INCOME MANAGEMENT AND RENT ARREARS POLICY

1.0 SCOPE AND OBJECTIVES

1.1 Cambridge City Council (City Homes) currently provides social, affordable and shared ownership housing to approximately 8,400 tenants and leaseholders.

1.2 Paying the rent on time is a key condition of our tenancy agreement and City Homes is committed to providing an efficient and effective process for the prevention and collection of arrears.

1.3 Tenants are offered a variety of payment methods to choose from, but with an emphasis on Direct Debit as the preferred method in all cases.

1.4 Tenants wishing to pay by other methods will be advised of the options available to them, which currently includes payments online, by telephone, at a PayPoint, at a Post Office, by BACS (Bankers Automated Clearing Service), CHAPS (Clearing House Automated Payment System), Faster Payments or Bankers Order.

1.5 Dedicated financial Inclusion Officers are available to give individual debt and benefits advice to those who need it via an appointment system. Tenants may also be referred to a Financial Inclusion Officer by other members of staff.

1.6 The City Council also has a tenancy sustainment team who offer specialist help and advice for tenants with mental health issues.

1.7 City Homes will closely monitor the effects of the continuing migration on to Universal Credit on individuals, as well as other welfare reforms within the Welfare Reform Act 2012 that continue to affect our tenants.

1.8 Staff will work closely with tenants in arrears and will not seek approval for eviction where the arrears relate solely to Universal Credit delays and missed payments which are beyond their control (see 2.7).

1.9 City Homes will consider, when taking possession action, the Housing Act 1996, the Human Rights Act 1998, the Equality Act 2010 and our duties under the Public Sector Equalities Duty within this Act, as well as any other relevant information or Acts, and will make assessments accordingly.

1.9 This policy relates to secure tenancies only, but will refer to other relevant policies in order to reflect a balanced and holistic approach to the collection and recovery of rent arrears across all tenure types.

Aims

1.10 The aim of this policy is to sustain tenancies by offering a fair and balanced approach to the collection of rental income, and to ensure that early intervention measures are adopted in all instances.

1.11 Possession action should be used as a last resort, and only where all other methods of intervention have failed.

1.12 The policy aims to be fair and consistent, whilst also being efficient and effective in its approach.

Objectives

1.13 To prevent rent arrears accruing.

1.14 To clarify the process for dealing with current tenant arrears.

1.15 To summarise the assistance City Homes can provide for tenants to assist them with paying the rent and clearing their debts.

1.16 To prevent homelessness and promote tenancy sustainment.

2.0 APPROACH

2.1 City Homes will work closely with other council departments and outside agencies to ensure early intervention measures are adopted and timely referrals are made where appropriate.

2.2 The Council's Housing Advice Team, in line with the Homeless Reduction Act 2017, will be notified of all cases where the tenant may be threatened with homelessness.

2.3 Where a tenant is considered vulnerable City Homes will work closely with them to avoid possession action where possible, and each case will be referred to the Rent Arrears Panel (RAP) before any eviction order is sought. The panel will generally consist of (but not exclusively) a member of staff from City Homes Income Team, A Financial Inclusion Officer, a Benefits Advisor, a Housing Advice worker, a Tenancy Sustainment Officer and a Chair.

2.4 Full support will be provided for any tenant in such difficulties, including ensuring that the rent element is paid direct to the Council, through a DWP managed payment arrangement where applicable or appropriate (see 2.7 and 2.13)

2.5 Our primary aim is to recover the debt rather than taking possession action, and evictions are to be considered a failure rather than a success. However, it is recognised that there will be instances where possession action or evictions are unavoidable.

2.6 Where possession action is unavoidable, and recovery action becomes necessary, each case should be carefully considered and any specific details, ie affordability, disability, etc, taken into account.

2.7 City Homes will ensure that it fully complies with the Pre-Action Protocol for Possession Claims by Social Landlords before processing any court applications. A copy of the pre-action protocol can be found here: Pre-Action Protocol for Possession Claims by Social Landlords – Justice UK

2.8 All possession action must be proportionate to the debt owed to prevent tenants from being unnecessarily drawn further into debt with the addition of court costs.

2.9 City Homes will ensure that all tenants with an entitlement to housing benefit (HB) make prompt claims, and where necessary will offer assistance to complete an application. Staff will then monitor each case regularly to ensure there are no delays within the claim where they could otherwise be avoided.

2.10 Tenants needing to make a claim for Universal Credit (UC) will be directed towards the Department for Work and Pensions website (DWP) to make their online claim. Where a tenant is identified as being vulnerable and unable to get alternative assistance to make a claim, a financial inclusion officer will offer assistance and will notify the DWP 'vulnerable work coaches' of the case.

2.11 Where appropriate, and in cases of under occupation, staff will assist tenants to make a Discretionary Housing Payment (DHP) claim to cover the shortfall in HB or Universal Credit (UC). It is recognised that this is a short term solution and may not be approved in all cases, so alternatives such as moving to smaller accommodation should be discussed with the tenant at the outset. Where the tenant is unwilling to move to a smaller property a DHP is unlikely to be awarded, except in exceptional circumstances.

2.12 Staff will closely monitor UC claimants to ensure they are paying the rent on time, and will offer guidance and assistance to the most vulnerable and those facing financial hardship.

2.13 Where appropriate staff will apply for an Alternative Payment Arrangement (APA) through the Landlord Portal for any tenant who is unable to manage their money or budget appropriately. These will be monitored and tenants will be removed from the service when, or if, it is felt they can take responsibility for paying the rent themselves.

2.14 All staff are trained in basic debt advice and are able to offer advice and assistance to any tenants falling into arrears, making arrangements with them to pay off the debt rather than seeking possession action where it is appropriate to do so.

2.15 Where tenants require more specialist debt advice they will be referred to the local Citizens Advice Bureau (CAB) or other specialist debt advisory services.

2.16 Tenants requiring additional support will be referred to the most appropriate agency for their needs.

2.17 Under General Data Protection Regulations (GDPR) which came in to force on 25th May 2018, tenants will need to consent to any support before a referral is made to an outside agency.

2.18 Any information relating to individuals will be dealt with sensitively and any searches involving social media accounts should be discouraged on the basis that they are not 'necessary and relevant' to taking possession action as part of GDPR compliance.

3.0 RELATED POLICIES

- Introductory Tenancies Procedure and Policy
- Former Tenant Arrears Policy

- Garage Use and Arrears Policy
- Housing Related Debt Policy
- Refund Policy
- Leasehold Income Management Policy
- Under Occupation Policy
- Long Term Absence (property) Policy
- Disposal of Possessions Policy
- Assignment and Mutual Exchange Policy
- Abandonment Policy
- Rechargeable Repairs Policy and Schedule of Rechargeable Works

4.0 PROCEDURE

4.1 City Homes have set comprehensive rent arrears recovery procedures and flowcharts to support the policy, covering the process from early intervention to eviction. The procedures are reviewed on a regular basis to ensure they remain current and relevant.

4.2 The procedures provide detailed guidance for staff when dealing with rent arrears cases and comply with the Pre-Action Protocol for Possession Claims by Social Landlords (see 2.7).

4.3 In line with our procedures all possession claims are entered onto the Possession Claims On Line (PCOL) website by staff after approval from the Income & Financial Inclusion Manager.

4.4 Eviction requests are subject to rigorous checks, and a checklist completed, before approval is sought.

4.5 Introductory and non-secure tenancies have their own policy and procedures and are separate to those for secure tenancies, but will still follow the Pre-Action Protocol for Possession Claims by Social Landlords as well as covering points 4.3 and 4.4 above.

5.0 SERVICE STANDARDS

5.1 City Homes has developed a procedure to encourage early intervention and help for tenants to avoid accruing debt, and has adopted formal referral processes to ensure tenants are being sign posted to the most appropriate agency for their needs.

5.2 Staff are well trained and are able to offer basic advice and appropriate sign posting to any tenant in arrears that is seeking assistance.

5.3 Where a tenant requires specialist debt advice a referral will be made to the most appropriate agency.

5.4 Staff will be proactive in their approach and will contact tenants at all stages in the rent arrears recovery process.

5.5 Staff will liaise with other departments where necessary and take a holistic approach to ensure that the tenant receives a seamless service.

5.6 Recovery of all debts owed to the council will continue to be a high priority, and every effort will be made to recover the debt before any legal action is taken.

5.7 Any debts left at the end of a tenancy, following eviction, will be subject to the Former Tenant Arrears Policy and Procedures, and any items left in the property will be dealt with under the Disposal of Possessions Policy.

5.8 Any recharges as a result of damage to the property at the end of the tenancy will be dealt with under the Rechargeable Repairs Policy and Schedule of Rechargeable Works.

Date: 21st February 2025.

Next review: February 2028