

RENT ARREARS POLICY 2019

Rugby Borough Council Rent Arrears Policy 2019

1 Introduction

- 1.1 Rugby Borough Council (the Council) aims to maximise rental income including service charges from tenants. Effective arrears management is essential in achieving our aims of delivering an affordable, efficient and effective housing management, repairs and asset management service.
- 1.2 The aims of this policy apply to all tenanted properties regardless of tenure, owned or managed by Rugby Borough Council (RBC).
- 1.3 RBC recognises that some of its tenants are amongst some of the most vulnerable in society and will provide effective advice and support to its tenants to help them maximise their income, meet their tenancy obligations specifically the payment of rent and sustainment of their tenancies.

2 Aims

- 2.1 This policy combines the need to maximise rental income from tenants with the provision of offering early advice and support to applicants and tenants in advance of and throughout the life time of their tenancies.
- 2.2 Promote a rent payment culture where the payment of rent is top priority with all staff and tenants.
- 2.3 Have a performance culture where the prevention and pursuit of rent arrears is given a high priority.
- 2.4 Monitor the rent arrears management process analysing the data and results to inform future policies and strategies.
- 2.5 Enforce our commitment to homeless prevention by providing support, advice and guidance to tenants in arrears, so that they are able to pay their rent without the threat of losing their home.

3 Objectives

- 3.1 To maximise income, we will aim to collect all monies due, reduce rent arrears and debts to a minimum. We will reduce former tenant arrears and collect all rechargeable repairs and sundry debts owed to us.
- 3.2 We will recover rent arrears in a firm, fair and consistent manner, using methods which will be sensitive to a tenant's individual circumstances.
- 3.3 Eviction action will be taken as a last resort and only where there is clear evidence of noncompliance on the part of the tenant, either to engage with us, or to make any consistent effort to pay their rent and arrears.

4 Prevention

- 4.1 RBC is committed to developing a payment culture and taking prompt action to prevent arrears occurring and accumulating. We will provide tenants with

appropriate support, advice and guidance and offer a variety of payment options which will be well publicised, flexible, easily accessible and convenient.

- 4.2 We will ask all new tenants to pay one month rent in advance at the commencement of their tenancy.
- 4.3 We will advise tenants to build up a credit on their rent account to assist them in being able to pay their rent should their circumstances change.
- 4.4 We will continue to work closely with other departments in the Council to identify those tenants at risk of falling into arrears.
- 4.5 We will continue to build links with the Department for Work and Pensions (DWP) and effective liaison for Universal Credit.
- 4.6 We will aim to identify any support needs that prospective tenants may have particularly their ability to pay their rent and to sustain their tenancy before signing a tenancy.

5 Money Management Advice

- 5.1 We will ensure tenants with rent arrears are aware of the support and advice we can offer which includes:
 - Debt Advice
 - Welfare advice
 - Money Judgement Advice
 - Budgeting
- 5.2 We understand that tenants experiencing financial hardship, exclusion from mainstream financial products such as a bank account or who are vulnerable, and disadvantaged might need a greater degree of support than others. We will work with these tenants to:
 - Agree affordable repayment plans based on household income and expenditure.
 - Offer benefit advice to maximise income
 - Offer money/debt advice as required
 - Make referrals to tenancy support services as required
 - Liaise with social services as required

We will also sign post tenants to independent organisations who offer free and confidential debt, money and legal advice.

6 Arrears Management

- 6.1 We have set a purpose and principles of work based around the customer.

Our Purpose is:

“To enable our tenants to succeed”

Our principles are:

- Do what we say we are going to do
- Communicate effectively with our customers at the earliest opportunity
- Focus on prevention and early intervention
- Understand customers' needs and tailor services appropriately
- Establish customers' financial situation at the earliest opportunity and don't be afraid to challenge it
- Work innovatively with internal and external partners
- Ensure our customers know that if they won't pay, they can't stay

6.2 Where there is evidence of support and advice being offered, but not accepted by the tenant, where repayment agreements are subsequently breached enforcement action will be taken.

6.3 Officers will apply a zero-tolerance approach to those tenants who have arrears on their rent accounts and who have made no consistent commitment to pay.

6.4 Making agreement based on the tenant's financial circumstances where the arrears cannot be cleared in full and recording these in the housing management system.

6.5 When making payment agreement, consideration must be given to the length of time the repayments will take to clear the arrears and the tenant's individual circumstances. Any agreement should be set out a timescale when the arrears should be repaid. Wherever possible the aim should be for the account to be clear at the end of that financial year.

7 Legal Framework

7.1 This Policy emphasises a proactive and preventative approach to rent recovery. However, legal action will be pursued in cases where the tenant has failed to:

- Make contact and meaningfully engage with RBC
- Co-operate in paying their full rent and reducing the debt
- Maintain a repayment agreement to clear the outstanding debt

7.2 RBC will comply fully with legislation and Court Pre-Action Protocols.

8 Former Tenancy Arrears

8.1 A former tenancy arrear is any debt left owing to RBC once a tenancy has been terminated.

8.2 A repayment agreement will only be agreed with a former tenant where it is not possible for the debt to be cleared in full.

8.3 All tenants when terminating their tenancy will be asked to pay any outstanding debts.

8.4 Legal action to recover former tenants' arrears will be taken in cases where an assessment of the former tenants' financial circumstances, indicate that such action would be appropriate. This could include: -

- If we already have a money judgement order:
 - An attachment of earnings – when we know where the former tenant is living and have employment details.
 - Charging Order – when we know where the former tenant lives and that we know they own their own property.
- If we don't have a money judgement order:
 - Small claims courts – when we know where the former tenant is living, where we have no other court order.

9 Performance Measures

- 9.1 RBC regularly monitors the performance of the rent collection service.
- 9.2 We will share information with staff that have responsibility for rent collection.
- 9.3 Information relating to rent, arrears and sundry debt collection will be included in the annual report to tenants.
- 9.4 RBC will regularly review this policy in consultation with key stakeholders, to include, tenants, local advice agencies and those who have arrears and have and have had possession action taken against them.
- 9.5 An analysis of reasons for non-payment of rent (to include arrears and sundry debts), payment methods, the viability of tenant incentive schemes, rent arrears and sundry debt management will be reviewed on a regular basis.

10 Related Policies and Procedures

This policy should be read in conjunction with the following policies and procedures:

- Rechargeable Repairs Policy
- Customer Care Policy and Standards
- Equal Opportunities and Diversity Policy
- Write off Policy

11 Complaints and Review Process

Complaints can be made directly to the Housing Services Manager by:

- By Telephone: 01788 533533
- In writing to:
Rugby Borough Council, Town Hall, Evreux Way, Rugby. CV21 266
- By email: contactcentre@rugby.gov.uk
- Online at: www.rugby.gov.uk

12 **Monitoring and Policy Review**

- 12.1 We will consult with service users, staff and internal and external agencies in the periodic review of this policy.
- 12.2 The Housing Management and Revenues teams will review this policy every year to ensure that any best practice, legislative or statutory changes are incorporated into the policy.
- 12.3 This policy has been equality impact assessed to ensure that no individual or group is adversely affected.

Anyone requiring this document in a different format should contact the Rugby Borough Council's, Communications Team:

- By telephone: 01788 533864
- By email: communications@rugby.gov.uk