



Rent Collection and Arrears Recovery Policy

Introduction

This policy is designed to explain how we will collect rent and other related charges from our tenants and our approach to recovering rent arrears.

Richmondshire District Council takes rent arrears very seriously and we expect all tenants to pay the rent which falls due every fortnight. This is an important condition of both the Introductory Tenancy Agreement and the Secure Tenancy Agreement. Every tenant is responsible in ensuring that their rent is paid in full. If they are entitled to Housing Benefit they are equally responsible in ensuring payment is made using this method.

It is recognised that on occasion tenants may have genuine financial difficulties which affect their ability to pay the rent due. In these cases our aim is to adopt a firm but fair approach to arrears recovery offering all tenants, where possible, clear, practical repayments plans. Formal court action which can ultimately result in the loss of a householder's home will only be taken when all other options have been explored and the Council is left with no other alternative.

The key aims of the policy are to maximise income collection and minimise bad debts. In cases where rent arrears do occur work will be undertaken to keep these to a minimum and effectively reduced through a fair, responsive and when necessary firm approach.

Policy Objectives

The key objective of the Rent Collection and Arrears Recovery Policy is to sustain tenancies by actively preventing arrears occurring in the first place and by proactively encouraging tenants to clear any debts that do occur. With this in mind the objectives are:

- To ensure all existing and new tenants are made aware of their responsibility to pay the rent and where appropriate any other charges.
- To ensure all prospective new tenants are made aware of changes in legislation which may affect the amount of benefit they would be entitled to (Welfare Reforms/Universal Credit)
- To assist new tenants during sign up to complete a housing benefit application form and submit to the housing benefit team.
- To work with colleagues in the Housing Benefit team to help with awareness on changes being brought by the Welfare Reform to enable tenants to make informed choices regarding possible need to look at downsizing and/or alternative means of paying following the loss of direct housing benefit payments

- To inform tenants promptly of any changes to their rent charges.
- To inform tenants of the different payment methods available to them.
- To maximise Housing Benefit take up by raising awareness of entitlement and assisting with the completion of application forms when appropriate.
- To make sure that all those who are in receipt of Housing Benefit are aware that it is their responsibility to submit all necessary documentation in relation to their claim and to inform them when they have any changes in their circumstances.
- To signpost advice and assistance on welfare benefits in order that a tenants' income can be maximised.
- To make referrals to the Citizens Advice Bureau for independent debt management advice.
- To make referrals to Keyhouse for independent housing advice and assistance to the Court Desk service when necessary.
- To ensure all written communications are in plain English avoiding jargon wherever possible.
- To act promptly by providing personal contact through the Estate Managers to offer advice to a tenant who falls into arrears, establishing the real reason for non-payment. (ie payment made late, paid onto wrong account, Housing Benefit delay)
- To make a financial assessment of a tenants' circumstances to allow for a realistic payment arrangement to be made.
- To confirm arrangements made in writing and advise what actions may be taken if arrangements are not adhered to.
- To identify tenants who owe the Council more than one debt and ensure repayment arrangements take account of the total debt owed.
- To treat all tenants fairly and consistently and to act lawfully.
- To make full use of the IT system to monitor and record rent payments.
- To ensure all staff involved in the Rent Arrears Recovery Procedure are adequately trained in relevant legislation and recovery methods available to recover unpaid rent and service charges.
- To have a rent arrears recovery procedure which is clear, easy to follow and complies with all the above ensuring all arrears cases are actioned in a consistent and fair manner.
- To regularly review the rent arrears recovery procedure in accordance with changes to legislation/court protocols and best practice.

Rent Statements

We will provide rent statement with all arrears letters sent and visits made from stage 2. In accordance with best practice. (Following the implementation of the Northgate Management system in the autumn of 2011 rent statements will be sent to all tenants on a quarterly basis)

Visits and Interviews

The Estate Managers will undertake visits on a regular basis and in accordance with the rent arrears recovery procedure. For all home visits the visiting officer will produce their identity card and explain the purpose of the visit. All visits will be documented, recorded on the IT system with details of the actions taken and any follow up work (i.e. confirmation letter of arrangement). If the visit is made without having given prior notice and the time is inconvenient for the tenant to discuss the arrears an alternative date and time will be made. If the tenant fails to keep the alternative appointment this will trigger the next stage in the arrears recovery

process, which the tenant will have been advised of at the time the alternative arrangement was made. At all times interviews will be conducted in a sensitive and non-threatening manner with due consideration to privacy and confidentiality. For all home visits the visiting officer will produce their identity card and explain the purpose of the visit.

New tenants

All new tenants will be advised of the rent and any other charges at the time of the offer of accommodation. They will be advised of their ability to apply for housing benefit and an assessment will be offered if required using the councils housing benefit calculator on the council's web site.

Prior to the sign up interview, the new tenant will be advised to bring in all supporting documents required for completion and submission of a housing benefit application. At the time of the sign-up the Allocations Manager will advise the new tenant of the rent which is payable, complete a housing benefit application, if the tenant is deemed to be eligible, and advise the tenant what rent to pay whilst the claim is being processed. The Allocations Manager should aim to obtain all supporting documents at the time of the interview, if the new tenant has failed to bring the documents to the interview they must be advised to bring them in within the next 5 days. The application will be sent immediately to the Housing Benefit team to avoid the date of application being affected and subsequent gap in benefit.

All new tenants should be encouraged to pay the first rent fortnight period at the time of the sign up.

All new tenants will have a settling in visit made to their home within the first 4-6 weeks of their tenancy. As well as this visit being used to check the tenant has settled in well and is not encountering any problems, the visit will also be used to check that any claims for benefit have come through and to discuss payment plans to cover any shortfall in payments. The Allocations Manager will follow up any concerns regarding rent payments with the Estate Managers and the Housing Benefit Team.

The Allocations Managers shall give the following advice to all new tenants as part of the sign up process:

- Provide information about the different payment methods available, promoting payment by Bank Standing Order (direct debit to be made available 2012).
- Advise tenants to contact the council should their financial or household circumstances change in the future
- Provide information on the debt advice service offered by Citizen Advice Bureau and Keyhouse
- Provide information on the housing support service available through Foundation and make any immediate referrals deemed necessary at the time of sign up

Rent Payments

Rents are due fortnightly over a 25 rent payment period (calculated over a 52 week period with one fortnight being used as a rent holiday/catch up fortnight). All rent due should be paid by the Friday ending the fortnight. Any account will be considered to be in arrears if a payment has not been paid onto the account by the end of the fortnight.

Payments can be made at any of the Council's community offices by cash, cheque, debit or credit card, payments can also be made over the telephone.

Housing benefit payments are made direct to the account with any shortfall being made by the tenant using one of the above methods.

Recovery action

The rent arrears recovery procedure provides details on the actions that will be taken should accounts fall into arrears. At all times within the process of recovery it is the council's intention to help the tenant repay the arrears and avoid the need for possession proceedings. For those tenants who persistently fail to pay their rent arrears action at a later stage in the recovery process, ensuring that at all times the actions taken are in accordance with the 16 point pre-action arrears protocol. Prior to any application being made to courts for eviction of a tenant a panel will be called consisting of the appropriate Estate Manager, Team Leader and Head of Service to ensure all other options have been exhausted and this is the only option left available to the council.

Debt Relief Orders

As the use of the Debt Relief Orders becomes ever increasing it is necessary to take account of their use and the appropriate action to be taken. The council will work with tenants and independent financial institutions such as CAB and Keyhouse as part of the rent arrears procedure who are considering the use of DRO's. It will be necessary to look at each case individually applying the council's rent arrears procedure and 16 point court protocol. The council will not automatically take court action for possession/eviction on DRO cases as a result of the breach in non payment of rent account. The council will work with the tenant and financial institution to ensure the tenant can make future payments despite the DRO in order that future rent arrears do not accrue. However in cases where there is real concern that the tenant has no intention of adhering in the future to the conditions of tenancy the council can pursue court action if this action had already been commenced and in cases where no court action had been applied this should be considered only in cases where high level debt has been subject to a DRO and rental debt continues. Whilst it is accepted that any rent arrears included within a DRO are not recoverable by the council the ability to pursue through the courts for breach of tenancy agreement due to non payment of rent still exists.

Vulnerability

The council has many tenants who are elderly, have young dependant children, and tenants who are vulnerable through mental or physical disabilities. In such instances we will ensure that referrals are made to the relevant department within North Yorkshire County Council (Adult or Children and Families services) through the Customer Relations Unit together with assisting the tenant with help and assistance through the floating support services (Foundation) and independent housing and debt advice services (KeyHouse and CAB) operating in the district. The Estate Manager will liaise closely with NYCC and if appropriate contact will be made to the Support/Care co-ordinator to request that a CAF meeting be called in order that the needs of the household can be assessed with appropriate support plans and actions for all agencies agreed in order to work to avoid court action/loss of home occurring.

The Council's landlord service will ensure that referrals are made to the Housing and Homeless Options service at the earliest opportunity where eviction appears to be inevitable.

Housing Benefit

The Council's landlord service will work closely with the Housing Benefit team to ensure prompt payment of benefit and clarify any issues affecting the payment of benefit to tenants. A Housing Benefit Service Level agreement will be developed jointly between the housing benefit and housing management team leader which will be renewed annually and will provide the basis on which such things as access to information and standards of service delivery have been agreed. Quarterly liaison meetings will take place in respect of the day to day administration of the SLA.

Direct Payments

The Estate Managers will liaise with the Department of Work and Pensions regarding direct payment of rent arrears from income support.

Joint Tenancies

All joint tenants are jointly and severally liable for rent arrears that may accrue. The Council will:

- Address all letters to all the tenants named in the tenancy agreement
- Make arrangements and hold interviews with any tenant who appears to be acting on behalf of all parties in the tenancy agreement
- Provide a copy of all legal documents to all parties named in the tenancy agreement.

Sole Tenancies

In households with single tenancy agreements and where the households are married, cohabiting or have joint custody over children under the age of 16 the council will encourage the tenant to keep the other interested party within the household informed of any legal action proposed in connection with rent arrears.

Garage Tenancies

To reduce the ability for multiple debts and hardship the council will, in cases where a tenant has a garage tenancy who has fallen into arrears with their main tenancy and has a debt equivalent to more than two fortnightly periods and has not come to an acceptable arrangement which has been adhered to, serve notice to terminate the garage tenancy. If the main tenancy's rent account is brought up to date as a result of the notice being served the garage tenancy may be continued. However any tenant who loses the garage tenancy as a result of rent arrears on the main tenancy will not be entitled to apply for another garage until such time that the main tenancy has a clear account and the account has been clear for a period of 3 months.

Former Tenant Arrears

The Council will advise all tenants of their obligation to pay any outstanding rent when a tenancy is terminated. Upon notice of termination the tenant will be made aware of any rental balance due and a forwarding address will be requested. If the tenant is unable to clear the debt prior to termination, an affordable and realistic

repayment plan should be made. The arrangement will be confirmed in writing and the tenant will be advised of how payment can be made.

The council will pursue all recoverable former tenant arrears. If the tenant fails to provide a forwarding address the council will use a tracing agent and collecting agent if appropriate.

The council will consider the appropriateness of further recovery action which may include:

- Money judgement order
- Attachment of earnings
- Small claims court
- Third party debt order

All former tenant arrears will be assessed on a case by case basis and where there is no financial sense to pursue a debt it will be written off in accordance with the Council's policy.

North Yorkshire Homechoice, the choice based lettings scheme adopted across North Yorkshire (excluding Harrogate Borough Council) allows former tenants of social housing to join the scheme; however bids for accommodation will not be considered until such time as they have adhered to an agreed repayment plan for an initial 13 week period. There must be no breaks in the plan to allow the bids made by the former tenant to be considered with payments continuing beyond the initial 13 weeks until the debt is ultimately cleared.

Legal and Regulatory Framework

The council will at all time meet legislative and regulatory requirements, including but not limited to, the Ministry of Justice Pre-Action Protocol, the Tenant Services Authority Regulatory Code and Guidance, and the Data Protection Act 1998.

Monitoring and Responsibilities

The Director of Community Services has overall responsibility for ensuring the delivery of the policy and will be accountable for its implementation.

All staff dealing with rent collection and arrears recovery issues have the responsibility to read understand and implement this policy.

Internal monitoring of the policy and associated rent recovery procedure will be undertaken through the Community Management Team meetings with external benchmarking taking place to enable the objectives of the policy to be benchmarked against similar organisations to enable improvements and best practice to be achieved.

This policy will have a mini review every year to take account of legislation or organisational change with a full review being undertaken every 3 years.

Author of policy	Sara Smith (Head of Service)
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Full Review due date	25 March 2014
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