



Rent Arrears Policy

1. Introduction

- 1.1 This policy outlines Medway Council Landlord Services (the Council's) approach for preventing and managing rent arrears amongst its housing stock.

2. Purpose

- 2.1. The purpose of the Rent Arrears policy is to:
 - 2.1.1. minimise rent arrears through fair and firm action;
 - 2.1.2. enable Landlord Services to collect 100% of recoverable rent income;
 - 2.1.3. enable tenants to sustain tenancies and maximise their income by providing advice and support at every stage;
 - 2.1.4. set out Landlord Services commitment to tackling financial exclusion by working with local voluntary agencies that deliver independent financial advice.

3. Scope

- 3.1. This policy applies to Medway Council Landlord Services employees and current/former tenants of HRA managed residential properties.
- 3.2. This policy does not relate to leaseholder service charge arrears.

4. Legislation and Guidance

4.1. External

- 4.1.1. Housing Act 1985
- 4.1.2. Pre-Court Action Protocol – Civic Procedure Rules, Ministry of Justice
- 4.1.3. CIH good practice guide to rent collection
- 4.1.4. Medway Council Housing Allocations Policy
- 4.1.5. Data Protection Act 1998
- 4.1.6. Protection from Eviction Act 1977
- 4.1.7. Equalities Act 2010
- 4.1.8. Human Rights Act 1998

4.2. Internal

- 4.2.1. Medway Council Tenancy Agreement(s)

5. The Policy

5.1. Tenants responsibilities

- 5.2. The tenant is responsible for paying their rent in full and on time, even if the tenant claims benefits for some or all of their rent.
- 5.3. The tenant is responsible for obtaining any housing benefit they are entitled to and making sure the Housing benefit is paid to Landlord Services.

- 5.4. Tenants must maintain their current rent account in line with the conditions set out in their tenancy agreement. This requires tenants to have at least one weeks rent money available in their current rent account at any stage.
- 5.5. Households with rent arrears applying to move property**
- 5.6. Landlord Services, where provision allows, will refuse nominations if the nominee has a history of rent arrears. This will be done in line with the councils Allocations policy.
- 5.7. The Council does not allow tenants to transfer within our stock if they owe debt unless exceptional circumstances apply. An exceptional circumstance may be the police or social services' informing us someone in the household is at risk if they are unable to transfer.
- 5.8. Senior Officers review cases with 'exceptional circumstances'.
- 5.9. If Senior Officers approve a transfer for a tenant in arrears the debt will be transferred to their new tenancy as a former tenant arrear. Tenants will be informed of this and must sign up to a payment plan for the FTA before the move can take place.
- 5.10. Prevention and Sustainment**
- 5.11. Landlord Services provide information and advice to customers prior to a tenancy beginning and identify tenants that need support to manage their finances.
- 5.12. Housing Officers will carry out New Tenancy Visits within six weeks of a tenancy starting to determine any issues tenants may have paying their rent.
- 5.13. Landlord Services provide tenants with tailored advice and support on debt, financial skills and maximising income.
- 5.14. Landlord Services undertake profiling of tenants in rent arrears in order to tailor services to meet the needs of customer.
- 5.15. Landlord Services will where possible make requests to the Department of Work and Pensions for direct payments towards arrears. Landlord Services will not make requests if a court order is already in place.
- 5.16. The Housing Manager reviews cases where a notice is going to be served as a result of arrears due to the *under-occupation size criteria charge* and the tenant has engaged with Housing Services to reduce the debt.
- 5.17. Eligible tenants that have rent arrears due to the *under-occupation size criteria* may be offered a financial incentive to downsize to a smaller property. Any incentive payment made will be used to offset arrears on the rent account. See the *Tenant Incentive Scheme policy* for further details.

5.18. Benefit advice and Universal Credit

- 5.19. Landlord Services will provide advice on claiming benefits and money management via its Welfare Reform team. This team can also assist tenants making Universal Credit applications.
- 5.20. Landlord Services will apply for the 'housing costs' element of a Universal Credit claim to be paid directly to us if a tenant meets the criteria for Alternative Payment Arrangements.

5.21. Sub Accounts

- 5.22. All debts accrued by a tenant that are not current rent are accounted for in sub accounts R1 to R4. See below :-
 - 5.22.1. R1 - Housing Benefit Overpayments
 - 5.22.2. R2 - Court Costs
 - 5.22.3. R3 - Former tenant arrears (Arrears accrued in a previous tenancy with the authority that was ended with a rent debt)
 - 5.22.4. R4 - Rechargeable repairs
 - 5.23. Rent arrears debts are prioritised over sub account debts.
 - 5.24. Officers will only focus on recovering sub account debt if the tenant's main rent account is one week in credit.
 - 5.25. Sub account debt is managed in line with the sub account recovery process.
 - 5.26. Tenants that have sufficient credit on their current rent account, but arrears on a sub account may have money transferred from the current rent account to clear sub account debt. Landlord Services will write to tenants to inform them this will happen.
- 5.27. Enforcement**
- 5.28. The Housing Management team monitor every tenant with arrears on a weekly basis and take action in accordance with our Rent Arrears Procedure to prevent arrears increasing.
 - 5.29. Housing Officers work outside normal office hours when required in order to make contact with tenants that are unavailable during office hours.
 - 5.30. Rent arrears recovery is based on a staged escalation process that depends on both the amount and length of time the tenant is in arrears.
 - 5.31. Tenants can stop the arrears recovery process by paying their arrears in full or agreeing a repayment plan with the Council.
 - 5.32. Landlord Services will not seize an individual's goods or possessions as a means of collecting debt.
 - 5.33. Landlord Services will agree to an affordable repayment plan where a court order has not set the amount to be repaid. The repayment plan is a written agreement that provides information on the amount and frequency of arrear repayments, the repayment dates and the method of making payments.

- 5.34. Landlord Services takes action to recover arrears if the tenant fails to make a repayment or pay their rent.
- 5.35. Landlord Services consider extending the terms of any introductory tenancy by a maximum of 6 months if the rent account is in arrears.
- 5.36. Landlord Services take legal action after all requirements of the pre action protocol have been met. Eviction is only pursued if all other methods of resolution have been tried and not worked.
- 5.37. **Eviction**
- 5.38. Landlord Services will document all the activities, actions and conversations relating to an eviction.
- 5.39. The Council will serve either a; 'Notice Seeking Possession' (for a secure or flexible tenancy) or a 'Notice of Proceedings for Possession' (for an introductory tenancy) at least one month before court proceedings begin.
- 5.40. The possession notice explains why the Council is seeking to repossess a home and give a date court proceedings will start to take place. The notice advises tenants to contact agencies able to offer support and/or representation in court, including the Citizen's Advice Bureau and Solicitors.
- 5.41. Landlord Services offer tenants a 'Final Interview' to explain their circumstances to a Senior Officer prior to proceeding with an eviction.
- 5.42. The Head of Housing Management or their nominee approves all cases considered for eviction.
- 5.43. Tenants can make a repayment arrangement after they have been taken to court. This is based upon the tenant's income and expenditure (where such information has been supplied in response to the Councils enquiries).
- 5.44. Landlord Services request an order from the courts for all costs to be recharged to the tenant as per their tenancy agreement.
- 5.45. Landlord Services pursue the debt of a tenant evicted due to rent arrears by applying our Former Tenant Arrears Policy and related procedure.
- 5.46. Landlord Services only share information with other landlords regarding a former tenants' rent account if the former tenant has agreed for us to disclose this information.

6. Role, Responsibilities and Authority

- 6.1. The Assistant Director of Physical and Cultural Regeneration retains responsibility for the implementation of this policy.
- 6.2. The Head of Housing Management has responsibility for ensuring this policy complies with Regulatory and Legislative requirements and meets the Council's Business Plan.

6.3. All staff involved in income collection activities are responsible for implementing this policy.

7. Monitoring, Review and Evaluation

7.1. Senior Management will monitor, review and evaluate performance on rent arrears recovery on a regular basis through weekly rent reports and monthly officer performance reports.

7.2. This policy will be reviewed every two years or in line with legislative or regulatory changes.

Policy Version Control Sheet

<p>Policy Title: Rent Arrears policy</p>

<p>Policy Author(s): HRA Income Manager, Policy and Partnership officer</p>
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<p>This Version: July 2017</p>

<p>Projected Date of Review: July 2019</p>

<p>Cross References: Tenancy Management Policy, Former Tenant Arrears policy</p>

<p>Amendments Made:</p>

<p>This Version: July 2017 – Changes made to policy to include sub account arrears and extend the enforcement action.</p>
