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City of Lincoln Council Income Management and Arrears Policy



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Document Control

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Document Approvals

This document requires the following approvals:

Sponsor Approval	Name	Date
Executive	Paula Burton	18 November 2024
CMT	Paula Burton	October 2024

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Scope

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

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.

Tenants wishing to pay by other methods will be advised of the options available to them, which currently includes, but is not limited to, Standing Orders, payments online, by telephone, at a PayPoint, or at a Post Office.

Dedicated Officers are available to give individual debt and benefits advice to those who need it.

The council will also offer referrals to specialist, independent services that provide help and advice for tenants about debt and benefits.

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

The council will also 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. Any application for possession will be supported by a signed Equality Impact Assessment that will be kept under review until the outcome of the hearing.

This policy relates to secure and introductory tenancies and reflects a balanced and holistic approach to the collection of rent and recovery of rent arrears.

Aims

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.

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

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

Objectives

- To prevent rent arrears accruing.
- To clarify the policy for dealing with current tenant arrears.
- To summarise the assistance the council can provide for tenants to assist them with paying the rent and clearing their debts.
- To prevent homelessness and promote tenancy sustainment.

Approach

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

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

Where a tenant is considered vulnerable the council will work closely with them to avoid possession action where possible, and each case will be referred to the Eviction Prevention Panel (EPP) before any eviction order is sought. The panel will generally consist of (but not exclusively) a manager from the Tenancy Services Team, a manager from the Benefits Team, and a manager from the Housing Solutions Team. Legal advice will be taken if needed.

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.

Where possession action is unavoidable, and recovery action becomes necessary, each case should be carefully considered and any specific details, such as affordability, disability, etc, considered.

The council will ensure that it fully complies with the Pre-Action Protocol for Possession Claims by Social Landlords before processing any court applications, including:

“2.6 Possession proceedings for rent arrears should not be started against a tenant who can demonstrate that –

(a) the local authority or DWP have been provided with all the evidence required to process a housing benefit or universal credit (housing element) claim;

(b) there is a reasonable expectation of eligibility for housing benefit or universal credit (housing element); and

(c) they have paid other sums due that are not covered by housing benefit or universal credit (housing element)."

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. The council will ensure that all tenants with an entitlement to housing benefit (HB) make prompt claims, and where necessary will help 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.

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, an Officer will help and will notify the DWP 'vulnerable work coaches' of the case.

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.

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.

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.

All staff are trained in basic advice and can 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. Where tenants require more specialist debt advice, they will be formally referred to the local Citizens Advice Bureau (CAB) or other specialist debt advisory services. Tenants requiring additional support will be referred to the most appropriate agency for their needs.

Under the Data Protection Act 2018, tenants will need to consent to any support before a referral is made to an outside agency.

Any information relating to individuals will be dealt with sensitively and only information that is 'necessary and relevant' to taking possession action will be used.

Procedure

The council have a set of comprehensive procedures and flowcharts for income management (including overpayment of rent) and rent arrears recovery 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.

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.

In line with our procedures all possession claims are entered onto the Possession Claims Online (PCOL) website by staff after approval from the relevant Manager. Eviction requests are subject to rigorous checks, and a checklist completed, before approval is sought from the EPP.

Where Tenants want to challenge a decision to evict them, they have a right of appeal to the Housing Appeals Panel (HAP), whose decision will be final.

Service Standards

The council 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.

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

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

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

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

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.

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

Any recharges because of damage to the property at the end of the tenancy will be dealt with under the Rechargeable Repairs Policy.

Related Policies

- Fair Collection and Debt Recovery Policy
- Allocations Policy
- Tenancy Policy
- Rechargeable Repairs Policy