

Rent Arrears Recovery

Exeter City Council is required to provide housing management services efficiently and effectively in order to meet their obligations and requirements as a landlord and to liaise with other agencies about the needs of their residents both as individuals and communities.

The Council must ensure that its activities are undertaken effectively and efficiently. The Council recognises that collection of rent is of major importance so that it can maximise its income to ensure that the commitments contained in our Business Plans can be met.

The Council is required to ensure that residents understand their rights and responsibilities and that they should also be given the necessary support to sustain their tenancies.

This Rent Arrears Policy embraces the above principles.

Policy Statement

Exeter City Council's primary aim in relation to rent arrears recovery is to maximise its collection of rent income and other charges from its tenants. It is in the best interests of Exeter City Council and its tenants that its income is maximised so that the objectives of its Business Plans are met.

Under its Best Value regime Exeter City Council is committed to achieve or exceed the targets set in relation to rent collection and arrears recovery and will endeavour to achieve this through comprehensive procedures and monitoring.

The Council will adopt a firm but fair approach to rent arrears recovery. It will be proactive in preventing arrears occurring where possible, by taking early steps to avoid and minimise the build-up of arrears. Whilst being firm and clear in its arrears recovery, the Council will also ensure that it acts in a sensitive manner appropriate to tenants individual circumstances.

The Council recognises that from time to time tenants may experience financial problems and will not be able to pay their rent. The Council staff will offer to meet with tenants as soon as the problem arises and offer tenants sensitive support and advice, including benefit advice and referrals to debt advice agencies. Housing staff will receive ongoing training to ensure that the Council provides a high standard of housing management and to ensure that rent is paid and arrears are reduced.

Housing staff will make arrangements with tenants to pay their arrears over a reasonable period of time. However if tenants' refuse to make or adhere to such agreements, legal action will be taken by the Council, and this may include action to repossess the tenants home.

The Council will seek to create a culture where tenants attach a very high level of importance to ensuring their rent is paid.

The Council recognises that some tenants will need help and support in meeting their rent obligations. Assistance and guidance will be given to tenants on the range of benefits available to them. Access to Housing Benefit (HB) is particularly important in rent recovery. The Housing Section will endeavour to maintain good links with the Housing Benefit Section and will ensure that its officers are well trained in this area.

The Council will seek to reach agreements with individual tenants in arrears, which are both manageable for the tenants and acceptable to the organisation. The Council will take into consideration tenants' financial circumstances when calculating the amount to be paid and over what period of time.

Implementation

The implementation of this policy will be achieved through the consistent application of the arrears procedures. Officers will be trained in the procedures. The important principles behind each stage in the procedure are set out below.

Prevention of Arrears

Prevention of arrears, if achieved removes the requirement for other recovery and enforcement action.

Tenants will be given access to a range of payment methods as described in the Rent Collection and Payment Policy. These will be regularly reviewed.

New tenants, as part of the letting interview, will be advised of the following.

- Their responsibilities with regard to ensuring rent is paid on time.
- Methods of rent payment
- Possible entitlement to Housing Benefit (including offering help and assistance in making a claim).
- Possible entitlement to other welfare benefits
- Details of contact points for tenants experiencing problems with their rent.

Action for Non-Payment

The Council's arrears procedures will detail the action to be taken at every stage and the likely timescales for actions.

The main features of the procedures are as follows:

- Tenants will be advised of any change to the rent and methods of payment at least one month before the changes come into force.

- Council staff will verify before commencing, or at any stage during the arrears recovery process that the debt identified is a valid one.
- The Council will treat all joint tenants as jointly and severally liable for rent arrears.
- The Council will monitor rent accounts regularly so that problems can be identified at an early stage and arrears levels minimised.
- The Council will inform tenants of their debt and advise them of the consequences of continued non-payment.
- The Council will endeavour to make personal contact with tenants who are in arrears, either by visiting, inviting them for interview or telephoning so that the arrears position can be discussed. Staff will ensure that advice and assistance is offered, including access to Housing Benefit.
- The Council will ensure, where necessary referrals for debt counselling are made to the appropriate agency.
- The Council will endeavour to reach agreements with tenants in arrears that are both manageable for the tenant and protect the interests of the organisation.
- The Council will check if other agencies are involved with the tenant (e.g. Social Services). These agencies will be requested to offer support if appropriate.
- The Council's Housing Staff will check with the Housing Benefit Section to ensure that any outstanding benefit is credited to the tenants account or to verify the reasons why any outstanding benefits are not being paid.
- The Council will serve any Notice of Proceedings for possession in accordance with its procedures, and in line with current regulations.
- The Council will begin Court action in accordance with its procedures where necessary.
- The Council will request the appropriate order in court, depending upon the individual circumstances of the tenant and the case.
- The Council will always request an award of costs at Court. These will be added to the outstanding debt.
- Where repossession is sought and the tenant or members of the tenant's family are considered to be vulnerable, the Council's Rent Officers will liaise with the Homelessness Section in advance of the eviction action being taken.
- The Council will use Ground 1 of section 83 of the Housing Act 1985 in any action to repossess the property.

There will be an emphasis upon personal contact with tenants at key stages to ensure they are aware of the circumstances and giving opportunities to come to arrangements to clear the debt. The consequences of not reaching an agreement and maintaining it will be carefully explained.

The Council will address the specific needs of minority ethnic groups, people with disabilities, the infirm, the elderly and the housebound in its implementation of this policy. Support will be offered wherever appropriate,

which might include interpreters and referrals Devon County Council's Social Services or Voluntary Agencies.

Former Tenancy Arrears

The Council will seek through its arrears recovery procedures to control the level of arrears at all stages prior to tenancy termination.

The Council will utilise its Abandonment procedure to end tenancies where properties have been abandoned with out the use of the courts, so that arrears do not accrue unnecessarily.

The Council will pursue all recoverable former tenants' arrears. Emphasis will be placed on the establishment of early contact with the debtors and reaching agreement for the repayment of the debt.

Where a debt is uneconomic to pursue and where all reasonable attempts to recover the debt have failed, the debt may be written off in accordance with the write-off procedures.