


<p>Details of Leadership Team meeting or (in the case of individual Lead Member or Executive Director decisions) by whom and the <u>earliest</u> date the decision will be taken</p>	<p>Leadership Team</p> <p>Date of decision: 7 July 2021</p>	 <p>THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA</p>
<p>Forward Plan ref:</p>	<p>05795/21/K/A</p>	
<p>Report title</p>	<p>RENT INCOME POLICY</p>	
<p>Reporting officer</p>	<p>Dan Hawthorn - Executive Director – Housing and Social Investment</p>	
<p>Key decision</p>	<p>Yes</p>	
<p>Access to information classification</p>	<p>Public</p>	
<p>Wards</p>	<p>All</p>	

1. EXECUTIVE SUMMARY

- 1.1. Following the handing back of the Housing Management services from Kensington and Chelsea Tenants Management Organisation to the Council it was necessary to put in place policies and procedures to underpin Housing Management operations.
- 1.2. The proposed Rent Income and Arrears Policy describes the Council's aims and objectives, as well as the approach to collecting of rent and arrears from residential tenants.
- 1.3. It was developed in line with the Council's values of respect, integrity and putting communities first.
- 1.4. Rent collection is an important part of Housing Management's activities as it is the main revenue stream of the Housing Revenue Account.
- 1.5. This report outlines the proposed Rent Income and Arrears Policy for residential tenants of RBKC.

2. RECOMMENDATIONS

- 2.1. The Leadership Team is recommended to approve the proposed Rent Income and Arrears Policy.

3. REASONS FOR DECISION

- 3.1. There is currently no Rent Income and Arrears Policy in place.
- 3.2. It is good practice to set out the methodology for rent income collection in a policy document, in order to provide transparency and accountability.

4. BACKGROUND

- 4.1. In 2018 the management of the borough's housing stock was handed back to the Council from the Kensington and Chelsea Tenants Management Organisation.
- 4.2. In the absence of an up to date Rent Income and Arrears policy, the Income Team based their approach to rent arrears collection on previous TMO practice and their experience of this specialist area of work.
- 4.3. The approach was process driven and relied heavily on an escalation policy pre-loaded into the computer system used by the Income Team.
- 4.4. The escalation policy consists of a number of actions and letters and drives the process of rent arrears collection by prompting officers to take the next step. It runs from the moment a rent account first goes into arrears which prompts the first contact, all the way to an eviction, in the event of all recovery attempts failing.
- 4.5. The first draft of the Rent Income and Arrears Policy was developed in 2019. It was due to be consulted in early 2020 with a variety of stakeholders, including the RBKC tenants. This process was halted by the onset of the Coronavirus pandemic and the resulting uncertainty and changes in priorities.
- 4.6. As a result of Housing Management department's internal restructure, the new Income and Financial Inclusion Team was created in early 2020. One of the early objectives was to implement a robust set of policies and procedures.
- 4.7. The initial draft was revised in the autumn of 2020 to reflect the ongoing pandemic, which had a substantial effect on how the Income team approaches the collection of rent and arrears.

5. OPTIONS, ANALYSIS AND PROPOSALS

- 5.1. The council should have a policy which enables actions which can, in some circumstances, result in the loss of someone's home through the non-payment of rent.

- 5.2. While the Income and Financial Inclusion Team continues to deliver services according to good practice and industry standards, these practices need to be legitimised by having a formally approved policy in place.
- 5.3. The onset of the Covid 19 pandemic has led to the Income teams adapting their approach to rent collection to that of a 'helping hand' as more residents find themselves in financial difficulty.
- 5.4. The new policy adopts a more holistic and customer focused, and less process driven approach. It aims to be supportive and not punitive, as well as pro-active and not reactive.
- 5.5. It recognises that rent arrears are often a by-product of a set of complex circumstances and seeks to assist the tenants to resolve these issues as well as address their financial challenges.
- 5.6. It focuses on understanding individual household's needs and sets of circumstances and only then on tailoring support to respond adequately to the unique challenges these households face.
- 5.7. The overarching ethos is that of sustaining tenancies. This is supported by the creation of the dedicated Financial Inclusion team consisting of Welfare Advisors and Tenancy Sustainment Officers who work closely with Income Officers.
- 5.8. Much greater emphasis is placed on supporting vulnerable households.

6. CONSULTATION AND COMMUNITY ENGAGEMENT

- 6.1 The draft Rent Income and Arrears Policy was consulted with a variety of internal and external stakeholders, in accordance with the values of transparency, involving residents in decision making and improving services.
- 6.2 In October 2020 the Rent Income and Arrears Policy was circulated to internal stakeholders and key partners such as Department of Work and Pensions and Kensington and Chelsea Citizens Advice.
- 6.3 The Rent Income and Arrears Policy was also consulted with all RBKC tenants via an online survey published on the Council's website on 18 January 2021. It was promoted via:
 - The local area housing meetings in November 2020
 - The Disability Forum in January 2021
 - The Tenants Consultative Committee in January 2021
 - Electronic notice boards at Trellick Tower and Silchester Estate
 - Local residents' newsletters

- RBKC website
 - Letter insert into quarterly rent statements sent to all tenanted households in March 2021
- 6.4 Alongside the survey, a link to the draft policy was placed on RBKC website and respondents were encouraged to read the draft policy before responding. The consultation was promoted via a variety of channels and respondents that needed material in another medium were provided with a telephone number and email address to facilitate such requests.
- 6.5 The initial consultation produced only 3 responses, so the deadline was extended to 30 April 2021. Consequently, we received 25 responses in total.
- 6.6 No significant changes were made to the draft policy as a result of feedback from this consultation.

7. LEGAL IMPLICATIONS

- 7.1. This policy adequately sets out the applicable legislation and considers equality issues.
- 7.2. There is no adverse impact on protected groups, and the draft policy contains provisions for dealing with vulnerable tenants.

8. FINANCIAL, PROPERTY, IT AND ANY OTHER RESOURCES IMPLICATIONS

- 8.1. Rental income provides the main revenue stream underpinning the Housing Revenue Account. The lack of a robust Rent Income and Arrears Policy could negatively affect the Council's ability to collect rent due and outstanding arrears in an efficient yet considerate manner.
- 8.2. Inefficiencies in collection of rent and arrears could lead to the decrease in funds available to maintain improvements to housing services to a high standard that the Council aspires to.
- 8.3. There are no direct property, IT or any other resources implications from this decision.

9. HUMAN RESOURCES IMPLICATIONS

- 9.1. There are no Human Resources implications as the approaches outlined in the policy can be delivered with the existing staff resources.

10. EQUALITIES IMPLICATIONS

- 10.1 Full Equality Impact Assessment (EqIA) had been carried out.
- 10.2 The Rent Income and Arrears policy should have no negative effect on people with protected characteristics apart from disability (blindness) and race (language

barrier). The service is committed to ensuring all tenants have equal access to information and support and therefore will tailor their approach as necessary to meet their needs.

- 10.3 The policy recognises that there are vulnerable groups and that services will be extended to meet their need.

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Mandatory clearance requirements for all Key and Executive Decision reports

Cleared by Corporate Finance (officer's initials)

SM

Cleared by Director of Law (officer's initials)

NF

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KT