

# Taunton Deane Borough Council

## Tenant Services Management Board – 26 October 2015

### Any Day Direct Debits for payment of Housing rent

#### Report of the Business Support Lead

(This matter is the responsibility of Executive Councillor Terry Beale)

#### 1. Executive Summary

The Housing Revenue Account (HRA) relies upon prompt payment of rental income due. Currently a number of payment methods including direct debit are offered to tenants to allow them to pay rent. With the introduction of universal credit, where tenants will receive all benefit monies including rent directly, it is imperative that Taunton Deane Borough Council can offer payment methods that will allow payment of rent as soon as funds become available to the tenant.

It is proposed that from the 1<sup>st</sup> November Taunton Deane Borough Council Housing Department will be offering tenants the ability to pay rent by direct debit weekly (collected on a Friday), fortnightly (collected on Monday), or any day of the month between 1-28. Other methods of payment such as standing order, will remain but this allows us to offer more flexible payments and begin to respond to the changes that will result from Universal Credit.

The Tenant Services Management Board is recommended to note and comment on the report as well as consider recommending to the council the approval of the any day direct debits.

## **2. Background**

The Housing Revenue Account (HRA) relies upon prompt payment of rental income due. Currently rent can be paid using a number of payment methods including direct debit. Other methods of payment are, cash at post office, cash at TDBC offices, standing order or direct payment of Housing Benefit from the Benefit Office at Taunton Deane. With the introduction of Universal Credit, where tenants will receive all benefit monies including rent paid directly to themselves, it is imperative that Taunton Deane Borough Council can offer payment methods that will allow payment of rent as soon as funds become available to the tenant. To protect our vulnerable tenants we must be able to offer tenants a method to pay their rent promptly (as soon as they have funds); this ensures that they can secure their housing first.

## **3. Proposed Any Day Direct Debit Collections**

At present only three methods of direct debit payment are offered to Taunton Deane Borough Council tenants, monthly payment on the 3<sup>rd</sup> of the month, monthly payment on the 20<sup>th</sup> of the month, fortnightly payments on the Monday of each fortnight. This does not allow for direct debit payments to be made on any day of the month. Benefit payments may be made on any day of the month with the introduction of Universal Credit.

It is proposed that from the 1<sup>st</sup> November Taunton Deane Borough Council Housing Department will be offering tenants the ability to pay rent by direct debit weekly (collected on a Friday), fortnightly (collected on Monday), or any day of the month between 1-28. Other methods of payment such as standing order, will be available but this allows us to offer more flexible payments and begin to respond to the changes that will result from Universal Credit direct payment of rent to tenants.

Weekly direct debit collections, and direct debit collections on the 1,2,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,21,22,23,24,25,26,27,28 of the month will be newly set up and available from 1<sup>st</sup> November 2015.

If the board supports our recommendations, we propose to publish an article in Deane Housing News which will be published 2<sup>nd</sup> December. We will also mail all tenants to offer them the opportunity to set up a new direct debit, as well as publishing details on the screens in reception.

## **4. Financial Implications**

In order to set up the new collections it has been necessary to temporarily cover the direct debit functions with additional capacity at grade D (a second temporary Income Assistant) so that the Income Officer can undertake the set up work. This

has been funded from previous year underspends and funding ceases at the end of March 2016. It is hoped that the day to day running of the additional services can be accommodated through the existing Income Officer and Income Assistant posts but workloads will be continually assessed.

Each method of payment incurs banking costs for the council per transaction (excluding staff time). Current bank charging information indicates that Post Office payments cost 58p per transaction whilst direct debits cost less than 10p per transaction (both figures exclude any staffing time). Direct debits therefore ensure that the council pay less transaction charges and therefore more rental income is retained by the council.

## **5. Finance Comments**

Every day Direct Debits are crucial to ensure tenants can pay their rent as soon as their Universal Credit, salary, or other source of income is available. It is hoped that this will limit an increase in arrears on the introduction of Universal Credit, but will also help tenants not receiving Universal Credit to manage their finances.

This proposal can be funded from existing resources and so will not have an impact on the overall position of the HRA.

## **6. Legal Comments**

There are no legal implications identified as a result of information or actions contained or referred to within this report.

## **7. Links to Corporate Aims**

The proposal within this report is linked to the following Corporate aim:

- Aim 3 – a vibrant social, cultural and leisure environment – working with tenants to ensure they have methods available to pay their rents and secure their homes.

## **8. Environmental and Community Safety Implications**

There are no environmental implications identified as a result of information or actions contained or referred to within this report.

## **9. Equalities Impact**

There are no equalities implications identified as a result of information or actions contained or referred to within this report. The report is offering additional rental payment methods and does not withdraw any.

## **10. Risk Management**

There are no significant risks identified with the introduction of new direct debit collection dates. The direct debit payments are already running and this is an extension of that functionality. It is not anticipated that direct debit volumes will increase suddenly but that growth will be gradual.

## **11. Partnership Implications**

There are no partnership implications identified as a result of introducing new direct debit collection dates.

## **12. Recommendations**

1. The Tenant Services Management Board is asked to note and comment on the report.
2. To recommend the approval of the introduction of the any day direct debits.

<b>Contact:</b>	Officer Name	Shari Hallett – Business Support Lead
	Direct Dial No	01823 356 440
	<a href="mailto:s.hallett@tauntondeane.gov.uk">e-mail</a> address	s.hallett@tauntondeane.gov.uk