

CAPITA



Pro-active rent collection and arrears management

Supporting tenants to manage rent
payments impacted by the implementation
of universal credit



The introduction of universal credit continues.

Tenants now have to manage their money differently, from weekly housing benefit payments paid directly to their landlord, to a single monthly income to cover a range of benefits, paid directly into their personal bank account.

Already it's having a knock-on financial and social impact, with an increase in missed rents payments, arrears, and tenancy eviction.

In the London Borough of Southwark the number of claimants in receipt of 'full service' universal credit and owing more than eight weeks arrears increased by 20% in just three weeks.

If these accounts are not managed pro-actively it is expected to have a significant social and financial impact on tenants and local authorities, including:



Increased rent arrears for tenants needing to balance multiple debts and an increased risk of eviction



Reduced revenue collection for local authorities - worsening financial and service pressures



A rise in court orders - where payment arrangements can take years for debt to be fully recovered



Increased tenancy terminations - with a risk of increased homelessness



Rising demand for temporary accommodation - a more costly solution for councils



This can all contribute to wider social and mental health issues, placing additional strains on public services



How can we help?

We can help to prevent tenants getting into debt in the first place to minimise the knock-on impact to your residents and services. We offer a pro-active customer contact service, which helps customers fully understand the changes, their responsibilities and support with convenient payment arrangements to ensure rents aren't missed.

By using insight, we profile customers in areas that are more likely to be impacted by universal credit, have the propensity to miss payments or have rent arrears. Our team contacts tenants to help to explain the payment options that are available, take rent payments and help eligible tenants have alternative payment arrangements (APAs) applied to their universal credit.

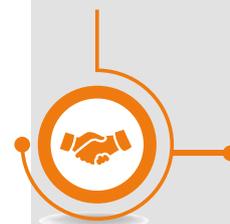
Specifically, we focus on:

- > Promoting automated and digital payment methods
- > Providing information on how universal credit works
- > Helping people in vulnerable situations who need additional support and families with complex needs
- > Helping eligible tenants to have alternative payment arrangements (APAs) applied to their universal credit



Insight & profiling

We identify rent accounts that are in arrears and use insight and use customer profiling to determine the most effective contact channel used by the council



Customer contact & support

Focusing on customer advocacy and via the most appropriate channel, we contact tenants about their responsibilities, accounts and payment. We also provide signposting to wider support and handle all inbound and follow up enquiries



Make arrangement & take payments

Working with the tenant, we can take rent payments or make payment arrangements, such as setting up direct debits or standing orders and we also make applications for alternative payment arrangements (APA) from universal credit



Monitoring payment arrangements

In line with local procedures, we monitor payments to ensure arrangements are being met



Non-payment arrangements

Where necessary we can create alternative arrangements or set up authorised court orders where we handle all the follow up and inbound contacts and prepare court documentation for non-payers



Benefits to you



By taking a pro-active approach to supporting your tenants through universal credit, you can:

- > Better support tenants to make the right decisions about how to allocate their single universal credit payment to pay their rent & protect their tenancy
- > Reduce impact on revenue collection and the knock-on impact on budget and service pressures
- > Achieve net financial benefit and lower the impact and cost of intervention of court orders, plus demand for temporary housing and evictions
- > Prevent debt-related issues and the wider impact it may have on mental health, housing, and social care services
- > Take the opportunity to maximise the uptake of digital and self-service payment and contact channels to lower the cost across your wider revenues service
- > Reduce the number of court orders being arranged and the reliance on lengthy minimum payment arrangements
- > Make better use of resources by targeting support and pro-active interventions to those who need it most
- > Switch our resource on or off so you can access capacity when you need it most



Benefits to residents

It also brings a range of individual and societal benefits, including:

- > Greater awareness of tenants' responsibilities, appropriate communication channels and support to prevent debt
- > Wider and more convenient payment options that reduce the risk of missed payments and arrears
- > More financial stability and an improved credit rating for individuals
- > Better signposting to information, advice or financial support a tenant might be entitled to
- > Fewer tenancy terminations and reduced risk of homelessness
- > Action to prevent wider debt related issues, including mental health housing and employment



The resilience service provided by Capita has enabled Southwark to effectively manage workload fluctuations following the implementation of universal credit full service within the borough.

The team delivering the service have assisted in initially maintaining then improving performance helping to mitigate the risk of a significant increase in arrears following direct payment of benefit.

Dominic Cain, director of exchequer services, London Borough of Southwark



Why Capita?

As the market leader in revenue collection and customer management for local government, we have a strong track record of improving debt collection across local authorities, evolving with new legislation, insight, technology and delivery models.



Key features of our service include:

- > A focus on customer advocacy to support and prevent customers getting into debt
- > Dedicated revenues and customer service specialists, who are fully trained in the latest legislation, handling sensitive outbound communications and setting up payment arrangements to meet differing needs
- > The ability to switch our service on or off, so you can access capacity when you need it most
- > Use of insight, analytics and behavioural science techniques for customer communications to promote the right outcomes for your organisation
- > A telephony platform to support outbound and inbound activity and ensure we have the right level of resource to meet demand
- > Options for extended service opening hours, after work and at weekends to contact customers around their lifestyles
- > Digital customer experience function to help shape continuous service improvement and efficiency
- > Commercial arrangements to deliver results based on agreed and monitored performance measures

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