

Subject: Revised Rent Income & Arrears Policy

Report to: Management Team: 19th February 2018
Housing & Neighbourhoods Committee: 1st March 2018

Report by: Amanda Nugent – Rent Manager

SUBJECT MATTER/RECOMMENDATIONS

This report introduces a revised rent income & arrears policy which outlines the steps that the Council will take when collecting rent and other Housing Revenue Account (HRA) income from tenants.

Housing & Neighbourhoods Committee are requested to approve the revised policy.

1. INTRODUCTION/BACKGROUND

- 1.1 The current rent income policy has been in place since 2014 and is due for revision. This has resulted in minor amendments to reflect working practices in 2018.

2. AMENDMENTS TO POLICY

- 2.1 The policy has been revised to take into consideration;

- The introduction of Universal Credit
- Outline support available to tenants who fall into arrears
- Provide a clear statement on promoting a culture of payment
- Define how enforcement proceedings will take place in cases of arrears

3. FINANCIAL IMPLICATIONS

- 3.1 The collection of HRA rent and other charges amounts to £22m per year. The minimising of arrears ensures that funding is available to carry out the essential landlord functions.

4. RISK IMPLICATIONS

The major risk is regarding non-payment of rent and other charges. The

policy defines how that risk is mitigated through the collection process.

5. **CONCLUSIONS**

N/A

6. **RECOMMENDATIONS**

Housing & Neighbourhoods Committee are requested to approve the revised policy.

7. **BACKGROUND PAPERS**

None

8. **APPENDICES**

Appendix 1: Rent Income and Arrears Policy

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	N/A
Section 151 Officer Consultation:	Via Management Team
Existing Council Policies:	Current Rent income policy
Financial Implications:	Contained in the report
Legal Implications (including human rights):	Contained in the report
Risk Implications:	Contained in the report
Equality Issues/EQIA assessment:	Contained in the policy
Crime & Disorder:	N/A
Every Child Matters:	N/A

Great Yarmouth Borough Council Community Housing

Rent Income and Arrears Policy

Great Yarmouth Borough Council Community Housing recognises that an effective strategy for the management of its housing rental income is essential to the smooth operation of its housing management service.

This policy reflects the organisations need for clear lines of accountability in the management of housing income.

We will collect rent or a housing charge and provide a holistic service to those facing difficulty in paying. We will use preventative measures and act early, giving advice and support to our tenants to help them keep their homes. We will, however, not tolerate the wilful non- payment and will use all legal remedies to recover the debt. As a last resort we will repossess.

Our Aims

We will;

- Collect all rent/housings charge due; reduce the level of arrears and former account arrears.
- Protect & support vulnerable people.
- Provide an excellent service, be fair and equitable.
- Listen to our tenants
- Engage and create healthy, vibrant communities.
- Be proactive and use measures which prevent and minimise arrears.
- Work with our partners to provide advice and assistance to tenants and former tenants to maximise their incomes and sustain their tenancies or future housing requirements.
- Take prompt and appropriate action to recover arrears and other debts.
- Be committed to using legal possession action, but only as a last resort and when all alternative measures have been exhausted.
- Stay aware of developments in arrears prevention and recovery and will develop new and effective initiatives.

Introduction

Collecting rent and housing income is vital to the Council's ability to deliver housing services to its residents. We are committed to improving the quality of our homes and neighbourhoods, but rely on income for funding our services.

Great Yarmouth has traditionally had a low level of rent arrears however, from 2016/17, has seen an increase due to the introduction of Universal Credit Full Service into the Borough. Support and other advice agencies form part of the procedure for supporting tenants and residents with rent/housing arrears. In addition, we also use the legal process to deal with tenants in rent arrears. This will remain an important element in our strategy, but will be balanced by a renewed emphasis on prevention of arrears, sustainment of tenancies and maximisation of income.

Great Yarmouth Borough Council (GYBC) has adopted the use of Introductory Tenancies from 4th November 2013. This will form part of various methods to help GYCH tenants sustain their tenancies. The twelve-month introductory period is known as the trial period.

GYBC purpose in using Introductory/Secure Tenancies is to provide support for all tenants who experience difficulty in complying with their obligations as a tenant in order to turn failing tenancies into sustainable ones.

In the context of recovering rent owed to the Council, this means that we aim to treat tenants who are in arrears fairly, sympathetically, and in consistent way, while at the same time ensuring that we collect rent that is due.

We will help customers, tenants in arrears to stay in their homes by providing advice and assistance on debt management and pursue a debt collection strategy that sensitively balances the pursuit of debt with the needs of vulnerable tenants.

Former tenant arrears arise in the following circumstances:

- The debtor is no longer the tenant/occupier or responsible for the use and occupation of the property. This definition includes deceased tenants, or
- The debtor has moved from one GYBC tenancy to another, leaving arrears on the previous property. The arrears remain on a separate account and are not transferred to the account of the new property, however, remain to be collected.

The policy will take into consideration the Equality Act 2010, Public Sector Equality Duty and protect residents from discrimination and will be regularly reviewed. We will assess each case on its own merits to minimise any loss of public funds.

Measure Performance

In line with most other social landlords we also measure and monitor the level of rent and former tenant arrears as follows

- Rent and former tenant arrears as a percentage of the rent debit,
- Rent collection rate
- Amount of arrears owed by tenants in £.

The local Context

Great Yarmouth Borough Council Community Housing owns approximately 5800 dwellings within the borough.

The Strategic Context

This policy document must be seen in context of Great Yarmouth's Housing Strategy and other corporate strategies, including, but not limited to.

GYBC Corporate Plan	<i>This plan sets out the GYBC vision, priorities and objectives.</i>
GYBC Housing Strategy	<i>This document covers all housing, rented and owned and recognises the right mix of good quality and well-managed housing (and good advice and support) can make a difference to residents.</i>
GYBC Tenancy Policy	<i>This policy covers the tenancies offered by Great Yarmouth Community Housing (GYCH) and summarises our approach to mutual exchanges and joint tenancies</i>
GYBC Tenancy Strategy	<i>This document sets the matters to which registered providers of social housing for its district are in formulating policies.</i>
Homelessness Prevention Strategy	<i>Aims to prevent homelessness and reduce the use of temporary accommodation.</i>
GYBC Allocation Policy	<i>Great Yarmouth Borough Council has a duty to prepare and publish a scheme for the allocation of housing accommodation within the district.</i>

Great Yarmouth benefits from strong links with Norfolk County Council, (including Children and Adult Services), the Clinical Commissioning Groups and a variety of voluntary sector advice and support agencies. This strategy takes into account the need for these organisations to be involved in the development of policy and the continuing review of our policies and procedures.

Our Policy

We will collect all rent or housing charge due and reduce the level of arrears

In particular we will:

- Provide comprehensive information to all service users that clearly describe the organisation's rent and service charge setting procedures, and how rents and service charges are calculated and collected.
- Make income and arrears work a priority for Housing Services, including regular monitoring all accounts and taking appropriate action promptly
- Have robust systems in place to monitor compliance with our policy and procedures and monitor our performance.
- Combat any culture of non payment.
- Ensure that all staff involved on rent matters have a clear set of procedures for dealing with the collection and recovery of monies within the guidelines of this policy.
- Maintain accounting systems that are well integrated with housing management and benefit systems. As a result we can clearly identify arrears due to housing benefit or universal credit or payment in credit or arrears.
- Continue to develop our relationships with other agencies and advocacy groups.

We will be proactive and use measures which prevent and minimise rent arrears

In particular we will:

- Visit new introductory tenants within 4 weeks of the tenancy commencing.
- Stress the importance of paying rent from the start of each tenancy and paying in advance as per the tenancy agreement.
- Discuss the importance of making regular rent/housing payments during the viewing of a new home and at the 'sign up'.
- Provide new tenants with information on various payment methods and the tenancy will created within 3 working days of the tenancy commencing.
- Provide regular accurate rent and service charge statements to all tenants/occupiers or provide access to online accounts.
- Apply all payments, officially receipted, to relevant accounts within 2 working days of payment.

- Provide information on rent payments and advice in a clear format at appropriate housing office outlets throughout the Borough.
- Provide a choice of and continue to develop the payment options available, reviewing these methods regularly to ensure value for money, accessibility and customer satisfaction.
- Continue to promote direct debits as our preferred choice of payment.
- Offer direct payments from welfare benefits where regulations allow.
- Maintain a high standard of communication sent to tenants, using plain language and available in all formats.
- Provide assistance and translation services to people with language or communication problems through INTRAN interpreting and translation services.
- Provide and make widely available clear and concise information about statutory sanctions which are used in any recovery process.
- Reconcile former tenant debt owed, note the date of the termination of the tenancy and if any further housing benefit or universal credit can be awarded by working with the tenant.

We will work with our partners to provide advice and assistance to tenants to maximise their incomes and sustain their tenancies

In particular we will:

- Aim to identify “vulnerability” at the start of and throughout the tenancy and work with other agencies to provide a supportive and holistic service
- Encourage tenants to contact us as soon as debt problems arise so that we can give clear advice and make referrals to appropriate advice agencies.
- Pro-actively signpost service users to other agencies that can maximise their income, whether in arrears or not.
- Make referrals to financial and benefit advice agencies
- Use services to provide longer term support to maintain tenancies
- Use support services for families with children in need and look at ways of meeting via the Early Help Hub.

- Support tenants to make Housing Benefit applications or a Universal Credit claim and provide assistance to progress their claims.
- Hold regular meetings with Housing Benefits and Universal Credit
- Ensure that tenants have had the opportunity to resolve any benefit matters before the need to proceed with any legal action unless they are a result of the tenant or former tenant failing to provide or complete the information required.
- Be involved in campaigns/projects to maximise benefit take up levels and financial inclusion.

We will take prompt and appropriate action to recover arrears and other debts

In particular we will:

- Prevent debts increasing by taking early action as soon as accounts fall into arrears
- Send letters which are clear, customer friendly and designed to encourage tenants and former tenants to talk to us so that we can provide assistance
- Provide information containing advice on how to find out about benefit entitlement, money, debt advice and payment methods
- Give the option and arrange for home visits within the borough of Great Yarmouth for vulnerable residents
- Contact tenants using a variety of different methods, including letter, home visit, telephone contact, e-mail and texting.
- Work closely with any advice agency or authorised person acting on their behalf of the debtor.
- Treat all tenants and former tenants in arrears with respect and with consideration of their individual circumstances.
- Provide facilities to enable people to discuss their debts in a confidential setting and will listen and endeavour to offer assistance wherever possible.
- Carry out an income and expenditure analysis with customers, tenants and former tenants in arrears.
- Where possible, negotiate a lump sum payment to reduce arrears or request direct payments from universal credit benefits, if applicable.

- Set up realistic repayment arrangements with tenants in arrears and offer realistic repayment options with reference to debt advice agencies where appropriate
- Confirm any payment arrangements and record on our accounting system.
- Honour any reasonable agreement made to discharge debts before escalating any recovery action.
- For former tenants where no forwarding address is known use a tracing facility to locate and start recovery engagement/action.

We are committed to using legal possession action, but only as a last resort and when all alternative measures have been exhausted

In particular we will:

- Effectively manage every current and former rent account, and take legal action only where all other methods have been exhausted.
- Continue to place emphasis on prevention of arrears and we may take court action to recover debt owed when the tenant or former tenant is not engaging to reduce the balance.
- Refer former tenancy arrears or other housing related debts i.e. rechargeable repairs to a debt collection agency where there are no powers to distress/levy
- Follow the Department for Constitutional Affairs' Pre-Court Protocol for Social Landlords when using possession action
- Continue to attempt various methods of contact to our tenants to make agreements to pay throughout legal proceedings

The legal framework for recovery:

- We will write and inform if a payment plan has failed or arrears accrue.
- If payments continue not to be maintained or arrears do not reduce a Notice to Seek Possession will be served and that court action may be taken if no resolution.
- We will keep the debtor informed of the action being taken at each stage of recovery

- The County Court can make an order for possession to include an Outright, Postponed or Suspended possession Order. The County Court may also Adjourn or Withdraw an Court Order
- We will agree to suspend legal proceedings if acceptable repayment terms are offered (unless legal action has previously been suspended for the same reason)
- We will ensure appropriate referrals to homelessness and other housing advice services are made when we take possession action
- We will work with all of our partners to find alternatives to eviction
- We will refer cases at risk of eviction to Children or Adult Services
- We will inform Ward Members where eviction is imminent

We will stay aware of developments in arrears prevention and recovery and will develop new and effective rent initiatives

- Consider rent payment campaigns with an emphasis on the effects on the service of non-payment of rent or housing charges
- Share experience and best practice with other similar organisations
- Develop mutually supportive working relations with all parties in the arrears recovery process so that all parties work effectively together, including other corporate service providers and the court system.
- Work with our partners to develop a joined up response to issues of financial exclusion affecting our tenants
- Continue to develop effective planning and liaison partnerships with Housing Benefit, Universal Credit, Early Help Hub and other agencies (for example Disabled Information and Advice Line - D.I.A.L) that can ensure tenants/customers are receiving the income they are entitled to.
- Promote benefit take-up campaigns, including housing benefit or universal credit, to help prevent increase in rent arrears and other debts.
- Investigate benchmarking our performance with other local authorities.
- Initiate customers' satisfaction survey.
- Ensure our staffs are trained to deliver the service effectively, and develop links with other agencies to organise joint training.

- Be open with our policies, and consult and liaise with our stakeholders at regular intervals.
- Adapt our approach to arrears management based upon an analysis of reasons for non-payment.
- Constantly strive to find new ways of getting our message to our tenants, including social media.

9.0 REVIEW OF POLICY

This policy will be reviewed in 2020.