

The Improvement Service

Renfrewshire Council  
Peer Review of Rent  
Collection Service

Summary of key  
recommendations



## 1. Background

- 1.1 Renfrewshire Council's Finance and IT and Housing and Property Services departments jointly commissioned the Improvement Service to carry out a peer review of Rent Collection during September 2008. Five councils participated in the review - East Ayrshire, City of Edinburgh, Falkirk, North Ayrshire and North Lanarkshire.
- 1.2 The review was targeted on the Council's rent collection service, including a focus on rent collection, rent arrears, preventative measures and debt management. The review covered current tenant arrears, and not former tenant arrears, which will be reviewed as part of the implementation of the Council's corporate debt project.
- 1.3 Housing and Property Services' Customer Finance and Support team is responsible for maximising the recovery of rental income. During 2008, the Council approved new management arrangements to ensure that housing related services were in a stronger position to address the key Council objectives. Revised management arrangements included the integration of Customer Finance and Support within Housing Services (moving from the Finance and Asset Management service area). The new structure for Customer Finance and Support introduced several key changes, including the transfer of the Housing Support team from Social Work Services to Housing and the introduction of a jointly funded post with Finance and IT of Benefit Take-up Officer and a Debt Advisor to help consolidate prevention and support activity alongside rent arrears recovery. A centralised approach continues to be adopted, with Arrears Officers being based in offices relating to their patch and line managed by the Arrears Team Leader and Customer Arrears Manager. It is important to note that the review was undertaken during the implementation of the revised management structure.
- 1.4 The driver for this review was the Council's performance in relation to rent collection, and in particular in relation to its level of rent arrears as a percentage of rent collectable. Table 1 sets out Renfrewshire Council's performance in comparison to the five peer councils and also the Scottish average.

Table 1: Current tenants' rent arrears as a % of rent collectable

| Council                 | 2000/01    | 2001/02    | 2002/03     | 2003/04     | 2004/05     | 2005/06     | 2006/07     | 2007/08 *   |
|-------------------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Renfrewshire</b>     | <b>8.9</b> | <b>7.5</b> | <b>10.2</b> | <b>17.7</b> | <b>14.9</b> | <b>12.9</b> | <b>11.6</b> | <b>10.5</b> |
| East Ayrshire           | 14.1       | 10.6       | 7.8         | 4.9         | 4.6         | 4.3         | 4.1         | 2.9         |
| Edinburgh               | 10.8       | 13.1       | 13.1        | 15.8        | 11.8        | 9.3         | 7.5         | 6.6         |
| Falkirk                 | 7.4        | 6.9        | 7.9         | 9.6         | 7.5         | 6.2         | 5.6         | 5.2         |
| North Ayrshire          | 12.0       | 11.3       | 14.9        | 12.3        | 9.2         | 7.4         | 5.6         | 5.0         |
| North Lanarkshire       | 6.0        | 5.5        | 5.2         | 5.3         | 4.9         | 4.4         | 3.7         | 2.9         |
| <b>Scottish average</b> | <b>9.2</b> | <b>7.3</b> | <b>7.4</b>  | <b>7.9</b>  | <b>7.4</b>  | <b>7.0</b>  | <b>6.7</b>  | Unavailable |

Source: Audit Scotland

\* The figures for 2007/08 are estimates which have been provided by the peer councils, as the figures have not yet been published by Audit Scotland

## 4 Peer Review of Rent Collection Service at Renfrewshire Council

- 1.5 In 2006/07, Renfrewshire Council had the fourth highest current tenants' rent arrears as a % of rent collectable out of all 32 local authorities. The Council has moved from a position of performing better than the Scottish average in 2001/02, to performing significantly lower than the Scottish average by 2006/07. Trends over the past 4 consecutive years have demonstrated a reduction in arrears owed from £1,786,000 as at March 2005 to £1,458,700 as at March 2008. The actual numbers of current tenants in arrears for the same period fell from 4,811 to 3,733. The rate of improvement is better than the national average, although performance remains poor in relation to national figures. Renfrewshire's relatively lower starting position means more improvement is required to close the gap with its peer councils.
- 1.6 In conducting the review, the Peer Review Team were struck by the commitment and enthusiasm displayed by employees, both within the Customer Finance and Support service and in other council services. There appeared to be a strong commitment and desire overall to improve services for tenants and to provide support to those who need it. The very fact that employees openly engaged with the Peer Review Team and recognised and highlighted issues which they felt needed to be addressed, is a significant strength in itself.
- 1.7 The areas considered by the Peer Review Team during the review were leadership and governance, performance management, stakeholder management and organisational development. This report summarises the key recommendations of the review. The Peer Review Team has also produced a separate Good Practice Guide which highlights good practice in rent collection across the peer councils and Renfrewshire Council.

## 2. Summary of key recommendations

### Leadership and Governance

- 2.1 To help the service drive forward change and improvement, it was recommended that a 'Change Champion' should be established within the Customer Finance and Support service. Given that employees at all levels within the service were capable and eager to bring about more change in how the service operated, it was proposed that the 'Change Champion' should establish an improvement group consisting of representatives from all levels within the service and other relevant service areas. It was also recommended that the service should commit to the Public Service Improvement Framework (PSIF) in the future, as it would provide the improvement group with a useful self-assessment framework and supporting tools to identify strengths and areas for improvement, to inform annual planning, to define improvement initiatives and to develop action plans. PSIF would involve the improvement group using evidence based self-assessment to look at leadership, service planning, people resources, partnerships and service processes within the rent collection service, as well as the achievement of customer, people, community and performance results.
- 2.2 It was acknowledged that whilst the vision, priorities and outcomes of the rent collection service were clearly defined, they should be reinforced within the service, to other relevant stakeholders and to tenants. It was recommended that a policy and procedures for early intervention and enforcement should be developed and consistently communicated, and that whilst the service should increase early intervention and prevention activity, it should also continue to take firm and decisive action against tenants who avoid paying rent, by taking court action earlier on in the process.
- 2.3 It was felt that there was scope to reinforce the concept of a 'payment culture' amongst tenants, and that tenants (particularly those on Housing Benefit) should continue to be made aware of and understand their obligations in respect of rent payments, and the potential implications for them of not paying rent. To support this, it was recommended that regular and targeted rent pay-up campaigns should continue to be undertaken.
- 2.4 It was felt that there was scope to strengthen existing referral processes (for referring tenants to internal and external tenancy support services), and it was recommended that systems should be introduced to measure the uptake, consistency and outcome of referrals, with feedback on outcomes of referrals provided to the service.
- 2.5 It was proposed that consideration should be given to writing off housing debt where it becomes uneconomical for the Council to pursue the debt, and that the Council could consider aligning the write-off policy for housing debt with the corporate debt write-off policy.
- 2.6 The Council is embarking on a corporate debt project to provide a consistent approach to debt recovery. The Peer Review Team supported the inclusion of rent arrears in the corporate debt project, as they felt it would support the Council in adopting a holistic approach to debt management and it would provide a

more coordinated approach to the recovery of debt from the customer's perspective. One area which will be considered as part of the corporate debt project will be the recovery of multiple debts owed to the Council by an individual. To help support this, it was recommended that the Housing Benefits service should consider reviewing the processes and procedures in place to deliver on the Benefits regulations, with a particular focus on reviewing the rate at which benefits overpayments are clawed back. It was highlighted that any review should consider all potential impacts on relevant performance indicators.

- 2.7 It was recommended that debtor profiling (i.e. building up profiles of key debt categories in order that the service can identify as soon as possible tenants who may be falling into debt problems) should be included in the Council's customer segmentation model which is under development.
- 2.8 Finally, as part of its corporate commitment to resolve at least 80% of enquiries at first point of contact, the Council's Customer Service Centre makes payment arrangements on arrears balances of £250 or less and notifies the Arrears Officer who is responsible for managing the arrangement. The Customer Service Centre also makes payment arrangements on arrears balances greater than £250, when authorised to do so by the Arrears team. It was recommended that consideration should be given to reviewing the procedure in place where the Customer Service Centre sets up arrangements for arrears balances over £250, as balances over £250 are categorised as high level debt.

## Performance management

- 2.9 Arrears Officers are based in offices relating to their patch, and are line managed centrally by the Arrears Team Leader and the Customer Arrears Manager. It was therefore recommended that accountability for rent collection and arrears recovery should be built into the performance management frameworks of local neighbourhood teams, to ensure rent arrears performance is a key priority at area level.
- 2.10 It was felt that there was scope to strengthen the linkages between service performance and the individual performance of Arrears Officers, and it was recommended that SMART patch targets and team/neighbourhood targets should be introduced, which are agreed between managers and Arrears Officers and which reflect the nature of the patch covered.
- 2.11 It was recommended that clearly defined outcomes and outcome indicators should be established jointly by the service and tenancy support services, to measure the success and effectiveness of early intervention activity.
- 2.12 It was proposed that the service's existing processes should be reviewed and redesigned where necessary, to ensure they capture the full functionality of the Housing Management computerised system.
- 2.13 The Council is embarking on a number of mobile working pilots across a range of council services, and it was recommended that the service should consider providing Arrears Officers with appropriate mobile working technologies and remote access to relevant IT systems.
- 2.14 As at 4<sup>th</sup> April 2008, 5.7% of tenants were paying their rent by Direct Debit. It was felt that there was scope to increase direct debit uptake and to support this, it was recommended that a focused and targeted direct debit promotional campaign should be undertaken with appropriate incentives to encourage those households most likely to use direct debit as a payment method to take up this option. The service cannot currently make paperless direct debit arrangements for rent, due to the lack of functionality within the Housing Management computerised system. It was therefore recommended that opportunities should continue to be explored for developing facilities for paperless direct debits and the service should consider other options for making it easier for customers to sign up for direct debit.
- 2.15 The Peer Review team found that the Council's Arrears Officers had a higher number of live cases than Arrears Officers in peer councils. To help reduce the number of live arrears cases, it was recommended that additional short-term resources should be invested in the Customer Finance and Support team.
- 2.16 The Peer Review team found that the Notice of Proceedings of Recovery of Possessions (NPRPs) was either issued via recorded delivery through Royal Mail or in person by the Sheriff Officers. It was proposed that consideration should be given to changing the procedure in place for the delivery of NPRPs and using Arrears Officers to deliver NPRPs in person to tenants.

## Stakeholder management

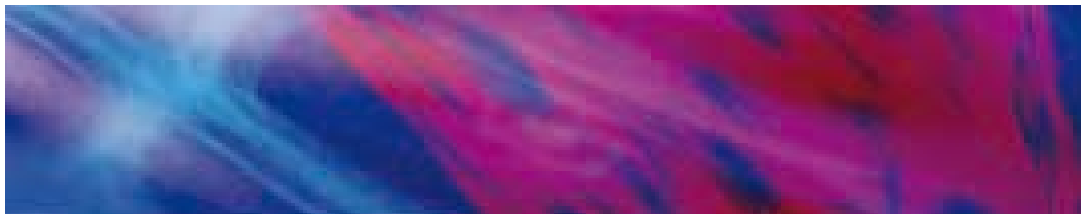
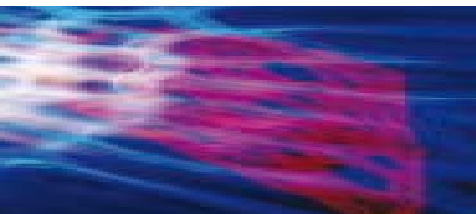
- 2.17 It was felt that there were opportunities for the service to work with other relevant services to manage and channel natural tensions, healthy competition and creative energies to improve services and resolve issues. It was recommended that Arrears Officers and Housing Officers should take on more responsibilities around maximising Housing Benefit take-up, assisting with the Housing Benefit verification process and proactively identifying tenants likely to be impacted by change of circumstances. Equally, the Benefits Visiting Officers and Housing Officers should take on more responsibilities relating to rent collection/rent recovery, with the Arrears Officer being charged with overall responsibility for managing individual cases and liaising with relevant Benefits Visiting Officers and Housing Officers. It was also recommended that the rent arrears service should deliver relevant training and ongoing refresher training to the Housing Benefits service and Housing Officers, with the Housing Benefits service doing the same for Arrears Officers and Housing Officers.
- 2.18 The Peer Review Team found that the Housing Benefits Service do not accept the benefits application form as evidence that the tenant has moved in to their property, and they require the tenant to complete an additional form before they will start processing their housing benefit, which results in delays in housing benefit being awarded. It was therefore recommended that the Housing Benefits service should consider removing the requirement for tenants to complete an additional form stating they have moved in to their property.
- 2.19 It was recommended that visits should be built into relevant stages of the rent recovery process, with Arrears Officers allocating more of their time to visits.
- 2.20 The Peer Review Team were advised that customers have difficulty understanding letters issued by the Customer Finance and Support service and Housing Benefits service, and there are challenges in changing the wording of letters due to legislative requirements. It was therefore recommended that letters issued to tenants by the Customer Finance and Support service and Benefits Service should continue to be reviewed, with a view to making them more customer focused and easy to understand, in Plain English. The Peer Review Team were also advised of confusion amongst tenants of the dates of the 'free' rent weeks and a lack of understanding of what a 'free' rent week actually was. It was recommended that consideration should therefore be given to changing the term 'free' rent week to 'non-collection' week and ensuring 'non collection' weeks are well communicated to tenants.
- 2.21 The Peer Review Team were advised of difficulties in relation to the sharing of information between services about vulnerable tenants, and it was proposed that the Council should review its approach to sharing customer information between council services and establish information sharing protocols.
- 2.22 Anecdotal examples were provided to the Peer Review Team of arrears building up due to missed entry dates, caused by tenants being given short notice of their entry date and/or repairs still being outstanding and/or there being issues with the utilities. It was recommended that the service should investigate this further and take action if necessary, taking into account the potential implications for SPI performance.
- 2.23 It was felt that there are opportunities to provide tenants with information about the potential impact of a change of circumstances on their Housing and Council Tax benefit. It was therefore recommended that consideration should be given to how information about change of circumstances is currently gathered and shared across relevant services and used to inform tenants about the potential impact of a change of circumstances on their rent payments.
- 2.24 The Peer Review team found that whilst first court hearing calling dates for rent recovery action are comparable with the peer councils, incidental applications are taking longer than the average of the peer councils. It was therefore recommended that the service should explore the feasibility of agreeing a four-week timescale with the Sheriff Court for the hearing of incidental applications.

## Organisational Development

- 2.25 The Peer Review team acknowledged that a good framework for individual development planning already existed and it was recommended that the service should ensure all managers implement this framework consistently. It was also recommended that the service should encourage employees to seek development and learning opportunities such as shadowing opportunities in relevant council services or other councils.
- 2.26 The Peer Review team found that the reward and recognition of employees was variable across services, therefore it was recommended that the service should consider introducing a reward and recognition scheme for employees, to provide incentives to reduce rent arrears.

## 3. Conclusions

- 3.1 As emphasised at the start of this report, the Peer Review Team were struck by the commitment and enthusiasm displayed by employees, both within the Customer Finance and Support Service and in other services.
- 3.2 Whilst the Peer Review team has come up with recommendations which it believes will be fundamental to helping the service improve its leadership and governance, communication, performance management and organisational development, the service is displaying good practice in a number of key areas. For example, the payment of rent in advance, the establishment of a Benefits Take-Up Officer post and the establishment of a Financial Support Worker post for 16-25 year olds.
- 3.3 The Improvement Service would like to thank the peer reviewers for their enthusiastic participation in the review and the contribution they made to the identification of areas for improvement within the service.



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