

**North East Derbyshire District Council**

**Cabinet**

**13 February 2020**

**Rent Collection Cycle and Rent Standard**

**Report of Councillor R Welton, Portfolio Holder for Housing**

This report is public

**Purpose of the Report**

- To consider a move from a 48-week rent collection cycle to a 52-week rent collection cycle – to improve the rent collection service for customers.
- To review the Council's rent policy against the Regulator for Social Housing's new "Policy Statement on Rents for Social Housing".

**1 Report Details**

- 1.1 It is proposed to move from a 48-week rent collection cycle to a 52-week rent collection cycle. This is an operational change to assist customers who receive the Universal Credit form of benefits. Universal Credit works from a 52-week cycle. This means customer rent accounts show as in arrears for most of the year which increases the risk of higher arrears and financial difficulty for our customers and a less transparent process.
- 1.2 This proposal would be a change for customers; however, it would result in customers paying a slightly lower amount each week.
- 1.3 In February 2019 the Regulator for Social Housing issued the "Policy Statement on Rents for Social Housing". This is a change from the previous Rent Standard because for the first time the standard will now apply to Local Authorities as well as private registered providers.

**2 Conclusions and Reasons for Recommendation**

**2.1 Altering the rent and charges to 52-week basis:**

Some customers like the "rent free" period – it is therefore important to communicate the reason why we are moving to this new 52-week basis – i.e. to provide maximum support to those customers that will move onto Universal Credit.

The move will also reduce the "technical arrears" issue we have with customers who pay by Direct Debit.

- 2.2 It will be important to communicate the need to pay every week as we lead up to the former rent-free periods.
- 2.3 Reviewing NEDDC's rent policy against the Regulator for Social Housing new Rent Standard will ensure and demonstrate compliance with the new regulation.

### **3 Consultation and Equality Impact**

- 3.1 There are no consultation or equality considerations with the proposed review against the new Rent Standard.
- 3.2 There is no statutory consultation required for the rent collection proposal, however customers and staff will be notified of the changes so they can be clearly understood and communicated.

### **4 Alternative Options and Reasons for Rejection**

- 4.1 Rent Collection - Do nothing, this option is rejected because the proposal to move to a 52-week rent collection pattern will enable a more transparent service for customers and more efficient process for NEDDC and RHL.
- 4.2 Compliance with the Rent Standard is a regulatory requirement.

### **5 Implications**

#### **5.1 Finance and Risk Implications**

- 5.1.1 The recommendation to move to a 52-week rent collection cycle for customers who do not currently pay their rent and charges by Direct Debit is based on the rules governing Universal Credit.
- 5.1.2 There may be some changes required to standard letters and IT processes, however, it is expected they will be contained within existing budgets; therefore, there is no additional financial cost to the organisation in moving to a 52-week collection period.

#### **5.2 Legal Implications including Data Protection**

- 5.2. In February 2019 the Regulator for Social Housing's issued the "Policy Statement on Rents for Social Housing". This is a change from the previous Rent Standard because for the first time the standard will now apply to Local Authorities as well as private registered providers.

#### **5.3 Human Resources Implications**

- 5.3. There are no additional staff and/or staff resource requirements contained within this report.

### **6 Recommendations**

- 6.1 To approve the proposal to move to a standard 52 week rent collection cycle from April 2020.

- 6.2 To undertake a review of the Councils rent policy to ensure compliance with the Regulator for Social Housing's – Policy Statement on Rents for Social Housing" issued February 2019.

## 7 Decision Information

<p><b>Is the decision a Key Decision?</b>  A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:  <i>BDC: Revenue - £75,000</i> <input type="checkbox"/>  <i>Capital - £150,000</i> <input type="checkbox"/>  <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/>  <i>Capital - £250,000</i> <input type="checkbox"/>  <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	<p>Yes  Revenue in excess of £75,000</p>
<p><b>Is the decision subject to Call-In?</b>  (Only Key Decisions are subject to Call-In)</p>	<p>Yes</p>
<p><b>Has the relevant Portfolio Holder been informed</b></p>	<p>Yes</p>
<p><b>District Wards Affected</b></p>	<p>All</p>
<p><b>Links to Corporate Plan priorities or Policy Framework</b></p>	<p>All</p>

## 8 Document Information

Appendix No	Title
1	Regulator for Social Housing's – Policy Statement on Rents for Social Housing" (February 2019)
<p><b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)</p>	
<p><b>Report Author</b></p>	
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