

**THE LIVING ENVIRONMENT SCRUTINY COMMITTEE –
17TH JANUARY 2006**

SUBJECT: DOOR-TO-DOOR RENT COLLECTION FROM COUNCIL PROPERTIES

REPORT BY: DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 For Members to consider the future of the door-to-door rent collection service in advance of a decision by Cabinet.

2. LINKS TO STRATEGY

- 2.1 The Welsh Assembly Government requires Council's housing stock to meet a range of quality standards. From the limited resources available Councils need to consider ways of boosting their investment in maintenance.
- 2.2 Separately, but equally important is the Welsh Assembly Government's efficiency agenda and the need for Councils to achieve significant savings/improve performance.

3. THE REPORT

- 3.1 Achievement of the Welsh Housing Quality Standards and Efficiency Agenda are critical to the future of Council housing. The ways in which Housing Revenue Account monies are used are being critically examined to establish whether more resources can be invested in maintaining the future of the stock. The Chief Housing Officer has recently proposed a complete restructure of his service.
- 3.2 The continuation of the door-to-door rent collection service is another area of significant spend within the Housing Revenue Account. However, the cost of door-to-door rent collection is not the only reason to reconsider this activity.

Declining Service Usage

- 3.3 In 1996 I had 14 rent collectors whereas currently there are only 6. Whilst RTB sales have had an impact the key change has been in the needs of tenants.
- 3.4 Many new tenants are surprised that we offer a door-to-door collection service as other statutory bodies require payment in other ways.

Alternative Payment Methods

- 3.5 Many Councils no longer offer door-to-door collection or restrict it to specific groups eg. tenants of sheltered complexes. For example, Rhondda Cynon Taff CBC has decided to terminate the rent collector service. Tenants have to pay other bills eg. gas, electricity and water and they are therefore already making other arrangements for most of their household expenditure.

3.6 The Council offers a range of payment methods in addition to door-to-door collection:

- Direct Debit
- Telephone payments
- Post
- Cash office

3.7 Direct debit has been particularly promoted by a £20.00 incentive payment to tenants. The costs of a direct debit transaction are around 1.5p, compared to 40p for a payment at a cash office and in excess of £1.75 for a payment to a rent collector.

Safety of Council Employees

3.8 Members may recall that since 2003 door-to-door rent collection has been on a fortnightly basis. Prior to this collections were weekly and the change was as a result of a rent collector being attacked and robbed. It is pleasing to note that since 2003 there have been no further problems.

3.9 It is impossible to protect a rent collector regularly visiting certain streets/estates who is carrying a significant sums of money. In 2003 the advise from the police was that the doorstep collection service should be discontinued. Since then cash has been collected from the rent collectors twice daily and they are therefore carrying considerably less money throughout the day.

New Technology

3.10 The Rent Collectors carry handheld computers which both receipt rent cards and download information to the rents system. The existing 9 machines are coming to the end of their useful life and will not be supported by the software supplier from December 2006. Allowing time for the procurement process means decisions need to be taken by June 2006 and initial cost estimates range from £25k to £40k for six machines.

Impact on Rate of Rent Collection

3.11 The Council has consistently achieved a high level of rent collection in comparison with other Councils. Any change must have regard to its impact on the collection rate. Doorstep collections are from those tenants who choose to pay regularly and tenants in arrear rarely pay the rent collector. A change in door-to-door collection is unlikely to have a significant impact upon rent collection levels.

Future Service Delivery

3.12 From the paragraphs above it would be all too easy to do as many Councils have done and decide to end doorstep collection. However, due regard must be given to the needs of tenants.

3.13 Whilst this is a payments service, there are other issues:

- The rent collectors may report repairs on behalf of the tenant
- The rent collector may be the only visitor to the property

The significance of these issues must not be underestimated.

3.14 Tenants may have other ways of making payments or of reporting repairs but many welcome the rent collectors visit. There is a need to strike a balance between the requirements of the Housing Quality Standards/Efficiency Agenda and the needs of vulnerable tenants. It is therefore proposed that a doorstep collection service should no longer be available to all tenants. Instead it should focus upon those with a particular need. Tenants in sheltered

housing could continue to be able to request a doorstep collection service. Similarly, those with mobility problems could have access to such a service. DLA Care/Mobility or Attendance Allowance are benefits paid to those with significant mobility problems. DLA is paid to those of working age and Attendance Allowance is payable to the elderly.

- 3.15 It is therefore proposed that anyone in receipt of DLA or Attendance Allowance, together with residents of sheltered housing schemes should continue to be able to request doorstep collections. However, this does not mean all these tenants will chose to pay via the rent collector as many already make other arrangements.
- 3.16 The Authority has 1116 units of sheltered accommodation, which are currently let. Of these 539 tenants pay their rent to a rent collector.
- 3.17 Outside of sheltered complexes there are 1868 tenants receiving DLA or Attendance Allowance. Of these 910 are on the rent rounds.

4. FINANCIAL IMPLICATIONS

4.1 The cost of door-to-door collection is:

	£000
6 x Rent Collectors (salary and on-costs)	135
Car Allowance	18
Subsistence	4
DECS	<u>9</u>
	<u>166</u>

4.2 The Rent Collectors currently deal with the following number of transactions:

Rent collection 3377 x 26	87802
Council tax collection	<u>7245</u>
	<u>95047</u>

One transaction therefore costs the Council around £1.75.

- 4.3 Changes in door-to-door collection arrangements are likely to be resisted and the Council needs to be clear about what is trying to achieve. There are alternative ways of paying bills and one of these is use of Post Offices. This is not being considered currently as the Council has taken a very different approach in developing Customer First Centres. The impact and cost of these is very significant and their success will determine the future of both the existing cash offices and whether the Council uses Post Offices.
- 4.4 The proposals contained in this report will need to be reviewed once the future of Customer First and Cash Offices is determined.

5. PERSONNEL IMPLICATIONS

- 5.1 Of the 3377 visits made by Rent Collectors less than half are to tenants of sheltered housing schemes or tenants in receipt of DLA/Attendance Allowance. In order to continue to provide a door-to-door collection service to these tenants I will require 3 Rent Collectors. If Members agree the contents of this report I will discuss with the Rent Collectors the scope for redeployment or early retirement, in line with council policy.

5.2 It is important to recognise that restricting rent collection to certain group of tenants may significantly alter the number of collections from the projected figure of 1449. Tenants who are eligible for the rent collection service and currently use it may decide to pay in other ways. Conversely some tenants who do not use the service and are eligible in the future may change to doorstep collections. For these reasons I would not want to immediately reduce the number of rent collectors.

6. CONSULTATIONS

6.1 The contents of this report have been discussed with the Tenants Participation Forum who have been invited to submit any comments prior to the meeting.

6.2 I have also discussed this proposal with my Rent Collectors who have suggested an alternative approach. Continue to provide a doorstep collection service to existing tenants and introduce the new criteria for future tenants. I would suggest this would be divisive and would not generate efficiencies for sometime.

7. RECOMMENDATIONS

7.1 It is recommended that this report be forwarded to Cabinet together with the views of the Committee on the following matter:

- From April 2006 door-to-door rent collection is only made available to tenants of sheltered housing complexes and recipients of the DLA Care or Mobility or Attendance Allowance

8. REASONS FOR THE RECOMMENDATIONS

8.1 To support the achievement of the Welsh Housing Quality Standards and Efficiency Agenda.

9. STATUTORY POWER

9.1 Local Government Act 1972. This is a Cabinet function.

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