



Chester-le-Street
District Council

Report to: Full Council
Date of Meeting: 28th September, 2006
Report From: Director of Community Services
Title of the Report: Current Tenant Rent Arrears Policy
Agenda Item Number: **19**

1. Purpose of the Report

1.1 The purpose of this report is to secure the approval of Full Council for the Current Tenant Rent Arrears Policy

2. Consultation

2.1 The Executive approved a draft Current Tenant Rent Arrears Policy on 4th September 2006. The Current Tenant Rent Arrears Policy had been subject to wide spread consultation including:

1. All Ward Councillors
2. Shelter
3. Citizens Advice Bureau
4. Director of Community Services
5. Director of Resources
6. Head of Housing Services
7. Head of Legal and Democratic Service
8. Income Management Team Leader
9. Tenants Panel
10. Tenants Income Management Working Group
11. Tenants and Residents Associations

3. Corporate Plan and Priorities

3.1 This report supports the following priorities in the Corporate Plan:

Priority 7 Maximising Efficiencies

4. Implications

4.1 Financial

4.1.1 The collection of rent is a critical factor in the delivery of the Housing Service as rental income forms the bulk of the Housing Revenue account. For the financial year 2006 -2007 the rental debit of all council properties is £12.3m.

4.2 Legal

4.2.1 The Current Tenants Rent Arrears Policy meets with legislative and good practice requirements in minimising and recovering rent arrears. This includes the following:

1. The Tenancy Agreement
2. Housing Acts 1985, 1988 and 1996
3. Homelessness Act 2002
4. Data Protection Act 1998
5. Freedom of Information Act 2000

4.3 Personnel

4.3.1 There are no personnel implications associated with this report.

4.4 Other Services

4.4.1 There are no "Other Services" implications associated with this report.

4.5 Diversity

4.5.1 The Current Tenants Rent Arrears Policy has been subjected to a Diversity Impact Assessment. The Policy ensures that all tenants are treated equally and fairly and that information to tenants is clear and consistent.

4.6 Risk

4.6.1 There are significant risks associated with failure to control and collect rent arrears. These are mainly financial risks around the Housing Revenue Account and the impact on the delivery of the Housing Service. From a tenants perspective the ultimate risk is that they could lose their home so it is vital that the current rent arrears policy deals with arrears at the earliest possible stage and identifies preventative measures to try and reduce this risk.

4.7 Crime and Disorder

4.7.1 There are no Crime and Disorder issues associated with the report.

5. Background

5.1 Background

5.1.1 The existing Current Tenant Rent Arrears Policy was last reviewed in April 2005 following the introduction of a dedicated Income Management Team

5.1.2 Since the last review the application of the policy has seen collection rates improve over the last 12 months after deteriorating for the last two years. However collection rates are only considered to be average performance when benchmarked against other organisations.

5.1.3 The Income Management Team has identified in their 2006 – 2007 team plan the need to continuously improve performance in relation to collection rates which is monitored by BVPI 66a. This monitors the percentage of rent collected against the percentage of rent due. To achieve an improvement in performance the Income Management Team has included a review of the Current Rent Arrears Policy in their team plan.

5.2 Position Statement

5.2.1 The revised policy covers a number of key areas, such as:

- Arrears management
- Communication with tenants
- Arrears prevention
- Arrears recovery
- Performance monitoring
- Complaints and Review process

5.2.2 One of the key features of the new policy is the introduction of a staged escalation process which is based on a preventative approach that's seeks to maximise tenants entitlements to benefits and secure regular payments.

5.2.3 The escalation process ensures that all accounts are monitored weekly by the Income Management Officers and follows a staged recovery procedure. In exceptional circumstances the Income Management Team Leader can authorise deviation from these procedures in specific cases.

5.2.4 The new policy places an emphasis on arrears prevention by making rent payments as accessible as possible: by providing general help and advice on money matters; and establishing and maintaining personal contact with each tenant whose account is in arrears. The policy identifies how this applies to new and existing tenants.

5.3 Option Appraisal

5.3.1 The Council can chose to:

- Option 1 Adopt the Current Rent Arrears Policy
- Option 2 Task officers to undertake a further review of the Current Rent Arrears Policy to be brought back to Full Council once completed.

6. Recommendations

6.1 It is recommended to Full Council by the Executive that:

1. The Current Tenant Rent Arrears Policy is formally adopted by the Council

7. Background Papers/Documents Referred To

7.1 There are no background papers associated with this report.

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