

Appendix A

CYNGOR SIR POWYS COUNTY COUNCIL

Housing Services

Income Collection and Recovery Policy

Version	For Portfolio Holder decision (17-11-2016)
Reference	POL LL Income

This document is available on request in alternative formats (e.g. Large print type / Braille / on tape).

Housing Services Income Collection and Recovery Policy

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Policy background and coverage

- a. The Council's Housing Service (the Council) aims to keep rent arrears and other debts at the lowest possible level, in order to maximise income to the Housing Revenue Account (HRA) and to demonstrate good financial management.
- b. This policy will aim to support and advise tenants, licensees and leaseholders, enabling them to understand their responsibilities and entitlement to benefits and credits.
- c. Where debts do arise, the Council will take prompt action in line with this policy.
- d. The Council will ensure that it manages the recovery of debt process in accordance with best practice and relevant policy, legislation and Council Housing service standards.
- e. The Council will ensure that, where it has discretion, this is exercised in a reasonable, fair and equitable manner.

1 Informing and advising tenants

1.1 Objective

- a. The Council will provide tenants with clear information on paying rent and service charges, as well as the recovery of arrears.
- b. In addition the Council will provide a service to assist tenants to access benefits and debt counselling in order to reduce arrears.

1.2 Information and advice

- a. The Council will provide accessible information about the importance of paying rent in the tenants' handbook, leaflets, and newsletters.
- b. Efforts will be made to help those with specific needs, for example, those who lack basic skills in literacy or numeracy. All the information will be clear and easy to understand.
- c. The Council will publish articles in Open House and the Council Tenants' webpage about benefit advice and support available to tenants.
- d. At the start of each tenancy the Council will:
 - I. advise the tenant on obligations for paying the rent and the consequences of not paying regularly
 - II. inform the tenant what the Council will do in the case of rent arrears;
 - III. advise on methods available for paying rent
 - IV. advise on and assist with applying for housing benefit or universal credit
 - V. advise on where to obtain independent help with claiming welfare benefits, with budgeting or with debt counselling
 - VI. explain the dates the rent is due
 - VII. explain that joint tenants are legally jointly and severally liable for any debts
 - VIII. agree an appointment for a post-occupancy 'settling in' visit to check, amongst other things, that rent payments are being made and any benefit claims have been successfully processed
 - IX. identify vulnerable tenants, to ensure that rent payment and arrears recovery procedures are appropriate and that any additional support needs are identified and agreed
- e. The Council will make a range of payment methods available to tenants, including:
 - I. Direct Debit
 - II. PayPoint (cash only); – a Council Rent swipe card is necessary
 - III. Post Office (cash, cheque or debit card) – a Council Rent swipe card is necessary
 - IV. by debit or credit card:
 - online

- via the automated phone line
 - over the phone
- f. The Council will offer to send a rent statement periodically. The options available are quarterly, bi-annually or annually.
- g. The Council will send a rent statement within five working days of a tenant's request.
- h. The Council will give at least four weeks' notice in writing of any change to the rent or service charges. This does not include Housing Benefit or Universal Credit changes.
- i. Where tenant's financial circumstances have changed, for example when a tenant's entitlement to Housing Benefit or Universal Credit has (partly) stopped, the Council will offer advice and assistance on how to pay rent, and where to obtain independent help with budgeting skills.
- j. The Council will arrange to visit a tenant to discuss changed circumstances on request of the tenant.

2 Rental charges

2.1 Objective

The Council will reduce the amount of arrears and avoid new arrears.

2.2 Rent arrears

- a. This section covers rent arrears under secure and introductory tenancies, as well as any other agreements where a rent is paid.
- b. The Council will contact tenants who have rent arrears. Where it has not been possible to make contact, Council staff will aim to arrange a home visit.
- c. The Council will send a first reminder letter after two weeks in the case of a secure tenancy and one week in the case of a non-secure agreement.
- d. Where debts cannot be cleared in full with a single payment, the Council will offer an affordable repayment arrangement, based on the tenant's income and expenditure.
- e. The Council will work closely with the Supporting People Team, Money Advice Team and with external agencies, to support tenants in maximising their income and paying their rent to sustain tenancies.
- f. The Council will liaise with the Council's Income & Awards Team to ensure that tenants are receiving their full entitlement to benefit and credit.
- g. The Council will send a second reminder letter if a tenant continues to miss payments. This is usually after four weeks in the case of a secure tenancy and two weeks in the case of non secure agreements.

2.3 Remedies

- a. Where a tenant continuously fails to pay the sum outstanding or persistently breaks the terms of the repayment agreement, the Council will serve a notice to terminate the agreement or notice of seeking possession.
- b. In the case of an introductory tenancy, the tenant will have the right to ask for a review by a Senior Officer within 2 weeks of serving the notice.
- c. Where the arrears are not cleared or payments received as per the repayment agreement, within four weeks after serving the notice, the Council will enter the matter into the County Court seeking a possession order.

- d. Applying to the Court to seek possession of a tenant's home is considered as a measure of last resort after all other efforts to recover arrears have failed. The Council will not take possession action against tenants where repayment agreements have been made and are being kept.
- e. The Council will only take possession action where the Council is satisfied that any outstanding Housing Benefit and Universal Credit issues have been resolved.
- f. Where the Council seeks possession of the home, a money judgement order will be sought at the same time.
- g. Where the Council enters a tenant into Court, the Council will encourage the tenant to attend Court and provide information on sources of independent advice and support.
- h. The Council will continue to offer advice and information to tenants on debt repayments, the requirements of Court Orders and where to obtain independent help.
- i. Where the Council returns to Court to seek a warrant for the eviction of a tenant the Council will:
 - I. liaise with the Council's Homelessness Lead
 - II. liaise with Powys People Direct where the Council believes there is a vulnerable adult living in the household
 - III. Liaise with Powys People Direct where the Council is aware there are children living in the home
- j. All evictions will be authorised by the Service Manager Tenancy Services.
- k. The Council will only consider a current tenant debt to be cleared after the rent arrears and any Court costs have been repaid in full.

3 Rechargeable repairs

3.1 Objective

The Council will recover rechargeable repairs and minimise outstanding debt. Rechargeable repairs are repairs that are the responsibility of the tenant or leaseholder and carried out by the Council.

3.2 Paying for rechargeable repairs

- a. Payment will be required in full before any rechargeable repairs work is carried out, with the following exceptions:
 - I. An emergency response is required.
 - II. The property has to be made secure at the direction of the police where they have forced entry. Costs will be recharged as appropriate to either the resident or the police.
 - III. The disrepair is a health and safety risk to the tenant or others.
 - IV. The disrepair could cause or is causing damage to other parts of the property or to other properties.
 - V. The Council considers that the disrepair could lead to deterioration in the appearance of the area.
 - VI. The Council is satisfied that genuine hardship exists.
- b. Where a tenant incurs a rechargeable repair the Council will send an invoice for the outstanding amount.
- c. The Council will contact tenants who have not cleared outstanding amounts. Where it has not been possible to make contact, Council staff will aim to arrange a home visit.
- d. Where debts cannot be cleared in full with a single payment, we will offer an affordable repayment arrangement, based on the tenant's income and expenditure.
- e. The Council will work closely with the Supporting People Team, Money Advice Team and with external agencies, to support tenants in maximising their income and paying their debt in order to sustain tenancies.

3.3 Remedies

- a. Where a tenant fails to pay for a rechargeable repair or persistently breaks the terms of the repayment agreement, the Council will enter the matter into the County Court seeking a judgement, usually a money judgement order.
- b. Where the Court makes a judgement in the Council's favour, appropriate action will be taken to enforce the judgement and possibly, where appropriate, to seek possession.

4 Leasehold flats charges

4.1 Objective

The Council will reduce the amount of arrears and avoid new arrears.

4.2 Paying charges

- a. Leasehold owners will be asked to pay the rent, costs and charges as detailed in their lease agreement.
- b. The Council will provide leasehold owners with service charge accounts on an annual basis. The information will include details of how charges have been calculated.
- c. The Council will make a range of payment methods available to leasehold owners, including:
 - V. Direct Debit
 - VI. PayPoint (cash only); – a Council Rent swipe card is necessary
 - VII. Post Office (cash, cheque or debit card) – a Council Rent swipe card is necessary
 - VIII. by debit or credit card:
 - online
 - via the automated phone line
 - over the phone
- d. The Council will deal with non-payment of service charges in line with the same principles as apply to rent arrears. This means a clear explanation of responsibilities, information about benefits, debt advice, budgeting and sources of independent advice.
- e. The Council will contact leasehold flat owners, who are in arrears. Where it has not been possible to make contact, Council staff will aim to arrange a home visit.
- f. Where debts cannot be cleared in full with a single payment, the Council will offer an affordable repayment arrangement, based on the leaseholder's income and expenditure. This arrangement can consist of periodic payments or registering a charge on the property.

4.3 Remedies

- a. Where a leasehold owner has either failed to agree to a repayment plan or has breached the terms of the repayment plan and the owner has a mortgage, the Council will contact the mortgage provider advising them of the non-payment of service charges.

- b. The Council will follow the same principles that apply to rent arrears, when dealing with a breach of the lease agreement by non-payment.
- c. Any additional costs that the Council will need to make to recover debt will be charged to the leasehold owner.
- d. The first reminder letter will be sent two weeks after the due date, followed by a second reminder letter after another two weeks, followed by a notice Court action will be taken.
- e. The Council will initiate action in the County Court to recover the debt, initially via a money judgement order. If this is unsuccessful the Council will then seek to recover the debt via repossession of the property.

5 Former occupier debt

5.1 Objective

The Council will seek to recover as much income owed by former occupiers as possible.

5.2 Actions

- a. The Council will seek the new address of all former occupiers, including former tenants, former non-secure tenants and leaseholders, who leave owing the Council an outstanding debt. This includes rent arrears, service charge arrears, rechargeable repairs, Court costs or any other debt.
- b. Where the Council is able to locate the new address of a former occupier who owes a housing debt to the Council, the Council will send an invoice for the sum outstanding.
- c. Where the debt relates to a former occupier who has died, the Council will contact their next of kin or the executor of the estate to establish whether the former occupier's estate had sufficient funds to cover the debt. Where there are sufficient funds to repay the debt, the Council will arrange with the former occupier's next of kin or executor for repayment.
- d. Where the Council becomes aware of the whereabouts of a former occupier whose debt has been written off, and the debt is not statute-barred, we will re-instate their debt and make arrangements for recovery of the outstanding sums.

5.3 Remedies

- a. Where a former occupier has failed to make arrangements to repay the debt, or has failed to comply with the terms of a repayment agreement, the Council will seek a money judgement order and will undertake appropriate recovery action.
- b. Where a Court has granted a money judgement order against a former occupier, the Council will seek to enforce it.
- c. The Council might use external debt collection agencies to recover former occupier debt on the Council's behalf.

6 Other charges and garage rents

6.1 Objective

The Council will recover garage rents and other charges and minimise outstanding debt.

6.2 Paying charges

- a. The Council will offer to send a statement annually.
- b. Where weekly or monthly payments are due, the Council will send a rent statement within 5 working days when a tenant, licensee or leaseholder asks for one.
- c. Where the Council propose to increase the rent or charge, it will do this in line with the terms of the signed agreement.
- d. The Council will aim to prevent accruing debts.
- e. The Council will deal with non-payment of other charges and garage rents in line with the same principles that apply to rent arrears. This means a clear explanation of responsibilities, information about benefits, debt advice, budgeting and sources of independent advice.
- f. The Council will contact those in debt.
- g. Where debts cannot be cleared in full with a single payment, the Council may offer an affordable repayment arrangement, based on the income and expenditure.

6.3 Remedies

Where someone does not pay the debt or has breached the terms of the repayment plan, the Council will seek to end the agreement and recover any debt.

7 Writing off debt

7.1 Objective

The Council will write off debts which are considered unrecoverable.

7.2 Writing off debt

- a. From time to time the Council will write off the debts of former occupiers and in very exceptional circumstances debts of current tenants. Debts can be written off for the following reasons:
 - I. the debt is uneconomic to recover;
 - II. the Council has been unable to trace the former occupier;
 - III. the former occupier died leaving no funds in their estate;
 - IV. recovery action has proven unsuccessful;
 - V. recovery of the debt would cause severe financial hardship;
 - VI. the Council has received a debt relief order or bankruptcy order in relation to a debt.

- b. All debts will be written off in accordance with the corporate's debt recovery procedures on recommendation of the Housing Resources Team Leader.

8 Equalities

8.1 Introduction

The Council is committed to giving an equal service to all.

8.2 Procedures and practices

- a. The Council's staff and contractors will operate in such a way to ensure that their procedures and practices are sensitive to the needs of individual residents. They will ensure that they do not discriminate in any way.
- b. Enforcement and application of this policy will from time to time need to be tailored to meet the needs of individuals. All cases will be considered on an individual basis.

8.3 Information

- a. The Council will in all reasonable circumstances make information available in a variety of information formats, including for example:
 - I. Braille;
 - II. large print;
 - III. audio tape.
- b. Where specialist services are required to ensure that information is accessible to the tenant or member of their family, the Council will provide these specialist services where reasonable.

9 Reviewing decisions, complaints and compliments

9.1 Introduction

The Council is committed to improve service delivery and put right any mistakes.

9.2 Review

Anyone that is affected by a decision of the Council's Housing Service is entitled to ask an independent review from a manager or team leader that was not involved in making the decision.

9.3 Complaints and compliments

- a. The Council welcomes all feedback from customers, because it helps to improve services.
- b. When the Council receives a complaint, the Corporate Complaints Procedure will be followed.
- c. The Council will aim to clarify any issues that are deemed unclear.
- d. Where possible, the Council will put right any mistakes it may have made.
- e. Where the Council gets something wrong, it will apologise and where appropriate try to put things right.
- f. The Council will aim to learn from mistakes and good practice and use the information gained to improve services.

10 Review of this policy

- a. This policy will be reviewed by the Council every three years unless there are circumstances that require a review, for example a change in legislation or regulation.
- b. Where there has been a change in legislation which has an impact on the policy, the policy will be reviewed within 3 months of the legislation or regulation coming into effect.