

Policy

Title: Rent Collection and Payments

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A policy should be a short statement which describes in general terms or objectives what a service area's principles and key objectives are on a particular subject and should be no longer than a 2 pages in length. The aim of the policy is to give practical effect of the strategy it supports.

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CONTENTS PAGE

INTRODUCTION	3
AIMS / OBJECTIVES	3
SCOPE	3
POLICY STATEMENT	3
RESPONSIBILITY	4
SERVICE STANDARDS	4
PERFORMANCE MEASURES / MONITORING	5
CONSULTATION ARRANGEMENTS	5
BENCHMARK ANALYSIS	5
REGULATORY AND/OR LEGAL COMPLIANCE	5
KLOES AFFECTED	6
EQUALITY AND DIVERSITY CONSIDERATIONS	7
LINKS TO STRATEGIES, PROCEDURES AND ASSOCIATED DOCUMENTS	7
BUSINESS IMPACT	7
SELF ASSESSMENT COMPLIANCE STATEMENT (SACS) CONSIDERATIONS	7

Introduction

It is important that Halton Housing Trust (the Trust) is successful in collecting rents due so that it can meet the commitments in its Business Plan, e.g. the repayments required for the major repairs and improvements programme.

This Policy sets out the facilities and services available to tenants to assist them with meeting their obligations to pay rent and related charges.

Aims / Objectives

It is in the interests of both the Trust and its customers that income is maximised, and this Policy aims to achieve this.

The Trust will provide a range of services and facilities to assist in the prompt collection of rent income and other charges from customers.

The Trust will encourage its customers to pay their rent regularly and on time and will regularly review payment methods offered to ensure that they are accessible, efficient and effective.

Scope

The application of this Policy will mainly be carried out by employees in the Income section of the Trust, but will also involve members of the Area Housing teams.

Policy Statement

Rent will be debited each week on a 48 or 49 week basis depending on the length of the financial year – as outlined in the Rent Setting and Service Charge Policy. Rents are payable weekly. An account will be considered to be in arrears if payment has not been received by the Monday of the week following its due date.

The Trust will update its financial records to show payments and credit received on a daily basis.

All customers will be issued with a rent payment card, either at the start of their tenancy with the Trust or upon request thereafter. Options available for using the rent payment card include:

- Pay Point and Post Office outlets;
- Halton Direct Link kiosk machines;
- 24 hour telephone payment line;
- Online payments, via the Trust's website.

Other options to make rent payments can include:

- Direct Debit
- Standing Order

- Cheque or postal orders
- Housing Benefit.

Rent statements will be issued to all customers on a regular basis to help customers to manage their rent accounts. This will also show customers that the Trust is being open and transparent in the way it deals with their rent accounts.

Existing Customers will be advised about all changes to rents and charges promptly and in accordance with statutory notice periods. They will be also given details of the rent payment methods available and how to claim Housing Benefit on at least an annual basis. Any changes in services available in relation to rent payment will be communicated at least four weeks in advance. Details of such services will be routinely communicated to customers in all correspondence regarding rent and in the Customer Handbook.

New customers will be advised of their weekly rent charge and whether or not it includes heating and/or additional service charges at the start of their tenancy. The responsibility to pay rent and any other charges and the range of payment methods available will be discussed with new customers when they sign-up for their new home. Assistance will be offered to arrange the most appropriate method of payment for them. Possible entitlement to Housing Benefit (HB) will also be discussed at sign-up. Advice and assistance will be offered with regard to claiming HB and with completing the necessary documentation if appropriate.

Wherever possible, the Trust will seek customers' consent from those who are eligible for Housing Benefit to have it paid directly to their rent accounts. In addition, the Trust will also seek customers' consent for them to sign a document which authorises Halton BC's Benefits Section to discuss details of their HB claim.

The Trust will work with other agencies to ensure that necessary support is given to individual customers when required. For example, the agreement entered into between the Trust and Halton BC's Benefits Section regarding the Verification Framework. This helps any HB application submitted a Trust customer to be processed more quickly.

The Trust will consider ways and methods which will actively encourage payments to be made; e.g. through the use of incentives and promotional campaigns.

Responsibility

The Trust's Director of Resources will be ultimately responsible for the effective implementation of this Policy.

Day to day responsibility for implementing the Policy is with the Income Manager.

Service Standards

The following service standards relate to this Policy:

- Rent review letters will be sent out annually and will give customers the statutory 28 days notice period.

- Rent statements will be issued on a quarterly basis to all customers and on request on an individual basis and will be issued immediately.

The Trust has also agreed two Service Level Agreements with Halton BC which relate to this Policy. One covers all payments taken by the Council on behalf of the Trust. The other covers Housing Benefit eligibility.

Performance Measures / Monitoring

The main performance measure that will monitor this Policy is 'the percentage of rent collection as against the rent debit.' This is monitored weekly and is reported on a monthly basis.

Consultation arrangements

The Trust will consult with its customers generally and other appropriate agencies on a regular basis to ensure that its services relating to rent are up to date and in order to continually develop good practice. Any consultation will be conducted in accordance with the Trust's Customer Involvement Policy.

For example, the rent statements were developed with the assistance of customers to ensure they are easy to understand. Customers were also consulted over their preferred payment options regarding Direct Debits.

Benchmark Analysis

The Trust is a member of the Rent Income Excellence Network (RIEN) and submits rent collection data on a quarterly basis. The Trust currently benchmarks its performance with other members of the North West benchmarking club.

Regulatory and/or Legal Compliance

Until such time as the Tenants Services Authority (TSA)'s own regulatory standards are introduced, the current regulatory requirements that apply to this Policy are contained in the Regulatory Code which the TSA inherited from the former regulator. All the following parts of the code will apply to some degree to the Trust's rent collection process:

- 3.2 Associations must have management arrangements, resources, skills and systems which are appropriate to their circumstances, scale and scope of operation, and ensure that their activities:
 - 3.2.1 are adequately monitored
 - 3.2.2 are undertaken efficiently and effectively;
 - 3.2.3 are backed by proper systems of assurance for internal control.

- 3.3 Housing associations must aim to deliver continuous improvements and value for money in their services.
- 3.5 Associations must provide good quality housing services for residents and prospective residents.

The following is a summary of information customers must receive by law:

- A rent book or equivalent showing the name and address of the landlord and of the managing agent (if any), the rent payable, details of the number of occupants permitted in the dwelling (and any other information required under current legislation);
- The landlord's name and address must be included on any written demand for rent or other charges due in or under the tenancy agreement and detail of where payments can be made should be provided
- Customers must be formally notified of the address where they may serve a notice on the landlord as required by Section 48 of the Landlord and Tenant Act 1987
- Landlords should give customers at least one month's written notice of any rent increase or comply with any statutory requirements for rent increases
- Customers who do not pay their rent on a rent card (e.g. those who pay by standing order or smartcard) should be provided with a rent statement at least every quarter
- All customers on request should be provided with accurate and up-to-date information about their rent account, any amounts owing, (and in the case of local authorities, with details of housing benefit payments).

KLOEs affected

The Audit Commission's Housing Inspectorate has produced a landlord services KLOE covering housing income management, which links to this Policy.

One section of this KLOE deals with rent and service charge accounting and collection, and poses the question: *Does the organisation comply with the statutory requirements and adopt good practice methods in terms of rent and service charge setting?*

An organisation delivering an excellent service in this area is said to:

- *Deliver accurate and timely information about rent and service charge accounts to service users, for example quarterly rent and service charge statements.*
- *Minimise and prevent arrears by ensuring that new rent accounts are always set up, and means of payment supplied to new tenants, before tenancies commence.*
- *Ensure that accounting systems are well integrated with housing management and benefit systems. As a result the organisation can clearly identify arrears due to housing benefit (HB) claims or payment in credit or arrears.*

By effectively implementing this Policy the Trust will look to satisfy these elements of the KLOE.

Diversity Considerations

An Equality Impact Assessment (EIA) was carried out on this Policy in July 2009. The EIA concluded that:

- The Policy is not directly or indirectly discriminatory
- The Policy increases equality of opportunity by permitting or requiring positive action or action to redress disadvantages
- An action plan has been developed which can be adopted that will further enhance the equality of opportunity in the context of this Policy.

Links to Strategies, Procedures and Associated Documents

- Finance Strategy
- Financial Inclusion Strategy
- Treasury Management Strategy
- Rent Setting & Service Charge Policy
- Rent Arrears Recovery Policy
- Write-off of Bad Debts & Credits Policy
- Customer Involvement Policy

Business Impact

An effective and efficient rent collection process is seen as being an essential business requirement for the Trust. The rent it collects from its customers provides the main component of its funding stream to meet the requirements of its Business Plan.

Self Assessment Compliance Statement (SACS) Considerations

It is not envisaged that any changes or amendments are required to the SACS document as a result of the revision of this Policy.