

## HOW DO I MAKE SURE TENANTS PAY THEIR RENT?

Welfare reform is introducing a number of changes which will mean that you have to work harder to collect the rent due from your tenants. This includes:

- collecting the shortfall between housing benefit and the rent due from tenants who are affected by the bedroom tax and the benefit cap
- a requirement for working age tenants to make a contribution towards their council tax places further strain on already stretched household budgets
- tenants claiming universal credit will receive support for their housing costs in their monthly benefit payment – unless they are two months in arrears, it will not be paid directly to their landlord, even if they would prefer that
- universal credit will be paid monthly and in arrears which will increase financial hardship for many people.

Tenants who are not claiming benefits and are liable to pay full rent are also feeling the pinch due to the increasing cost of living, such as rising food and energy prices, and a decline in the real value of their wages. All this means that maximising rent collection is likely to be more challenging.

### MAKING IT PAY – TOP TIPS

- Make sure that new and existing tenants know how much they have to pay, when and how they can do so – bear in mind this may be the first time that some people have had to pay rent
- Work with your involved tenants to develop clear customer information which strikes the right tone
- Offer as many payment methods as you can – can you offer ‘any day’ direct debit so tenants can set up rent payments as close as possible to when they receive their income?
- Check if tenants have bank accounts which they are actively using – many landlords are helping tenants to open accounts with banks or credit unions
- Talk to working age tenants on housing benefit about paying a pound or two extra each week – this will give them a small ‘buffer’ when they move onto universal credit which is paid monthly and in arrears
- Make sure tenants know how they can check their rent account balance.

### IN THE RED – TOP TIPS

- When tenants get into arrears, get in touch with them as soon as you can – this will help to avoid large, unmanageable debts building up
- Use the information you hold on customers to tailor how you contact them – are they more likely to respond if you send them a text message or an email? Do their needs and/or circumstances mean that you should visit them to explain?
- Encourage tenants to tell you when they are struggling to pay their rent by explaining the things you can do to help
- Make sure you know about all the sources of money and benefits advice in your local area and how you can make referrals to them
- It’s important to agree realistic terms for repaying arrears – because they are scared they will lose their home, tenants may offer to repay at a rate that they won’t be able to maintain for more than a week or two. So do talk to them about what they can genuinely afford

- Log all contact with tenants in arrears, along with the outcomes – this will be important evidence should you need to take possession action.

### IDEAS INTO PRACTICE

- **Paragon Community Housing Group** offers tenants the option of making rent payments via a smartphone app
- Tenants of **Wakefield and District Housing, Sutton Housing Partnership, and Dudley Council** can check their rent account balance online
- **Whg** and **Walsave Credit Union** are working together to offer tenants accounts to help them manage their money. 'Jam Jar' accounts enable customers to split their money into separate 'pots' for household bills, including rent, with whg paying the £18 set-up fee for tenants opening an account
- **Solihull Community Housing's** Money Advice Team sets up appointments with a local branch of Lloyds/TSB for tenants who need a basic bank account. It also makes sure that customers have the right form of identification to minimise any difficulties in opening an account.

### RESOURCES TO HELP YOU

CIH has produced a range of useful resources on welfare reform exclusively for CIH members including:

#### Briefings

- [What you need to know about welfare reform](#), and a range of further '[what you need know about](#)' briefings on specific aspects of the changes, such as the bedroom tax, the overall benefit cap and the uprating of benefits
- [Welfare reform: Practical approaches](#)
- [How do I...tell tenants about welfare reform?](#)

#### Webinars

Watch recordings of our recent webinars online, including:

- [Understanding the latest changes to housing and council tax benefit](#)
- [Practical responses to welfare reform](#)

#### Coming soon

We will also be producing further 'how do I' briefings, exclusively for CIH members covering How do I...help tenants move to another home? and How do I...help tenants find work?

CIH Consultancy is also looking to work with a small group of landlords to help them to [develop their approach to creating sustainable tenancies](#). The project will start from the end of November 2013.