

RENT IN ADVANCE POLICY

Report of the Head of Finance and Income

1. SUMMARY

- 1.1 The rent in advance policy was originally introduced to get tenants to pay a week's rent prior to or at tenancy sign up.

It is now embedded as a standard term within new tenancy agreement to include for "The rent and other charges are due every Monday in advance. If you pay at any other interval than weekly the rent must always be paid in advance, never in arrears to avoid recovery action taken against you".

This is considered suitable at present and will be reviewed if circumstances change and / or when the tenancy agreement is formerly reviewed.

Irrespective of what the policy states, we can only enforce what is included within the tenancy agreement; hence it is not now considered necessary to have a specific policy on rent in advance.

2. RECOMMENDATIONS

- 2.1 The Operational Board approves the decision not to have a separate "Rent in Advance" policy and to adopt the position as stated in the tenancy agreement.
- 2.2 For the Operational Board to be consulted on any change to the tenancy conditions around rents in advance, as part of future consultations on tenancy agreement changes.

3. REASON FOR RECOMMENDATION

- 3.1 The current Rent in Advance policy states "All new tenants must be asked to pay a week's rent in advance when signing up for a tenancy. This applies to those who will be applying for (or already in receipt of) Housing Benefit or Universal Credit as well as those who are full rent payers."

In practice, we adopt the stance taken in the tenancy agreement "The rent and other charges are due every Monday in advance. If you pay at any other interval than weekly the rent must always be paid in advance, never in arrears to avoid recovery action taken against you".

It makes sense to have one position on rents in advance. As we can only enforce what is in the tenancy agreement that is the position we must take.

4. MATTERS FOR CONSIDERATION

- 4.1 We will continue to work with our colleagues in both Allocations and Housing Management to make sure all new tenants are made aware of the importance of paying their rent, this should be a message given to tenants at every stage and every opportunity for all teams.

All adverts for Derby Homes tenancies on Homefinder now explain that a week's rent must be paid at sign up. There is a reminder in the offer letter which is subsequently sent out to a prospective tenant.

The Housing Management team will ensure that when the new tenant attends the sign up meeting the first week's rent is taken, this will be the full weekly amount or part dependant on the tenant's circumstances.

- 4.2 Should any changes to the tenancy agreement be made in relation to rents in advance then we may need to introduce a rent advance policy to reflect the new tenancy agreement.

5. OTHER OPTIONS CONSIDERED

- 5.1 None

IMPLICATIONS

6. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

- 6.1 Applying the payment in advance practice in line with the tenancy agreement helps to prevent arrears arising on tenants rent accounts.

7. POLICY REVIEW IMPLICATIONS

- 7.1 No plans currently for specific rents in advance policy, but this will be reviewed when the tenancy agreement is next reviewed.

The areas listed below have no implications directly arising from this report:

Consultation
Legal and Confidentiality
Council
Personnel
Environmental
Equalities Impact Assessment
Health & Safety
Risk

For more information please contact:

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Background information: None

List of appendices None

This report has been approved by the following

Managing Director	Maria Murphy	[Date]
Company Solicitor	Taran Lalria	31/10/19
Head Of Head of Finance and Income	Michael Kirk	31/10/19