

Income management and rent arrears policy

find solutions
to problems

go the
extra mile

work as
one team
for the
community

strive to be an excellent
organisation at the leading
edge and provide 2000 new
homes for people in
housing need by 2020

1. Scope of the policy	3
2. Objectives and principles of the policy	3
3. Legal framework.....	4
4. Leaseholder's responsibilities	5
5. Tenants and leaseholders can pay by the following methods	5
6. Prevention of rent and leasehold arrears	5
7. Assessment, support and liaison with other agencies	6
8. Rent arrears and leasehold recovery	6
9. Early action	7
10. Serious/persistent arrears action	7
11. Equal opportunities.....	8
12. Safeguarding children, young people and adults	8
13. Complaints and review process	9
14. Performance monitoring	9

1. Scope of the policy

- 1.1 This policy describes the activities and responsibilities involved for income management and where current tenant accounts are in arrears. The term "rent arrears" applies to rent, service charges and planned leasehold charges.
- 1.2 The Income Management & Rent Arrears Policy applies to all tenants, leaseholders and garage tenancies managed by Solihull Community Housing (SCH) on behalf of Solihull MBC.
- 1.3 This policy works in conjunction with the Council's Corporate Debt (income allocation) policy. Priority debts are identified corporately as Rent and Council Tax. All other debts are treated as non priority debts and include Overpaid Housing Benefit, transfer balances, court costs and rechargeable repairs.
- 1.4 The Policy has been updated on 23 February 2010 to reflect changes in Legislation and operational working practices.

2. Objectives and principles of the policy

- 2.1 The overall aim of the Income Management & Rent Arrears Policy is to minimise the level of rent/leaseholder arrears and increase income in a sensitive but effective manner.
- 2.2 The specific objectives of the Income Management & Rent Arrears Policy are:
 - To offer early appropriate professional support and guidance to tenants & leaseholders to reduce rent arrears and maximise their income;
 - To monitor levels of arrears and have early intervention mechanisms in place which prevent rent arrears arising ;
 - To take appropriate action in accordance with the level of rent & leaseholder arrears;
 - To sustain tenancies with support from SCH's Money Advice & Housing Options teams and other agencies.
- 2.3 The above objectives will be achieved by implementing the following principles:
 - To become a top quartile performer in terms of income collection (BVPi66a).
 - SCH will take all reasonable measures to prevent arrears from occurring and escalating.
 - By working with the Council's Income & Awards in compliance with the service level agreement to ensure that Housing Benefit applications

- are processed within agreed time scales.
- Ensuring that detailed procedures and agreed practices are applied uniformly across the service;
- Providing training to ensure that staff are competent and able to carry out the roles expected of them.
- Ensuring that communication with tenants and leaseholders is in “plain English” and providing contact references in the case of queries.

3. Legal framework

- 3.1 SCH will ensure that the Income Management & Rent Arrears policy meets with legislative and good practice requirements to enhance income collection and minimise rent arrears. This will include the following:

Tenancy Agreement

Section 7 - Tenants Obligations

The Rent (as set out at the start of the tenancy agreement) must be paid when due. The debt due from a previous tenancy and set out in Section 1 of the tenancy agreement must be paid in full and failure to maintain payments as agreed will be taken as a breach of this tenancy agreement.

Housing & Landlord & Tenant Act Act's 1985 Where legal action is taken to recover arrears, SCH will comply with the rules in accordance with this legislation.

Civil Procedure Rules 1998 part 70 & County Court Rules 1981 order 27

- 3.1.1 Should the tenant default by way of re payments (in breach of a money judgement court order) SCH may apply to the appropriate court for one of the following orders to be implemented;
- Attachment of Earnings Order
 - Deductions from DWP Benefits under Housing Costs
 - Charging Order
 - Enforcement Agents
 - Forfeiture

3.2 Tenants and landlords responsibilities

- 3.2.1 The term 'tenant' includes sole and any multiple tenants.
- 3.2.2 If two or more people have signed the Tenancy Agreement, they are jointly and severally liable for the payment of rent. This means that each person is fully responsible for the payment of rent and any arrears of rent.
- 3.2.3 Tenants have an obligation under the terms and conditions of their Tenancy Agreement to pay rent when due. Tenants & Leaseholders have a responsibility to notify SCH of any change that may affect their ability to make payments.

4. Leaseholder's responsibilities

- 4.1 To pay Ground Rent, the service charge including buildings insurance, Communal repairs, planned and major works costs as demanded.
- 4.2 To observe all the terms and regulations set out in accordance with their lease.

5. Tenants and leaseholders can pay by the following methods:

- Cash or cheque
- Direct Debit
- Credit or Debit Card
- Post Office Giro
- Paypoint
- Internet
- Automated Telephone
- Bank Standing Order

6. Prevention of rent and leasehold arrears

- 6.1 At the start of a tenancy SCH will make every effort to ensure that tenants and leaseholders are informed of all costs associated with their home. Assistance will be given to tenants to complete a Housing Benefit form and provide proof of income when signing a tenancy agreement.
- 6.2 Where tenants experience difficulty with the completion of a Housing Benefit application form, housing staff will provide assistance.
- 6.3 Tenants & leaseholders will be offered help and advice on money management and welfare benefits, including an assessment of their entitlement to Housing Benefit where appropriate. The Income Management Team will work closely with the Housing Options Team to ensure that the appropriate advice on rent related and Housing Benefit

issues are discussed at the outset.

- 6.4 At the tenancy sign up, SCH will issue a copy of the Tenant's Handbook and tenancy conditions and advise the tenant of their responsibility to pay their rent, ensuring they are aware of the potential consequences of non-payment. Leaseholders will be provided with their rights and obligations.
- 6.5 Post tenancy visits will be carried out for new tenants to ensure any issues concerning Rent/Housing Benefit are actioned within 28 days of moving into a property. Similarly where tenants are identified as vulnerable/disabled the appropriate advice and assistance will be given.

SCH will also provide details of the rent & leasehold incentive scheme and methods of payments.

7. Assessment, support and liaison with other agencies

- 7.1 SCH will offer a financial assessment to all tenants & leaseholders when it is identified that their account is in arrears in order to make an affordable arrangement and ensure amounts are paid when due.
- 7.2 During the assessment, possible sources of support will be identified. These may include:
 - Family/household members
 - Appointees/Power of Attorney
 - Friends
 - Social Services
 - SCH Money Advice team
 - CARA
 - Citizens Advice Bureau;
 - Floating Support Teams
 - Any other appropriate agency.

8. Rent arrears and leasehold recovery

- 8.1 Rent arrears recovery will be based on a staged escalation process, up to and including repossession for non-payment of rent. Leaseholders will be sent Quarterly invoices and arrears progressed through a variety of options which could result in a charge being made on a property.
- 8.2 The process will be designed around a preventative approach that seeks to maximise tenants & leaseholders income, ensure Housing Benefit is correctly assessed, assistance given towards the payment of service charges (via Department of Works and Pensions) and ensure payments are made when due. Emphasis will be placed on early intervention whilst arrears are at a relatively low level in order to prevent the escalation of arrears.
- 8.3 SCH will take legal action where appropriate to recover rent & leaseholder

arrears due to non payment.

9. Early action

- 9.1 SCH will ensure that there is early intervention with arrears cases before a debt becomes unmanageable.
- 9.2 Arrears control and recovery action will be activated as soon as an account falls into arrears.
- 9.3 Detailed procedures for income management and arrears action ensure that each case is regularly monitored and appropriate action is taken. Tenants who go into arrears will be contacted via telephone, text, visit, invoice or letter.
- 9.4 SCH will maintain a comprehensive record of all action taken and contact with a tenant/leaseholder in arrears.
- 9.5 SCH will offer a financial assessment to all tenants and leaseholders when it is identified that their account is in arrears in order to make a sustainable arrangement.

10. Serious/persistent arrears action

- 10.1 SCH will write and inform the tenant that if the payment of rent and arrears is not made on a regular basis or the agreed arrangement is broken a Notice Seeking Possession will be served and that court action may be taken. Similarly with leaseholder arrears pre court letters are issued.
- 10.2 Emphasis will continue on prevention of arrears by attempting to make contact and ensuring appropriate sources of support are involved.
- 10.3 However, following the service of a Notice Seeking Possession/ Pre Court letter if arrears continue to increase, action will be sought in the County Court by way of possession proceedings and a money judgement order.
- 10.4 The court can make the following decisions:

An order for recovery of outright possession (in terms of rent) an order for Postponed Possession on terms (in terms of rent) Adjourn (rent/leasehold charges) Withdraw (rent/leasehold charges) County Court Judgement.
- 10.5 Evictions will only be considered as a last resort where all other alternatives have failed.
- 10.6 Charging Orders (an order of the court placing a 'charge' on the leaseholder's property) this will be considered as a last resort for leaseholder debts.

- 10.7 In the event of there being no rent arrears & debts in the sub account including rechargeable repairs, consideration will be given to the debt being recovered in the small claims court.

11. Equal opportunities

- 11.1 Our commitment to equality is stated in SCH's Equal Opportunities policy statement which states that we are:
- 11.2 'Committed to ensuring that equality of opportunity exists within all of SCH's functions, both in terms of service delivery and employment practices. Furthermore, our policy has been developed to ensure compliance with all relevant equal opportunities legislation.'
- 11.3 In all sections and parts of the policy whether explicitly stated or not, officers must take full regard of equal opportunities, equality of access to services and human rights. Equal opportunities are about combating discrimination and that discrimination is about the way certain groups of people are treated by any individual difference. No one should be excluded because of disabling barriers to a building or because a person speaks a different language from staff. Issues to bear in mind include:
- 11.4 All documentation being available in all appropriate languages and formats (e.g. Braille, audio tape) upon request.
- 11.5 Tenants & leaseholders will have access to an interpreter if and when required. Staff should make use of Language Line to assist with language interpretation. SCH will follow the correct procedures to ensure a fair application to its approaches for dealing with income management:
- 11.6 The Income Management Team monitor ethnicity and disability data and records actions taken against all groups. The purpose of which is to assess trends and act appropriately with organisations offering support to its members.

12. Safeguarding children, young people and adults

Solihull Community Housing actively participates in multi-agency arrangements to safeguard children and vulnerable adults.

As a member of the Local Safeguarding Children Board (LSCB) we recognise and are committed to the principles of safeguarding and promoting the welfare of children and young people in discharging our functions.

We are also members of the Solihull Safeguarding Adult Board (SSAB) and have agreed to abide by the Board's memorandum of Understanding. As such, we will continue to contribute to the achievement of safeguarding objectives to ensure that vulnerable adults, who are at risk of abuse,

receive appropriate protection and support.

Full account will be taken of our safeguarding responsibilities when implementing the Anti-Social Behaviour, Hate Crime and Incident Policy.

13. Complaints and review process

- 13.1 SCH operates a Complaints Procedure that is available to any tenant and leaseholder who is not satisfied with the way in which their case has been dealt with. Details of the Complaints Procedure can be obtained from any SCH or Council Office and SCH website.

14. Performance monitoring

- 14.1 SCH will monitor performance on income collection and rent arrears using both statutory and local performance indicators as follows:

Statutory Performance Indicators BVPi 66a b c d

- 66a measures the total amount of (gross) rent collected over the whole financial year as a proportion of the total amount (gross) rent due in that financial year including arrears brought forward from the previous financial year.
 - 66b the number of local authority tenants with more than 7 weeks (gross) rent arrears as a percentage of the total number of Council tenants.
 - 66c percentage of local authority tenants in arrears who have had a Notice Of Seeking Possession served
 - 66d percentage of local authority tenants evicted as a result of rent arrears.
- 14.2 Leasehold performance will be reported on a Quarterly basis to Housing Management Team.
- 14.3 Rechargeable Repairs will be monitored on a Quarterly basis and reported to Housing Management Team.
- Record levels of current leasehold arrears and current rent arrears to include Rent, Transfer Balances & Overpayments of Housing Benefit.
 - Where enforcement action has taken place, recording of; Numbers of Notice's Of Seeking Possession served Cases entered into court, Warrants issued, Cases referred to Enforcement Agents, Attachment of Earnings Charging Orders.
 - Record levels of Housing Benefit awards, income to assist with service charges and reductions in arrears as a result of visits undertaken in line with the Council's Corporate Debt Policy and in terms of prevention visits carried out.

14.4 Local indicators

14.4.1 SCH will review the Income Management & Rent Arrears Policy annually amendments will be made as required after consultation with service users and other agencies.

14.4.2 This Policy has been subject to consultation with the following;

Customer Services Panel.

Leaseholder Forum

BME Panel

Income Management staff

Policy author: Andrew Jones

Date published: September 2010

find solutions
to problems

go the
extra mile

work as
one team
for the
community

strive to be an excellent
organisation at the leading
edge and provide 2000 new
homes for people in
housing need by 2020