undertake a further Direct Debit marketing campaign	Housing Resources Manager	November 2012 – April 2013	Existing Resources
Prepare for the increase in demand for Direct Debit and other methods of payment as a result of the introduction of Universal Credit	Housing Resources Manager	Jan 2013	Existing Resources
Introduction of Paperless Direct Debit	Housing Resources Manager & Senior Housing Officer	April 2013	Existing Resources

Action	Lead Officer	Timescale	Resource Implications
Consider how we can utilise the additional functionality the Customer Online System will bring our customers	Housing Resources Manager	June 2013	Existing Resources
Introduction of new Senior Housing Officer for Incomes team. Make staff development and monitoring performance priority	Housing Resources Manger and Senior Housing Officer (Incomes)	Ongoing	Existing Resources

11. Resourcing the Strategy

11.1 The number of staff resourcing this Strategy equates to 3.0 (FTE) within Housing Directorate 2.0 (FTE) staff within the Rent Accounting and Collection Team including 1 (FTE) dealing with Housing-Related Support 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. The table below shows the staffing levels that will be required for the period of this Strategy.

	2012/2013	2013/2014	2014/2015
Average no of staff required to provide service (FTE)	3.00	3.00	3.00

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
- 1-2-1 monthly reviews with an annual Personal Development Reviews to ensure progression and development within the staff and identifies training needs.

11.2 The cost of this service is met primarily by the rent income received from tenants.

12. Key Targets and Performance Monitoring

12.1 There are a number of Performance Indicators relating to the Rent Accounting and Collection Service which are shown below:-

Performance Indicator	Actual 2010/2011	Actual 2011/2012	Target 2012/2013
Rent collected by the local authority as a proportion of rents owed	98.14%	97.68%	98.80%
Current rent arrears as a proportion of rent	1.55%	1.49%	1.60%
Total former tenant arrears collected per annum	£57,408	£66,616	£60,000

12.2 The Indicator relating to the amount of rent collected as a proportion of rents owed is one of twenty 'tenant-selected indicators' that have been identified by the Tenants and Leaseholders Federation as being most important to tenants. This monitored on a quarterly basis by the Federation.

12.3 In addition to this the Directorate has a number of Service Standards which relate to the service. These are identified below:

Ref	Service Standard	2010/2011	2011/2012
(HM3)	Tenant is given a choice of three dates in the month to pay their rent by Direct Debit	Achieved	Achieved
(HM4)	Tenant is provided with written confirmation of balance on their rent account by the end of each quarter.	Achieved	Achieved
(HM5)	Tenant is provided with a detailed rent account statement for the previous 12 months on request or automatically if they are in arrears by more than £1	Not measured	Not measured

12.4 Performance against the Standards is also monitored by the Tenants and Leaseholders Federation and by the Housing Scrutiny Panel on an annual basis. This constant monitoring of all targets, and initiating remedial action where necessary, should adequately ensure that the provisions of this Strategy are achieved.

12.5 In view of the legislative targets involved, and the reliance of other sections on the information provided by the team, continual monitoring of the service is essential. There are quarterly Continuous Improvement Meetings between the Director of Housing and the relevant Assistant Director and Manager to review the previous quarter's performance and determine any remedial action that needs to be taken.

13. Reviewing the Strategy

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