

## COMMUNITY & SOCIAL AFFAIRS COMMITTEE

21<sup>st</sup> JANUARY 2015

### REPORT OF HEAD OF COMMUNITIES & NEIGHBOURHOODS

#### COUNCIL TENANTS – RENT IN ADVANCE

#### 1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to ensure that any prospective tenants receive consistent treatment throughout the sign up process upon the request for rent in advance.

#### 2.0 RECOMMENDATIONS

- 2.1 **Members note and support the measure put in place to ensure no prospective tenant is adversely affected by the request for rent in advance.**

#### 3.0 KEY ISSUES

- 3.1 We are the only industry where we supply the goods up front without being paid. It is important that we develop a culture of upfront payments at the point of sign up. We are encouraging our tenants to keep on track with their rent in those first few weeks to avoid early rent arrears.
- 3.2 All tenants should have a clear rent account every week, therefore as they sign up they should pay at least their first week's rent up front – The existing tenancy agreement states this. If they wish to pay monthly, then it should be a month up front.
- 3.3 If they have applied for Housing Benefit we need to be clear whether this will cover the rent in full - is the application likely to be approved for full HB? - If not, the tenants should pay an amount towards the rent until the decision is known as the account should never be falling into arrears - and with HB cases this happens.
- 3.4 With Universal Credit rolling out in Feb 2015 some new tenants will no longer have their rent paid by Housing Benefit. They will receive the housing costs as part of a monthly lump sum. They will then be expected to pay their rent.
- 3.5 By encouraging the tenant to build up a balance on the account to allow for the weeks that it will fall into debit awaiting the arrival and posting of the HB payment onto the account or universal Credit will avoid the need to use recovery action in the future.

#### 4.0 KEY PRINCIPLES

- 4.1 An agreement that no prospective tenant is refused an offer of accommodation due to the inability to submit a payment in advance
- 4.2 A maximum amount of rent (equivalent to one month) be requested from the prospective tenant

- 4.3 Financial (affordability) assessments will be undertaken of those who have successfully bid for a property via our Choice Based Lettings by the Council's Housing Options Team.
- 4.4 Input from any support workers involved or supporting the prospective tenant is to be considered as a part of the assessment process (particularly where the prospective tenant is currently resident in supported or temporary accommodation)
- 4.5 Following the financial assessment, Housing Options team determine an affordable amount of rent in advance (maximum equivalent to one month's rent) and request payment in advance of the tenancy commencing via debit card, cheque or ordering an allpay card (Payment Card that can be used at shops who offer this service) in advance. Cash payments will not be accepted.
- 4.6 Where the applicant is assessed as being in receipt of full housing benefit, £15 generally should be accepted as a minimum from the applicant.
- 4.7 It is accepted that not all applicants will be in a position to make a substantial payment in advance. Currently we do not "ask" for any advance payments resulting in the tenant starting their tenancy potentially in arrears. Where an applicant is not in a position to provide any form of rent, suitable tenancy sustainment they will receive support and be referred to Me & My Learning for triage and assessment.
- 4.8 In addition to support being offered via Me & My Learning referrals will be made to the Citizens Advice Bureau, Money Advice, Clock Wise Credit Union and other agencies if issues are extremely complicated.

## 5.0 **POLICY AND CORPORATE IMPLICATIONS**

- 5.1 Although there are no direct policy and corporate implications arising from this report. Effective use of existing resources coupled with the support from external agencies aim to mitigate the overall impact of rent arrears.
- 5.2 This policy compliments the Council's approach to Early Intervention and reduction of demand by preventing issues such as rent arrears occurring in the first place. The policy will also be overseen by the proposed new intensive housing management support service.

## 6.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

- 6.1 There are no direct Implications arising from this report.

## 7.0 **LEGAL IMPLICATIONS/POWERS**

- 7.1 There are no legal implications directly arising from this report.

## 8.0 **COMMUNITY SAFETY**

- 8.1 There are no community safety issues with regard to this project or the recommendations in this report.


9.0 **EQUALITIES**

9.1 No initial equalities issues have been identified

10.0 **RISKS**

10.1 The risks are considered in the table below

Very High A				
High B				
Significant C				
Low D				
Very Low E		1		
Almost Impossible F				
	IV Negligible	III Marginal	II Critical	I Catastrophic


  
**Impact**

Risk No.	Description
1	Prospective tenants cannot afford to pay "any" rent in advance.

11.0 **CLIMATE CHANGE**

11.1 There are no climate change issues directly arising from this report.

12.0 **CONSULTATIONS**

12.1 Consultation has taken place with internal staff, members of Tenants Forum Executive Committee and the Leicestershire Citizen Advice Bureau

13.0 **WARDS AFFECTED**

13.1 All wards which contain Council properties are affected.

Contact Officer: Mark Shields  
 Date: 23<sup>rd</sup> December 2014

Appendices:

None