



# Local authority housing rent income

Rent collection and arrears management by local  
authorities in England and Wales

# Rent collection and arrears management: self evaluation checklist

This 'positive practice' checklist brings together accepted good practice in the prevention and management of housing rent arrears, from a range of sources including Audit Commission's housing inspections, housing professionals (including the Chartered Institute of Housing) and other stakeholders such as housing benchmarking clubs. It is intended to be used as a self evaluation tool by all local authorities (and also housing associations where relevant) both to provide an initial appraisal of their current policies and practices, and also to help provide an appropriate response to changing circumstances.

The checklist is designed to be used in conjunction with the Commission's report: *Local Authority Housing Rent Income* (June 2003), which provides background analysis and further amplifies the practical steps authorities can take at both the strategic and operational level. The report also contains good practice examples and case studies drawn from housing inspections and elsewhere.

The report and checklist complement other recent Commission housing-related publications:

- *ALMO Inspections – The Delivery of Excellent Housing Management Services* (March 2003)
- *Promoting Positive Practice – Audit Commission Housing Review (part II)* (March 2003)
- *Housing Association Rent Income* (May 2003)

Printed copies of all Commission publications are available from Audit Commission Publications, PO Box 99, Wetherby LS23 7JA (0800 502030). Copies can also be downloaded from the Commission's website at [www.audit-commission.gov.uk/housing](http://www.audit-commission.gov.uk/housing).

## 1 Clear corporate approach and commitment

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Is arrears prevention/recovery given adequate corporate priority and resources?

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Is there a policy/strategy on arrears prevention and recovery?

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Is there a corporate debt policy/strategy?

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Are overall aims and objectives on arrears prevention and recovery clear and challenging?

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Were the following groups involved in developing the policy/strategy:

- elected members?
  - housing staff?
  - tenants?
  - the housing benefit (HB) service?
  - local advice agencies?
  - other stakeholders?
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Do clear links exist between policy on arrears prevention/recovery and wider corporate policies – for example, homelessness, anti-poverty, social inclusion and equalities?

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Is the impact of the arrears policy on wider corporate policies monitored on a regular basis?

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Is there a good understanding of the impact of arrears on the spending priorities of the council?

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Do clear links exist between corporate aims and objectives and operational objectives/targets?

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Do elected members give consistent support for the arrears policy?

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Are *staff* clear about key aims and objectives, and about the authority's approach?

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Are *tenants* clear about key aims and objectives and about the authority's approach?

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Are other stakeholders clear about key aims and objectives, and the authority's approach?

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Does the council analyse key data to help it understand the scale and nature of the arrears problem, and to help target action?

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Have policies/procedures changed in the past two years as a result of such an analysis?

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## 2 Effective management arrangements

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Are targets defined in relation to national performance indicators (PIs)?

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Are local performance measures/targets used?

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Does a balanced range of performance measures and targets exist, covering costs and resources, the tenant perspective, internal management arrangements and outcomes?

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Do individual staff have targets?

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Have the following groups been involved in developing service standards, measures and targets:

- elected members?
- housing staff?
- tenants?

- the HB service?
- local advice agencies?
- other stakeholders?

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Do measures and targets avoid creating perverse incentives?

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If performance is poor, has an action or improvement plan been drawn up, outlining how objectives/targets will be achieved?  
Does the plan take account of resource implications?

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Are the following groups satisfied with the performance information they receive:

- elected members?
- housing staff?
- tenants?
- the HB service?
- local advice agencies?
- other stakeholders?

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Are arrangements for comparing performance with other councils' landlords effective?

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Is the council a member of a relevant benchmarking club?

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Is the council using an appropriate comparator group?

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Are effective arrangements in place for taking action where objectives/targets are not met?

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Is there a training strategy and programme for arrears staff?

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Do regular meetings take place between managers and staff who deal with arrears?

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Do regular team meetings take place?

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Do all relevant staff have access to an up to date procedures manual?

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Has there been an effective challenge to staffing/organisational arrangements in the past two years?

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Is there clarity about roles and responsibilities in relation to arrears prevention and recovery?

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Has the council explored fully the scope for integrating or sharing information between IT systems?

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Is the use of shared data between services and organisations registered under the Data Protection Act?

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Is the IT system operationally effective? Does it:

- produce customer friendly standard letters, but still allow for individual tailoring?
- produce customer-friendly rent statements?
- maintain a payment history for each tenant and details of recovery action taken?
- produce, at least weekly, accurate and up-to-date account records for tenants?

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Can the IT system identify tenants who are in arrears and who are not keeping to repayment agreements?

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Does the system prompt the next action to be taken?

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Is it possible to produce reports of cases where actions have not been taken?

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Does the system identify separately different types of debt?

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Can the system identify arrears that are due to unpaid HB?

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Is it easy to produce one-off reports – for example, on the number of static cases under £50 or the number of cases of £300 plus, in different areas?

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Does the IT system produce all necessary information for management and performance monitoring purposes?

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Have all relevant staff received appropriate IT training?

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## 3 Tenant focus

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Have rent collection methods been systematically reviewed in the past two years?

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Does the council know how much different rent collection methods cost to operate?

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Are tenants satisfied with the rent payment options available?

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Have tenants views been sought in the past two years?

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Are tenants able to pay via:

- direct debit/standing order?
- debit cards?
- local shops?
- post offices?
- the internet?

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Does the council know what proportion of tenants pay by each method?

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Does the council know what proportion of tenants have bank accounts and access to the internet?

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How accessible are different payment options?

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Are payment options available out-of-office hours and at weekends?

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Does the council provide incentives to encourage tenants to use the most cost-effective payment methods?

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If the council has a door-to-door rent collection service:

- have the costs and benefits (including safety and security implications) been systematically reviewed?
- has the possibility of providing other services (such as collecting arrears, checking on HB claims) been considered to make the service more cost effective?

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Are letters about rent/arrears easy for tenants to understand?

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Are tenants given clear information on:

- rent payment options?
- how the rent is set?
- breakdown of the amount due?
- policies and procedures on arrears prevention and recovery?
- the consequences of not paying the rent?
- what to do if their rent account is in arrears?
- what to do if facing eviction?
- how to get help and information (including external sources)?
- the performance of the council in collecting rent/arrears?

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Is information provided in a range of formats and languages?

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Has the council canvassed tenants' views on the availability and clarity of relevant information on rent collection/arrears?

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Are staff available to talk to tenants outside usual office hours?

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Is it easy for tenants to reach someone on the telephone who can answer their queries?

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Are offices accessible?

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Do offices have good facilities for visitors?

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Has the council sought tenants' views on the accessibility of services?

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## 4 Emphasis on prevention

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Does the council place enough emphasis on prevention, seeking possession only as a last resort?

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Are prospective tenants interviewed to ensure that they will be able to afford the rent and other regular payments associated with holding a tenancy (such as council tax, water rates, utility bills)?

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Are tenants interviewed face-to-face when they are signed up for a tenancy?

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Are tenants visited at home within the first few weeks of a tenancy starting?

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Does a system exist to identify tenants who may be vulnerable and require additional support to manage their tenancy?

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Is clear and consistent information given to tenants detailing their responsibilities to pay their rent, and the implications of not doing so (for example, through tenants' handbook, leaflets)?

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Are new tenants given advice on housing and other benefits?

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Does the council work jointly with the HB service to increase benefit take-up?

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Are staff trained in welfare benefits?

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Do staff carry out an assessment of likely HB entitlement and advise tenants how much they are likely to have to pay?

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Do arrangements exist for referring tenants to debt counselling advice and support and do all relevant staff know of these arrangements?

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Are staff trained to recognise when tenants might need to be referred to specialist agencies?

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Does the council support local advice and support agencies?

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If so, does it monitor how effective their services are?

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Are rent statements sent out to tenants on at least a quarterly basis?

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Are performance measures/targets set relating to preventative work?

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Is compliance with policies and procedures on prevention monitored on a regular basis?

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Has the council run, or considered running, publicity campaigns to encourage tenants to make regular payments?

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Has the council introduced, or considered introducing, incentive schemes to encourage tenants to make regular payments?

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## 5 Working closely with housing benefit

Is it relatively easy for arrears staff to check on the progress of individual HB claims?

Are arrears staff/tenants getting information to the HB service as swiftly as possible?

Do staff always check on outstanding HB claims before taking court action?

Do housing staff:

- submit information on rent and service charge increases promptly so that the HB service can identify eligible and ineligible charges?
- promptly notify the HB service of any claimants who have left tenancies, or where there have been relevant changes of circumstance?
- inform the HB service in writing where there is a reasonable suspicion of fraud, and co-operate with the HB service's investigations?

Does the HB service:

- copy relevant information to housing staff (as permitted by the Data Protection Act)?
- provide housing staff with a regular list of HB claims due for renewal/not returned, stating the date each claim will be cancelled (as permitted by the Data Protection Act)?
- provide guidance on the verification process and documentation required, so that housing staff can advise tenants?
- inform housing staff if investigations reveal that a claimant living at a property is not the person named on the tenancy?

Do housing staff have access to the HB system (read-only facility) and is the system easy to interrogate?

Is it straightforward for claimants to consent to the HB service providing housing staff with relevant information?

Do information-sharing arrangements meet data protection/privacy requirements?

## 6 Effective recovery procedures

Do policies and procedures on recovery place a strong emphasis on making early, personal contact with tenants?

Do policies and procedures reinforce the importance of applying for direct deductions from benefit when tenants are in receipt of income support/jobseekers allowance and have more than eight weeks' arrears?

Are rent accounts monitored on at least a weekly basis?

Is a letter sent out within two weeks of a missed payment?

Are tenants interviewed within four weeks of a missed payment?

Do staff carry out an assessment of a tenant's ability to pay before making a repayment agreement?

Are repayment agreements confirmed in writing?

Do staff check benefit entitlement during arrears interviews?

Do staff refer tenants to specialist debt counselling/advice agencies?

Has the style and content of arrears letters been reviewed in the past two years?

Are clear records kept of all actions taken to recover arrears?

Do staff assess the personal and social circumstances of tenants before entering cases into court?

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Do staff liaise with other agencies (for example, homelessness service, social services) to ensure that tenants receive the advice and support they need?

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Are arrangements for contacting tenants flexible, to suit their circumstances and lifestyles?

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Are services and advice accessible out-of-office hours?

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Are policies and procedures on recovering arrears set out clearly in writing and provided in appropriate languages and formats?

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Is compliance with policies and procedures, including the exercise of discretion, monitored on a regular basis?

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Have arrangements for legal representation been reviewed in the past two years?

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Is there a specific officer responsible for taking cases to court and liaising with court officials?

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Do policies for court action comply with ODPM guidance on using courts effectively?

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## 7 Focus on former tenants

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Is there a clear policy on the write-off of arrears?

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Do documented procedures exist setting out staff responsibilities and processes for the recovery of former tenant arrears?

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Are the procedures set out clearly in writing and in appropriate formats and languages?

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Are letters/communications with former tenants clear?

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Are they in appropriate formats and languages?

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Are former tenant arrears and amounts written-off regularly reported to members?

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Is there realistic provision for irrecoverable arrears?

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Is responsibility for former tenant arrears allocated to a specific person/team?

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Has the possibility of using tracing and debt collection agencies been explored?

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If a debt collection agency is used, is it a member of the Credit Services Association?

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Do targets exist for the collection of former tenant arrears?

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When tenants transfer, are repayment clauses included in the new tenancy?

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Is there a protocol with other social landlords for identifying and recovering the former tenant arrears of housing applicants?

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Is the number of housing applicants with former tenant arrears monitored?

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Are arrangements for contacting former tenants flexible, to fit in with former tenants' circumstances and lifestyles?

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Are services and advice accessible out-of-office hours?

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Is compliance with policies and procedures monitored on a regular basis?

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