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| **HOUSING SERVICES** |
| Policy | **Rent Arrears Policy****(including Tenancy charges)** | Version | V1 |
| Ref |  | Issue Date |  |
| Lead Officer | **Neil Turton** | Review Date |  |
| Policy working group members | **CIG** | I/A Date |  |
| Approved by |  | I/A Review Date |  |

**Purpose**

This policy sets out the principles and approach to be taken in making sure that rent and tenancy charge payments are collected, that arrears are prevented whenever possible and are reduced and repaid when they do arise.

The specific objectives of the rent arrears policy are:

* To create a culture where tenants attach a high level of importance to ensuring their rent and tenancy charges are paid
* To take a proactive approach to preventing arrears where possible
* To provide tailored advice and support to those tenants that find themselves in arrears
* To take appropriate and timely action to recover outstanding arrears
* To use eviction as a last resort and only where the tenant has failed to engage or make any consistent effort to pay their rent and tenancy charges and outstanding arrears.

**References**

When considering this policy, references should also be made to:

Corporate plan priority

“Housing – ensuring there is an adequate supply of good quality, well managed housing which is accessible and affordable to those who need it”.

“Vulnerable people – supporting the most vulnerable people in our district to help them live independent and fulfilled lives”.

**Legal Framework**

Mansfield District Council will ensure that the rent arrears policy meets legislative and good practice requirements to maximise income collection and minimise rent arrears including:

* The Housing Act 1985
* The Housing Act 1988
* The Human Rights Act 1998
* The Housing Act 1989
* Local Government Act 2000
* Guide to social rent reforms (2001)
* Guidance on effective rent arrears management (CLG 2006)
* Pre action protocol for possession claims based on rent arrears (Ministry of Justice 2006)
* Equalities Act 2010

**POLICY STATEMENTS**

Mansfield District Council’s Landlord Services recognises that the collection of rent and tenancy charges, including arrears, is essential to maximise the resources available to deliver an effective, efficient tenancy management service, improve and maintain our stock and ultimately enable us to deliver against our corporate priorities including:

“Housing – ensuring there is an adequate supply of good quality, well managed housing which is accessible and affordable to those who need it.”

We will offer a range of payment options to enable tenants to pay their rent and tenancy charges at a time, place and in a manner that is suitable to them. We will continually review the payment options available in consultation with our tenants.

We will pursue recovery of rent and tenancy charges in compliance with our procedures, legislative and statutory requirements, including the pre action protocol for possession claims based on rent arrears (Ministry of Justice 2006).

However, in doing so, we will adopt a firm but fair approach to arrears recovery, which is sensitive to individuals circumstances. We will take pro active steps to prevent and minimise the build up of arrears where possible, recognising that from time to time tenants may experience financial difficulties.

In these circumstances, we aim to support and work with tenants at the earliest opportunity to offer tailored advice and support. Particular emphasis will be placed on providing specific support i.e. budgeting advice to those tenants affected by the under occupancy charges. This targeted approach will also be used to minimise the impact of the changes that will be brought about through the introduction of universal credit payment system.

**Policy Content**

**Prevention of arrears**

When an offer of accommodation is accepted, the prospective tenant will be provided with clear information on their responsibility to pay rent, rent payment methods, the amount of rent payable and any heating charges.

Affordability checks will also be made prior to sign up to ensure the prospective tenant is able to pay the rent and any tenancy charges applicable from their income. The checks will also help to identify if the prospective tenant has any existing debt that will affect their ability to pay their rent and tenancy charges/

Tenants will be offered help and advice on money and debt management, welfare benefits and assistance in completing their housing benefit / universal credit application.

We will carry out a home visit to all new tenants within 6 weeks of sign up to discuss, amongst other things, any issues concerning rent / tenancy charge payment / housing benefit.

**Information and advice**

 We provide accurate information about rent accounts through the issue of an annual rent / tenancy charge statement summary. Up to date statements can also be requested at any time by tenants from their Tenancy Services Officer or Tenancy Services Assistant

All tenants will be advised of any changes to the rent payable and reason for the changes.

Although direct debit is the Housing department’s preferred method of payment, we offer a wide range of other payment methods to maximise the opportunities for tenants to pay their rent and to suit individual tenant’s needs and preferences. These methods include:

* 24-hour telephone payment facility
* Payments via the internet
* Paypoint
* Post Office
* Payment in person at Civic Centre

We will continue to review our payment methods in consultation with tenants.

**Recovery of arrears**

 We progress the recovery of arrears in accordance with our rent and tenancy charge recovery procedures, with an emphasis on maintaining regular personal contact through the recovery process.

We will make sure early contact is made with all tenants in arrears, so that they are aware of the support and advice we can offer and aim to reach an agreement (payment plan) with the tenant to pay off any arrears over a reasonable period of time, which is both manageable to the tenant and acceptable to Landlord Services.

Support services provided by the Council to assist with arrears management include:

* Tenancy support
* Welfare rights advice
* Specialist money advice

We will also provide details of external agencies that may be able to provide advice and support including:

* Citizens Advice Bureau
* Unemployed Workers Centre

Legal proceedings to repossess a property will be instigated where there is a serious level of persistent arrears and the tenant will not make or adhere to an agreement with Landlord Services to reduce the arrears. This action will be used as a last resort.

We will ensure that all cases progressed to court comply with the pre- action protocol and relevant statutory requirements. At all stages of the legal process we will inform the tenant of the reasons for the action and where they can get support and advice.

Where legal proceedings take place Landlord Services will request an order for court costs and reasonable legal costs to be recharged to the tenant and will only make an application for an eviction warrant where a suspended possession order has been breached and all other reasonable action has failed.

**Former tenant arrears**

All former tenants’ arrears will be pursued. Landlord Services will make every effort to trace and contact debtors and make an arrangement to recover the debt. Where the debt remains unpaid Landlord Services may use debt recovery agencies.

**Writing off debts**

In some circumstances the writing off of unrecoverable debt is the most cost effective way of managing arrears. Debts will only be considered for writing off once all avenues of the recovery process have been exhausted.

**RELATED POLICIES**

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

* Arrears recovery procedure
* Former tenant arrears procedure
* Vulnerable persons procedure
* Equality and Diversity Policy
* Financial regulations
* Allocations policy

**KEY PERFORMANCE INDICATORS**

* Proportion of rent collected
* Level of arrears expressed in £’s
* Level of former tenant arrears expressed in £’s
* Level of District heating arrears expressed in £’s
* Rent written of as a percentage of the annual rent roll
* Percentage of tenants more than 35 days in arrears
* Number of notices served for arrears
* Number of evictions for rent arrears
* Percentage of tenants evicted as a result of rent arrears
* Debt arising as a result of under occupancy charges.

**MONITORING AND PERFORMANCE MANAGEMENT**

The monitoring of outcomes is essential for Landlord Services to track the impact of our approach to arrears management. Monitoring the implementation of the income management policy and associated procedures will consider:

* How easily customers can access advice and assistance in managing their rent and tenancy charges
* The performance against service standards and targets set out above
* The efficiency costs of delivering the policy/procedure
* Customer satisfaction and levels of complaints

Senior Tenancy Service Officers will go through individual cases with Tenancy Service Officers on a regular basis to ensure service standards and timescales are being adhered to and effective arrears management.

A quarterly report covering all identified performance information will be presented to the Income Management Improvement Group and Housing Services Panel for scrutiny, with an end of year report included in the Tenants Annual Report.

As part of the Council’s monitoring process we will also analyse arrears data to assess whether this policy and related procedures have an adverse impact on the protected characteristic groups

**REVIEW**

Monitoring results will be used by Landlord Services to inform future policy review in this area. All reviews will take place in accordance with the guidance outlined in the Continuous Improvement and performance Management Framework document and consider whether:

* The policy adheres to legislative and regulatory requirements, and reflects good practice
* The aims and objectives of the policy are being met
* The current policy meets the needs and aspirations of our customer base
* Service users are aware of and understand the policy and believe it to be consistent and fair
* The policy provides sufficient choice for customers
* The service offers value for money.

**RESPONSIBILITY**

Landlord Services Manager is responsible for the operational delivery of this policy and associated procedures. This includes responsibility for monitoring and review, staff awareness and training, policy development and communication to customers.

**OTHER VERSIONS OF THIS POLICY**

None