

Place Directorate

POLICY : RENT ARREARS

Implementation date:...

Aims and objectives

Dudley Metropolitan Borough Council has a firm but fair policy, it is particularly important that tenants pay their rent either direct or through Housing Benefit so that the Authority can continue to invest in its services, homes and estates.

The Chartered Institute of Housing states that it is particularly important for landlords to have policies and procedures for rent arrears recovery as poor management of arrears costs the landlord money and could ultimately cost the tenant his or her home. In addition, procedures are needed to ensure that tenants are treated fairly and objectively on the basis of their individual circumstances and not according to stereotypes or the prejudices of officers.

The recovery of rent arrears is an area of the Authorities performance that is used as an indicator as to how efficient it is as a landlord, and this information is published as part of the Performance Indicators and benchmarked with our neighbouring authorities. Accordingly, the recovery of rent arrears will always be accorded a high priority, and the Authority will seek to achieve a good performance at all times.

The Rent Arrears Policy and Procedure will be available to tenants and interested parties on our Dudley.gov website.

Policy Statement

Current Arrears

Dudley Metropolitan Borough Council accept that a tenant's personal circumstances may change (for example, through illness, family bereavement, unemployment or other personal circumstances such as the birth of a child) and that this can sometimes make it difficult to pay.

The policy for controlling rent arrears is to provide all tenants, at the earliest opportunity, advice and assistance in claiming benefits, inform tenants promptly of changes to their rent charges and make early personal contact with tenants whose accounts go into arrears.

The Authority will make available to individual tenants, at all stages of the recovery process private interviews either at home or in the office. The

Authority or a suitable agency, such as a Citizens Advice Bureau advice will give advice on the availability of debt management. A financial assessment of a tenant's circumstances with a view to making realistic arrangements to pay off the arrears will be made.

The Authority will in cases of significant and persistent arrears take legal action to repossess the property under the Housing Act 1985 where we consider it reasonable and proportionate to do so. At all stages of the legal process, tenants will be informed of the reasons for action, the implications of the action and where they can get help and advice.

The Authority does not use distraint in arrears recovery but will pursue other legal remedies such as attachment of earnings, where repossession is inappropriate.

Additional Needs

Dudley Metropolitan Borough Council will:

Deal sensitively with tenants who are in rent arrears because of matters related to their support needs, such as ill health, mental infirmity or personal circumstances.

Ensure that older tenants, tenants with serious physical or mental health problems are not sent inappropriate letters and all reasonable effort to contact their support services will be made.

Have agreed protocols in place with our partner agencies i.e. People Directorate, CAB, Welfare Rights, Adult Social Care, Housing Benefit Service for dealing with arrears of tenants who have support needs which make them less able to manage their financial affairs.

Liaise with Housing Benefit section to help ensure all tenants especially those with support needs receive Housing Benefit promptly as per the service level agreement in place.

Key Principles

We will provide support, assistance and advice to tenants to help them maintain their tenancy and contribute to stable communities.

Personal contact - this policy is based on a high level of personal contact and casework with the tenant. It provides for confirmatory letters as supplementary to the one-to-one contact.

Records to be maintained and recorded on the Housing Management system, Northgate.

The Income Management Officer has the primary responsibility for the recovery of rent arrears but will seek assistance from the housing manager, housing support worker and other relevant officers of the Council as part of their case managed approach to debt recovery.

All attempts must be made to interview the tenant at certain key stages this includes a pre-eviction interview in partnership with our Housing Prevention and Response Team.

The Rent Arrears Procedure outlines the process that commences at the beginning of rent arrears identifying with the main principle of prompt action.

Implementation

The Authority will maintain a computerised rent accounting system, which highlights tenants in arrears, and assist staff in arrears monitoring and recovery.

New tenants will be given basic advice (income management welcome pack) and guidance on making a claim for housing benefit (or change of circumstances if a transferring tenant). They will also be advised that our preferred method of payment is direct debit and will be encouraged to set up a direct debit at sign up.

We will make all reasonable attempts to make personal contact with customers through telephone calls (this is our principal means of contact), home visits, letters and office based interviews, we are committed to reaching affordable and realistic repayment agreements with our customers.

Responsibility for making housing benefit applications, ensuring claims are paid and reporting any subsequent changes in circumstances to the benefit team rests with the customer, income management officers will provide help and support with their claim. Whilst housing benefit is being assessed, rent arrears recovery action will still be progressed.

Income management officers will liaise closely with colleagues within the housing benefit section and use the internal computer software that allows sharing of appropriate information regarding a tenant's claim.

The Arrears Procedures will be published in plain language and made freely available to tenant's. The procedure for rent arrears recovery gives full details of the action to be taken and a timetable for action.

The main points are:

- Personal contact will be a key part of rent arrears recovery
- Tenants will be advised of any change to rent payable promptly
- Early stage arrears letters will be sent to those tenants we are unable to contact by telephone
- A referral to Citizens Advice Bureau or our inhouse housing support team can be offered at any point.
- A Notice of Seeking Possession will be served upon review of account and deemed necessary
- Court action will be commenced if the tenant fails to engage with the income management officer and the debt continues to escalate

- Court proceedings will only be instigated if all other options have been unsuccessful. We will comply with the Civil Procedures Rules issued by the Ministry of Justice known as the 'pre court protocols'
- A Possession Order (adjourned, suspended or outright) will be requested at the court hearing and this will be pursued where the tenant is in breach of the Order
- All requests for eviction are to be submitted to the Team Manager for sign off.

The Authority will treat all joint tenants as jointly and severally responsible for rent arrears on the account. The exception to this rule is where there is domestic violence present in the household. This exception needs Head of Service approval.

The Authority will liaise with the Housing Benefit Team and Department of Works and Pensions on the payment of housing benefit/Housing Element to the Authorities tenants as per the service level agreement and legislation within the Welfare Reform Act 2012.

Welfare Reform Act 2013

Where rent arrears accrue as a result of the Welfare Reform Act, Dudley MBC will take action on rent accounts as per this policy. However, targeted support will be offered to tenants who require assistance. Dudley MBC are a trusted partner of DWP.

Categories:

Under Occupation

Tenants who are under occupying their homes and have their housing benefit/Universal Credit reduced will be expected to make up the shortfall in their rent, consider options for maximising income or move to a smaller home. We will provide support and advice in relation to discretionary housing payments may be of help in the short term.

Benefit Cap

Tenants who have their housing benefit/Universal Credit reduced as a result of the benefit cap will be expected to make up the shortfall in their rent.

Universal Credit

When a tenant is moved onto Universal Credit, tenants will be expected to pay via Direct Debit where possible.

APA – Alternative Payment Arrangements

APA's are for those claimants who cannot manage their single monthly payment and/or there is a risk of financial harm to the claimant and/or their family.

The move to a single monthly household payment is a significant change to the way most tenants have received their benefits historically and the following APA's are available to help claimants who need additional support:

- paying housing costs of Universal Credit as a Managed Payment (MP) direct to the landlord
- more frequent than monthly payments
- split payment of an award between partners

Where a tenant is classified as per the Tier 1 and Tier 2 Factors of DWP Universal Credit rules, Dudley MBC will expect to receive the rent element of universal credit directly from DWP.

Responsibility

The overall responsibility for the effective implementation of this policy lies with the Head of Service who is also responsible for ensuring that all employees with responsibility for rents and rent arrears recovery are given appropriate training in relation to debt management, money advice and changing legislation including welfare reforms.

Consultation

The Authority will consult on a bi-annual basis with its internal partners i.e. benefit services, advice agencies and DACHS/Children Services in order to continually develop good practice in this policy area

Any proposed changes to this policy will before implementation be fully discussed with:

- Income Management staff;
- Heads of Service
- DMG

Quarterly Performance Reports will include the performance details as follows:

- The total value arrears outstanding (including and excluding DD payers)
- The total number of tenants in arrears (including and excluding DD payers)
- The total number of cases where the balance is between £1,000 and £3,000
- The total number of cases where the balance is greater than £3000
- The number of evictions carried out
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Former Tenant Arrears

The Authority will pursue former tenant arrears as long as recovery remains economically viable.

Details of the procedure are contained within the Former Tenants Arrears Procedure.

Details of the write off procedure are contained within both the former tenant arrears procedure and the write off procedure. Annual reports with recommendations for write-off for Former Tenants Arrears will be signed off by Heads of Services, Treasurer and Cabinet Member.

Accounts identified by Income Management Officers can be submitted to our Debt Collecting Agency to collect arrears owing. Annual Report to be produced regarding recovery, number of accounts submitted etc.

Diversity

The Authority will adopt a robust and sensitive approach to recovering rent arrears and understands that tenants circumstances change for a variety of reasons. The Authority will ensure that no individual is discriminated against on grounds of marital status, sex, disability, age, sexual orientation, racial grounds or other personal attributes including religious beliefs or political opinion.

Complaints

The Authority operates a complaints procedure that is available to any person who is not satisfied with the way in which their case has been dealt with. Details of the complaints procedure can be obtained via the Customer Services Team.

Associated Documents

The Authority has clearly documented procedures in the following areas:

- Rent arrears
- Abandonment Procedure
- Garage Arrears;
- Former Tenant Arrears
- Write Offs

Dudley Metropolitan Borough Council is committed to providing high quality services to all of our customers ensuring that everyone is treated without discrimination because of their ethnicity, disability, gender, age, religion or sexual orientation. The Authorities Equality and Diversity policy provides a framework for Dudley Metropolitan Borough Council to operate fairly in service provision to customers, staff and contracted operations. The policy is available on request and comments can be made to Head of Service – Income Management, Dudley Metropolitan Borough Council, Harbour Buildings, Waterfront East, Brierley Hill.

Consultation

- Housing Services Divisional Management Group have been consulted on amendments to this policy.
- Equality and Diversity issues associated with this policy have been discussed with the Directorate's Equality and Diversity Group.

Review

Review date: August 2022. *This policy may, of course, be reviewed in a shorter timescale if circumstances warrant it.*

Policy Owners: Yvonne Steele

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