



## COMMUNITY OVERVIEW AND SCRUTINY COMMITTEE

### *Committee Report*

**Public**

**Date of Meeting:** 21st February 2002

**Title:** RENT ARREARS RECOVERY - POLICY STATEMENT

**Report of:** Director of Housing

**Report reference:** H009/02

**Summary:**

The report highlights the need for a formal policy statement on the recovery of rent arrears from current Council tenants, and provides the same.

**Recommendations:**

Members are recommended to adopt the policy contained herein.

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Note: in compliance with section 100d of the Local Government (Access to Information Act 1985 the report has been prepared in part from the following papers: Best Value Review report, Housing Debt Recovery (June 2001); Report H079/2001, Best Value Review, Housing Debt Recovery

**To the Chair and Members of the Community Overview  
and Scrutiny Committee**

**Rent Arrears Recovery – Policy Statement**

**1. Introduction**

- 1.1. The Housing Department's Best Value Review of Debt Recovery highlighted the uncertainty of Councillors, staff and tenants in defining what its policy was in regard to rent arrears owed by current tenants and the need to formalise a statement of what it wished to do.
- 1.2. This deficiency was reinforced by good practice guidelines issued by the Chartered Institute of Housing and the National Federation of Housing Associations and a joint report produced by Scottish Homes and the Accounts Commission in Scotland.
- 1.3. The evidence led the Review team to conclude that the rent arrears prevention and recovery service provided by the Housing Management Section should be led by collection and not by arrears.
- 1.4. A recommended policy statement in this vein is attached.
- 1.5. Amended procedures to reflect this policy direction and take account of good practice initiatives will be produced subsequent to agreement of this policy and subject to consultation with the Carlisle and Rural Tenants Federation and other interested parties.

**2. Comments of Carlisle and Rural Tenants Federation (CRTF)**

- 2.1. This document has been circulated to and discussed with the CRTF who are in agreement with the aims and objectives of the policy.

### **3. Comments of City Treasurer**

3.1. The City Treasurer has been consulted on the policy statement and is in agreement with it.

### **4. Comments of External Stakeholders**

4.1. Carlisle CAB have been consulted through their advisers on housing matters, Shelter Cumbria Housing Aid Centre, who are pleased with the proposed policy.

4.2. Carlisle Community Law Centre had not responded at the time of submitting this report for circulation.

### **5. Links to the Council's Corporate Objectives**

5.1. The policy is linked to one principal objective in the Council's Best Value Performance Plan for 2001-02, i.e. to satisfy housing need. Within this objective it will help to underpin a 5 year strategy ending in March 2005 aimed at reducing rent arrears owed by current tenants to 1.9% of the gross rent collectable.

5.2. Our target is to achieve a figure of 3.13% by the end of March this year. At the end of January 2002 the proportion owed was 3.18%.

T Bramley  
Director of Housing

# CARLISLE CITY COUNCIL



## **HOUSING DEPARTMENT**

### **RENT ARREARS POLICY - CURRENT TENANTS**

## **CURRENT TENANT RENT ARREARS POLICY**

### **1. Introduction**

Carlisle City Council aims to provide a good quality housing management and repairs service to all tenants within the financial resources it has available.

Council rents are relatively low so as to be affordable to people on low incomes.

Rent is the main source of income to the Housing Department and helps to pay for all the services that we provide.

It is a condition of tenancy and the responsibility of tenants to ensure that rent is paid regularly and on time, and the responsibility of the Council as landlord to keep rent arrears to a minimum, so that the provision of those services to tenants at large is not threatened or reduced.

### **2. Aims**

The City Council will:

- 2.1. Collect the rent due to it as efficiently as possible and provide a range of convenient, easily – accessible rent payment methods for tenants to make their payments regularly and on time.
- 2.2. Ensure that rent payments are credited to rent accounts promptly and accurately, and provide quarterly rent account statements.
- 2.3. Help tenants and prospective tenants to maximise their income by means of:-
  - housing and welfare benefit advice;
  - referral for counselling or money advice and assistance with benefit appeals;
  - referral to low cost sources of furniture.
- 2.4. Try to prevent arrears from arising, or if they do, to minimise them by means of:
  - pre-tenancy counselling to advise the prospective tenant just what he/she is taking on, to include information on the costs of setting up a house, and

household budgeting advice;

- advice on a range of simple, convenient rent payment options;
- increasing the profile of rent as a priority debt by means of leaflets given to new tenants at the sign up stage emphasising the need to contact the Housing Department if they have trouble in paying, and to those who get into rent arrears the consequences of continued failure to pay.
- good housing benefit administration in managing rent arrears by arrears recovery staff in, for example:
  - routinely checking housing and welfare benefit entitlement and encouraging timely claims at arrears interviews;
  - encouraging tenants to submit their housing benefit claim forms in time for benefit reviews;
  - providing trial calculations of housing benefit at the start of the tenancy and at any significant change in circumstances so that the tenant knows how much rent is due to be paid;
  - maintaining good operational liaison with housing benefit staff and trying to improve strategic liaison;
- support immediately after the commencement of a new tenancy with a monitoring visit within 4-6 weeks.

2.5. For those who fail to take advantage of support and prevention services the Council will undertake prompt and effective recovery procedures based on the premise that it will seek repayment of the debt in the earliest possible timescale bearing in mind:

- the financial circumstances of the household;
- any previous arrears history;
- the need of 'vulnerable' tenant;
- all available measures of recovery.

Contact with tenants will be by a combination of letters, telephone calls, home visits and office interviews.

- 2.6. Eviction will be pursued as the final sanction but only after all other reasonable steps have been taken, proper legal action has been pursued via the Courts and Senior Officer approval has been obtained.

This will apply in the case of both Secure and Introductory Tenancies.

### **3. Objectives**

The City Council will:

- 3.1. Widen the availability of and promote convenient, cost effective methods of rent payment, taking advantage of new technology.
- 3.2. Reduce the cumulative amount of rent arrears owed by current tenants with the aim of minimising evictions and reducing debt to the Council.
- 3.3. Provide more comprehensive pre-tenancy information and advice.
- 3.4. Provide early post-tenancy support, monitoring and preventative action.
- 3.5. Encourage greater emphasis on personal contact with tenants in arrears.
- 3.6. Set clear procedures for all aspects of arrears recovery.
- 3.7. Pursue improved liaison and referral arrangements with partner agencies especially CAB and the Community Law Centre.

### **4. Principles**

The City Council will:

- 4.1. Expect every tenant to accept and act upon their responsibility to pay rent and will promote a payment culture by stressing the consequences of continued non-payment.
- 4.2. Provide equality of service delivery across the district.
- 4.3. Ensure accurate records are kept.

- 4.4. Fulfil its statutory duties and comply with the law and good practice relating to rent collection, rent accounting procedures, arrears recovery and possession proceedings.
- 4.5. Provide trained and knowledgeable staff to help tenants with rent payment problems.
- 4.6. Place a strong emphasis on prevention and where arrears do occur, take early action to help the tenant clear the debt.
- 4.7. Recognise other forms of debt and their potential effect on rent arrears.
- 4.8. Make an agreement or take action only after full consideration of the tenants circumstances.
- 4.9. Seek to negotiate repayment rather than take legal action.
- 4.10. Always be prepared to re-negotiate a repayment agreement.
- 4.11. Notify tenants when they fall two weeks in arrears.
- 4.12. Try to make face-to-face contact at least once before serving a Notice of Seeking Possession, and at least twice before starting legal proceedings in the County Court.
- 4.13. Provide tenants with information in plain terms of the policy for pursuing rent arrears, including when legal action will be taken.
- 4.14. Promote liaison with and referrals to independent agencies such as CAB and the Community Law Centre.
- 4.15. Regularly review its policy and procedures in the light of experience, changes in legislation and good practice.

## **5. Performance Targets**

- 5.1. Targets for the reduction of current tenant arrears will be set annually.



- 5.2. Arrears recovery staff will be involved in the definition of individual and team recovery targets which will be intended to be stretching but achievable, yet take account of the performance standards of better performing authorities.
- 5.3. Comparison of performance against targets will be reported to the Department Management Team and the Portfolio holder every month. Information regarding performance will also be reported to individual resident groups also on a monthly basis.