

**Tamworth Borough Council's
Income Management Policy
Neighbourhoods
March 2023**

DRAFT

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1. Introduction

Tamworth Borough Council manages approximately 4254 homes across the borough, and it is essential that there is a robust income management policy to ensure that we have a stable and secure Housing Revenue Account to allow us to provide the services to our tenants.

It is essential that all efforts are made to recover monies owed to the Council in the forms of current and former tenant arrears. We will take all reasonable steps to trace and pursue tenants who have outstanding housing related debts with the Council.

When appropriate, legal action will be taken to minimise arrears increasing, seeking possession of the property where required. This action must be reasonable, proportionate and adhere to statutory and legal requirements.

The policy has been co-produced and approved by the Tenants Consultative Group and contributes to the outcomes of Tamworth Borough Councils corporate vision and the government's agenda to prevent financial exclusion and create a fairer independent society.

2. Policy Scope

This policy relates to the income collection of Tamworth Borough Council Neighbourhood Services. It outlines Neighbourhood Services approach to the collection of monies owed in

- Housing Rent including Service Charges
- Rent Arrears
- Garage Rent and Arrears
- Recharges
- Former Tenant Arrears

This policy is linked to:

- Financial Inclusion Strategy
- Service Charges Policy
- Rent Setting Policy
- Former Tenant Arrears Policy
- Write Off Procedure Manual
- Guide to Bankruptcy Policy
- Rechargeable Repairs Policy
- Tenant Involvement & Consultation Strategy 2022 - 2024
- Social Housing Regulatory Standards
- Safeguarding Policy
- Allocations Policy
- Community Impact Assessment 2023
- Homelessness Prevention and Rough Sleeping Strategy 2020-2025
- Temporary Accommodation charging policy

2.1. Aims

The aim of this policy is to set out the Council's approach to recovering tenant arrear in order to be as effective as we can be in minimising tenant debt.

This policy will be applied to ensure that there is early contact and support to prevent arrears accruing and that the tenant can receive the right help and advice at the earliest opportunity. By taking this approach, the policy aims to sustain tenancies, preventing homelessness, with eviction as a last resort.

2.2. Objectives

- Maximise income by collecting rent, service charges, former arrears and other housing income in an effective and efficient manner.
- Offer comprehensive support to tenants to sustain their tenancies at all stages of the recover process, repeating and exhausting all option of communication i.e. home visits, telephone calls, email and text as appropriate.
- When appropriate, take legal action swiftly to minimise arrears increasing ensuring action is proportionate and adheres to all legislative requirements, i.e., Pre-Action Protocol.
- Maintain a consistent approach to dealing with all income collection and arrears.
- To monitor arrears efficiently to enable early intervention to prevent arrears escalating.
- Encourage prompt payment by offering a range of payment methods, with the ability to access some payment services 24/7.
- To work in partnership with other agencies to offer comprehensive support to tenants to sustain their tenancies.
- To work with the Council's benefits team and Department of Working Pensions to ensure that housing benefit and Universal Credit claims are dealt with in a prompt and timely manner and all benefits are being claimed.
- Give help, support and advice to tenants affected by the welfare reform to limit the impact on the Council and tenants' income.
- Support financial and digital inclusion by working effectively in partnership with internal departments and outside agencies to offer advice and help with bank accounts, fuel poverty, contents insurance, benefits and finding employment and

training courses to improve job prospects to increase tenant's income and prevent escalation of debt including rent arrears.

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

To achieve the following outcomes in line with the Tamworth Borough Councils corporate vision to:

- Sustain tenancies, preventing homelessness
- Improve the health and quality of life of all tenants
- Protect and support those who tenants who may need and enhanced level of service
- Contribute to ensuring the viability of the Council
- Provide value for money

3. Legal Framework

Tamworth Borough Council's Income Management Policy is set within the following legal and regulatory framework ensuring good practice is adhered to in the collection of income and arrears.

- The Housing Act 1985/1988/1996
- Homelessness Reduction Act 2017
- Protection from Eviction Act 1977
- Equality Act 2010
- General Data Protection Regulation (GDPR) tailored by Data Protection Act 2018
- Welfare Reform Act 2012
- Human Rights Act 1998
- Civil Justice Commission's Pre-Court Protocol Action
- Social Housing Regulatory Standards

4. Rent Charge

Tamworth Borough Council properties are either charged at an Affordable Rent or a Social Rent. Revenue collected from rent is re-invested in properties to maintain the decent homes standard and to increase Council stock to meet demand.

Rents for new build and acquisition properties are charged at an affordable rent which is 80% of the market rent.

Existing Council properties are charged at a social rent, which is lower than an affordable rent and is calculated in accordance with government rent setting policy.

5. Service Charges

Service charges were introduced from 4 April 2016. Tenants and licensees living in a property with shared services pay a service charge. Service charges are calculated based on actual costs of services being delivered apportioned between all households in flatted blocks and/or shared areas.

There are five service charges:

- Housing Management Plus (sheltered scheme tenants only)
- Communal cleaning
- Communal electricity
- Communal water
- Management/Administration charges

5.1 Low-rise blocks

The service covers communal electricity, water (where applicable) and general cleaning of the shared areas including sweeping and picking up litter within entrance areas.

5.2 High-rise blocks

The service covers communal electricity, water (where applicable) and general cleaning of the shared areas inside the building including sweeping and picking up litter within entrance areas.

5.3 Sheltered schemes

The service covers communal electricity, water (both communal and shared supplies where applicable) and general cleaning of the shared areas including sweeping and picking up litter within entrance areas.

Service charges are charged weekly, except for leaseholders, who will receive an invoice following the end of the financial year and the completion of the final accounts.

6. Rent and Service Charge Payments

The yearly rent (including service charges where applicable) is charged for 48 weeks with four rent-free weeks. When there are 53 weeks in the financial year, rent will be charged for 49 weeks. Tenants can pay for their rent weekly, fortnightly, four weekly or calendar monthly in advance.

6.1 Payment Methods

To give tenants the flexibility to be able to pay their rent 24/7 and to be able to choose a payment method to suit their personal circumstances there are several options available:

- **Direct Debit** – These can be arranged to be paid either weekly on a Friday or monthly on the 1st or 16th of every month.
- **Standing Order** – Tenants can set up a Standing Order to pay their rent at a frequency of their choosing.
- **Pay it Online** – Tenants can pay 24/7 via the internet on Tamworth Borough Councils external website, using a debit or credit card.
- **Automated Telephone Service** – This is also a 24/7 service enabling tenants to pay their rent by credit or debit card any time of the day or night.
- **Paypoint** – Tenants can make a payment by cash using the rent payment card at any outlet displaying the Paypoint sign.
- **Post** – Rent payments can be sent by post in the form of cheque.
- **Council employees** – Tenants who are Council employees can arrange to have their rent paid direct from their salary.

The preferred method of payment for the Council is Direct Debit as this generates consistent payments. Once a direct debit is set up the tenant has nothing further to do. The Direct Debit will automatically be revised following a change in the rent charge.

If a Direct Debit fails due to insufficient funds or because it has been stopped by the tenant, an automated letter is sent to the tenant asking them to contact the Council to discuss the reason.

A notification of the failed Direct Debit is sent to the Income Officers to both monitor rent payments and enable early intervention if needed.

The Council will cancel the Direct Debit if they fail to be honoured on two consecutive occasions.

6.2 Support with Housing Costs

Some tenants may be entitled to receive help towards their housing costs, either in the form of Housing Benefit, or Universal Credit. Housing Benefit payments are paid each week directly to the tenants rent account. Universal Credit payments are normally paid direct to the tenant, and it is the tenant's responsibility to ensure the rent is paid to the Council. However, there are certain circumstances that the Council or the tenant can request that the housing element of the Universal Credit claim is paid direct to the Council, which is known as an Alternative Payment Arrangement and is paid calendar monthly. Discretionary Housing Payments or a Hardship Payment can also be applied for if the tenant has suffered a financial hardship, and these are awarded on a discretionary basis.

Staff will advise and support tenants who are struggling to pay their rent and/or facing financial hardship with seeking access to any additional funding/grants/monetary support schemes, subject to eligibility, including government schemes i.e., Household Support funding, energy support scheme, warm home schemes, winter fuel allowances etc.

7. Policy Detail

The income management process starts at the point of applying for a Tamworth Borough Council property in a framework of preventive measures.

7.1 Our Approach

The Council will collaborate closely with other internal departments and services along with outside agencies to ensure early intervention measures are adopted and timely referrals are made where appropriate.

We will focus on preventative support and advise for our tenants to help them from falling into arrears early in the tenancy and before it gets to the stage of a Notice of Seeking Possession. We will look to create a payment culture with our tenants.

Rent is a priority debt and must be paid without exception. It is one of the most important bills a tenant must pay. It is the tenant's responsibility to pay the rent in full, in advance and on time. This is clearly set out in the tenancy agreement.

Our approach includes;

- Outlining rental responsibilities to tenants as soon as they are accepted onto the waiting list.
- Providing detailed information on how and when to pay rent when the tenancy agreement is signed. We also explain the consequences of not paying rent and what debt support services are offered locally. Where support issues are identified at a new tenancy sign-up, we will refer tenants for local support to Tamworth Advice Centre.
- We will encourage our tenants to speak to their Income Team at an early stage if they are experiencing difficulties with paying rent.
- We will contact tenants promptly if a payment is missed and throughout the recovery process, repeating and exhausting all options of communication i.e., home visits, telephone calls, email and text as appropriate.
- To recover the debt rather than taking possession action.
- Full compliance with the Pre-Action Protocol for Possession Claims by Social Landlords before any court applications are made.
- 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.
- We will ensure that all tenants with an entitlement to Housing Benefit make prompt claims, and where necessary will help complete an application. The Income Officers will then monitor each case regularly to ensure there are no delays within the claim which could have been avoided.
- Tenants needing to make a claim for Universal Credit will be directed towards the Department for Work and Pensions website to make their online claim. Where a tenant is identified as need additional support and unable to get alternative assistance to make a claim, the Tenancy Sustainment Officer will help and will notify the Department of Working Pensions of the case.

- Staff will closely monitor Universal Credit claimants to ensure they are paying the rent on time and will offer guidance and assistance to those who need more support and those facing financial hardship.
- Where appropriate staff will apply for an Alternative Payment Arrangement 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 debt advice and can offer advice and assistance to any tenants falling into arrears, make 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 referred/ signposted to the Tamworth Advice Centre.
- Ensure that all debt relief orders, breathing space orders and bankruptcy orders are reviewed and complied with when received from a tenant.
- The Council's policy is to pursue all former arrears except where to do so is not cost effective. In all cases, the prospects of potential recovery of any former tenant debt will be assessed initially, and cases will also be reviewed and monitored regularly. Former tenant debt will be managed and collected via Tamworth Borough Council's Revenue Team.
- Under General Data Protection Regulations which came into force on 25th May 2018, tenants will need to consent to any support before a referral is made to an outside agency.
- Rent statements will be provided/accessible to all tenants on a regular basis and at every stage of the recovery process.

7.2 Preventive Measures

Arrears prevention is a key strand of this policy.

There is information on the Council's website, which takes prospective tenants through the costs of renting a property. All likely costs with running and setting up a home are listed, with general tips and advice if considering taking out loans for soft furnishings and furniture.

Properties are advertised via the Council's website `Finding a Home`, with details of the rent and services charges, enabling prospective tenants to assess if they can afford the property.

The terms and conditions of the Tenancy Agreement are explained and discussed at the sign up of the tenancy with each new tenant. This includes a discussion about the rent charges, court action due to non-payment of rent and the consequence of what will happen should someone lose their home.

Tenant's income and potential expenditure for their new home is discussed and tenants provided with a benefit calculation. A referral can also be made to the Tamworth Advice Centre for an income and expenditure assessment to be undertaken prior to allocation. In instances where an application is band 1, Statutory Homeless, it is likely that a referral has already been made to the Tamworth Advice Centre during the assessment stages and affordability for social housing confirmed.

Support is given if required to make an application for housing benefit or apply for Universal Credit. The service will also liaise with the Department of Working Pensions in particular assigned work coaches in relation to the affordability of a social housing tenancy offer. During this time discussions are also ongoing in relation to the payment of rent and if a direct payment option would be advantageous.

An affordability assessment is carried out for any tenant who is likely to be affected by:

- A reduction in help towards housing costs due to under occupation.
- Families affected by the benefit cap which may result in a reduction with help towards their housing costs.

The outcome of the affordability assessment is discussed with the tenant and the appropriate advice and recommendations are given in accordance with the tenant personal circumstances.

Tenants identified as requiring support/assistance with budgeting, debt advice, welfare benefit advice or help opening a bank account are referred to the Tamworth Advice Centre.

Alternative Payment Arrangements will be applied for when tenants are in receipt of Universal Credit and identified as needing additional support and/or unable to budget effectively to pay their rent.

All new tenants are provided with an information pack containing information about the terms and conditions of the tenancy and details of help and support available should they need it. In addition, it includes the name and contact details of their Tenancy Sustainment Officer. To further support tenants in their new property, the team will also provide advice in relation to setting up utilities at the address and arranging for a required turn on a test to ensure an active gas supply. Where required, the team will also liaise directly with the Councils contracted repairs team to book in gas appointments.

The Tenancy Sustainment Officer will contact the new tenant by telephone within the first two weeks of their new tenancy followed by a home visit within 6 weeks of their tenancy commencing. This visit is to ensure that the tenants have settled in, that support is in place for those that need it, the rent is being paid and to help resolve any Housing Benefit queries or Universal Credit claims. Where there are concerns about the tenant and/or their tenancy then additional and more frequent contact will be immediately made as deemed appropriate to the case.

Those tenants who have moved into a Tamworth Borough Council property via the mutual exchange process follow a similar process to direct applicants and transfers in regard to the arrears prevention process:

- Tenancy Agreement is explained.
- Rent and Service charges are discussed.
- Affordability Assessment is carried out if required.
- Assistance is given with completing Housing Benefit forms and applying for Universal Credit if required.
- A referral is made for support with budgeting and debt advice if required.

Targeted 'Paying your Rent' initiatives will be used, as appropriate, to encourage and remind tenants of the importance of paying their rent. A 'Paying your Rent' leaflet is available on the Council's website and articles appear in the Tenants Open House magazine to providing ongoing help, advice and support for tenants with paying their rent.

Tenants are regularly informed of the quarterly Rent Incentive Scheme, to encourage prompt and regular rent payments. This information is available on the Council's website and details are displayed on the tenant's rent statements.

A covering letter is enclosed with the Quarterly Rent Statements containing information about welfare benefit changes.

7.3 Rent Statements

Quarterly rent statements are sent via the post to tenants in-line with pre-court protocol and are also available digitally on-line via the tenants individual Tamworth Borough Council housing portal account. The statements detail the tenancy number, name and address of tenants, the rent charge, service charges, payments made, adjustments and credit/debit balance.

Tenants can contact and request a rent statement to be sent if they have any queries regarding payments and rent balances.

7.4 Income Team Staff

The Council will annually train its Income Team staff in procedures to recover rent arrears and debt advice. Training will include seminars, conferences, and participation in the West Midlands best practice group and HouseMark membership.

The continuous training will include legal updates, housing law, welfare benefits/reform updates, equality, diversity, safeguarding, and other relevant topics which will impact on collecting rent income i.e., the cost-of-living crisis, government financial support schemes etc.

Staff will provide tenants with welfare and housing benefit advice. They will also offer basic debt advice to support tenants to sustain their tenancy and signpost to Tamworth Advice Centre where more tailored support is required for the tenant.

Tamworth Advice Centre contract will provide annual debt advice training for the Council's income team.

7.5 Prevention and Recovery of Rent Arrears

A preventative and collective approach is undertaken in the recovery of rent arrears, following the guidance of the pre-court protocol, with any court action including eviction being the last resort.

Analytics is used to effectively monitor specific and relevant accounts that require action by the Income team.

Assistance is provided either by the Income Tam or via a referral to a third sector support agency or a combination of both to:

- Help tenants maximisation their income including claiming unclaimed benefits
- Complete benefit forms
- Provide budgeting and debt advice
- Give advice on fuel poverty and other available support schemes, grants and funds
- Give help and advice on finding employment and training to maximise their income and limit the impact of the welfare reforms.

7.6 Early Intervention

We will help tenants who are in arrears. It is essential that we contact the tenant as early as possible and that the tenants speak to us as soon as they are in difficulties.

We can signpost tenants to Tamworth Advice Centre. This is very important when tenants are trying to pay multiple debts.

We expect arrears to be paid in full, but we will on a case-by-case basis come to an arrangement with tenants to repay arrears.

The recovery process starts the moment the first rent payment is missed to try to prevent the debt escalating and becoming unmanageable.

The Tenancy Sustainment team monitor the rent accounts on a weekly basis, to identify tenants who are not paying, taking any action necessary.

We expect that tenants will work with us to sort out the debt. We expect that tenants will put things right at this early stage.

We use a combination of methods to engage with tenants such as letter, e-mail, text, telephone or by visiting the property.

Communication is important in the collection of rent arrears, so all correspondence is free from jargon and gives clear and appropriate information in regard to money owed and who to contact.

Tenant communication is periodically reviewed by staff in conjunction with the Tenant Consultative Group.

On a weekly basis, Income Officers prioritise accounts requiring intervention through their Orchard recommendations list and through the Income Analytics module.

Where appropriate, officers will signpost to Tamworth Advice Centre and other partner agencies. This is very important when tenants are trying to pay off multiple debts and manage the day-to-day cost-of-living increases. An assessment will be carried out by Tamworth Advice Centre to identify if there is support in place, no support or support is required. The support identified may be:

- Household member, family or friend
- Appointee or Power of Attorney
- Third sector organisation, Citizens Advice Centre, Christians Against Poverty or other appropriate agency
- Social Services
- Local Support Team and partners

If tenants are in receipt of Universal Credit and are 8 weeks or more in arrears, we will make an application for an Alternative Payment Arrangement to the Department of Works and Pensions.

If tenants have fallen into arrears because they are under occupying due to a sudden change in their household composition the option of a move to a smaller property is discussed.

Some tenants may be eligible to the Incentive to Move Scheme, to assist financially with the move.

In under-occupation cases where arrears already exist, and the under-occupation charge is exasperating the debt, a management move is considered.

Tenants, affected by the benefit cap, are given advice on how to increase their income and a referral is made to the Tamworth Advice Centre for budgeting advice.

Before entering into the court process, appropriate steps will always be taken to come to an affordable payment arrangement with the tenants to clear their rent arrears.

All contact made with tenants in rent arrears including all action taken, is recorded and maintained on Housing Management systems.

7.7 Low Level or Static Debt

We will take firm action on low level debt. This is to protect the tenant falling into further arrears and financial difficulties.

This may also apply to small debts which may have been sitting on the rent account for a long time (static debt), even when they are not increasing.

We may serve notice and take legal action to recover money we are owed, where it is cost effective to do so.

7.8 Benefits

Issues with welfare benefit claims are a key factor in arrears. Thus, it is important that tenants discuss with us, promptly, any delays or problems with their claim. We will encourage such engagement in any communication with tenants.

We expect tenants to be paying all rent due which is not covered by Housing Benefit.

Tenants in receipt of UC are also expected to make payments to cover the full weekly rent charge where they receive benefits direct to themselves or any shortfall if their UC housing element does not cover the full rent.

We may suspend any escalation, including court action in cases where a tenant can evidence that they have a genuine chance of receiving benefit and are engaging with welfare benefit providers to resolve any issues including providing all the information requested.

7.9 Identifying Tenants who require an enhanced level of support

We will try to identify tenants who require an enhanced level of support as early as possible to ensure we offer the right help, advice and support. Examples may include tenant with disability, drug or alcohol dependencies, learning difficulties, mental health, elderly and/or needing additional levels of support.

A sensitive approach will always be undertaken in the collection of rent arrears.

We will refer to and work with support workers, social workers and family members to help sustain their tenancies where appropriate.

We can signpost to agencies that offer support that is tailored to tenants' circumstances.

Safeguarding of adults and children will always be adhered by all Council staff and the correct procedures followed when reporting concerns identified.

Where tenants who require an enhanced level of support fail to engage with support or does not comply with the support plan put in place to sustain their tenancy, pay their rent then enforcement action to recover rent arrears will be taken.

If a tenant is pursued for rent arrears, fails to make contact or other concerns are highlighted before court action is taken, a request will be put through to the Tamworth Vulnerability Partnership (TVP) to ascertain if they are known to any other agencies.

While we accept that some tenants may need additional support, help and advice, we will still expect rent to be paid on time and arrears repaid.

7.10 Joint Tenants

All tenants named on the tenancy agreement are responsible for paying the full rent, rent arrears, recharges, court costs, former arrears and where applicable any service charge(s).

Where there is more than one tenant named on the tenancy agreement they are jointly responsible. This means that if one joint tenant does not pay, the other is fully liable.

This will be the case where Universal credit is only paid to one tenant, or where the joint tenant has left the property.

7.11 Taking Court Action

We will take tenants to court to ensure that they pay us arrears that are owed after reasonable attempts have been made to engage with the tenant to settle the debt. This is a serious step and will result in the tenant having to pay for court costs. If bailiffs are involved, their costs will have to be paid by the tenant as well.

We will follow the steps laid out by the Civil Justice Commission's Pre-Court Action Protocol when court action is being taken.

7.12 Escalating Arrears – Service of Notice of Seeking Possession (NOSP)

If arrears continue to escalate and the tenant is not taking the appropriate action to prevent their arrears from increasing, we shall serve a Notice of Seeking Possession.

At this stage, we will remind the tenant of the consequences of legal action, including the risk of additional court costs and of losing their home.

Tenants are reminded to seek independent legal advice in regard to court action being taken against them by Tamworth Borough Council.

During the Notice period, we shall continue to seek engagement and resolution with the tenant/s. If, after the Notice period, the arrears have not been cleared in full or are not reducing in line with an agreed payment plan, we shall commence legal action.

As a guide, Notice of Seeking Possession will be served for arrears where tenant(s) are 28 calendar days / 4 weeks or more in rent arrears. We will normally serve the notice by post, but where appropriate we will serve by hand at the tenants' home address.

We can serve a notice after a shorter time and reserve the right to do this in exceptional circumstances, e.g. where a tenant fails to make payments towards static or low level arrears less than 4 weeks rent.

We still serve a notice even if an arrangement has been made if the arrears remain more than 4 weeks. This is to protect the Council's interest in the debt owed.

We may still serve a notice where benefit eligibility has been established, but a tenant is not making payment towards any rent arrears owed.

We may delay serving a notice where the support needs of the tenant means that there are significant support issues.

The notice is valid for 12 months from the date it becomes 'live', unless the tenant clears the arrears before it became live. A notice will be re-issued after 12 months lapse if the arrears remain and no court action has been taken.

7.13 Court Action

We will only commence legal action where such action is reasonable and proportionate. We will always consider the tenant's circumstances when deciding to seek a possession order, including ability to repay the debt, their benefit situation and their payment history.

We will apply to court for a possession order once the notice has expired and will notify the tenant before applying to court. We will take into account the personal circumstances of the tenant before applying to court.

When taking such action, we shall comply fully with the Civil Justice Commission's Pre-Action Protocol.

The courts will make the decision on which order is granted, this can be either be an:

- **Outright Possession Order** – requires the tenant to give possession of the property to the landlord by a date ordered by the court.
- **Suspended Possession Order** - the tenant can remain living in the property as long as they maintain rent payments and payments off the arrears as ordered by the court.
- **Postponed Possession Order** – the tenant can remain living in the property as long as they maintain rent payments and payments off the arrears as ordered by the court. However, a postponed possession order requires the landlord to request a possession date from the courts before applying for permission to apply for the warrant.
- **Money Judgement Order**- Tamworth Borough Council will always seek a money order judgement for the outstanding rent and court costs when applying for a possession order, to enable the collection of former tenant arrears should they leave.

Changes to the court process is regularly monitored by the Income Maximisation Officers to ensure the correct procedure in line with government legislation.

At set out in section 5 above, Service Charge arrears are recovered within the same process as the arrears for the rent of the property.

As part of our claim, we shall request that the court awards costs to the Council. Court costs will be added to a sub-account for that tenancy and the tenant is required to clear the rent arrears and court costs for the court order to be satisfied.

If tenants breach their court order every effort will be made to contact to the tenant to agree a payment arrangement to enable them to reduce the breach. A request for the warrant for possession will always be the last resort.

Where appropriate a variation order can be applied for by either party. It enables the terms of the court order to be changed if the tenant has had a change of circumstances. A variation order can be made to either increase or decrease the payments the tenant has to make to reduce the arrears.

Support is provided and tenants are either signposted or referred to the Tamworth Advice Centre or other support agency to try to prevent eviction.

Assistance is given with applications for Housing Benefit and Universal Credit, if required.

The Housing Solutions team provide advice to tenants who are facing eviction on the implications of becoming homeless and their housing options.

In exceptional cases and subject to meeting the eligibility criteria a referral can be made to the Housing Solutions team for consideration to approve the case for a Housing Solutions Grant. The tenant must sign up to receive support if a grant is approved. The grant is paid direct to the tenants rent account to either clear or reduce the arrears.

7.14 Insolvency Arrangements – Bankruptcy, Individual Voluntary Arrangements (IVA) and Debt Relief Order (DRO)

Where a tenant has an insolvency arrangement they remain liable to pay current rent as usual.

If a tenant has a Bankruptcy Order or Debt Relief Order, the money owed in rent arrears listed within the order may be written off in accordance with the rules and regulations of the individuals' orders. Where rent arrears are not written off, we may deal with repayment of rent arrears in-line with this policy and follow standard procedures for recovery action where arrangements are not kept to.

Possession of a property can still be sought even if the tenant has a Bankruptcy or Debt Relief Order. It is the decision of the courts if outright possession is granted.

The Council will adhere to the Bankruptcy and Debt Relief Order policies and procedures, when dealing with individual tenants who have applied for Bankruptcy or a Debt Relief Order.

The main feature of a Debt Relief Order is a ban (called moratorium) which prevents creditors pursuing debts for a period of 12 months. Tenants with a Debt Relief Order are still liable to pay current rent, and any rent arrears incurred after the Debt Relief Order has been made are not covered by the moratorium. We will deal with repayment of these arrears in line with this policy.

7.15 Eviction

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

No eviction can take place without both the Income Team Leader and Housing Manager approval, who form the pre-eviction panel.

The Council will only carry out an eviction where a county court bailiff is present and work will be undertaken with the bailiff to ensure that it is carried out as sensitively as possible.

Written notification of the date of the eviction will be sent to both the tenant and the Council's Tenancy Sustainment Team and Income Team.

Tenants will be advised to seek independent legal advice following our approval for officer to apply for an eviction.

7.16 Joint Working

The Income team works closely with internal and external partners to ensure that cases are being dealt with in a prompt and effective manner, so that the rent account is maintained and payment are being made in a timely manner e.g. Housing Benefits team, Universal Credit departments, Tamworth Advice Centre.

Partnership arrangements will be adopted where possible to ensure a comprehensive support service is in place for tenants in arrears or experiencing financial difficulties, including social service, community mental health, community safety partners etc.

7.17 Recovery of Former Arrears

Collection of former tenant arrears is important to the Council and is carried out by the Council's Revenue Team.

Former tenant arrears refers to rent arrears left by a tenant/s whose tenancy has ended and they no longer live in their home. It applies to all former tenant accounts including rent arrears, court cost, garage rent arrears, rechargeable arrears and occupation charges.

Any debts owed to the Council greatly reduce the level of service we can provide to our tenants. We will be proactive in collecting former tenant arrears using a range of methods in a flexible, but fair and consistent way. We will use the methods which are considered to be the most effective on a case-by-case basis and that deliver value for money.

The Council is focused on preventing former tenant arrears. While the tenant is living in the home we will work with them to try and prevent them falling into arrears wherever possible. This will include debt, benefit or general money advice where possible. We will also signpost to relevant agencies that can advise the tenant if we are unable to do so.

We understand the importance of acting promptly to increase collection of former tenant arrears. The relevant officer will identify former tenant arrears at an early stage and contact the former tenant. We will contact former tenants using a variety of methods.

Following receipt of a Notice to Quit, the Council will always carry out an exit inspection and will request a forwarding address to enable the collection of former tenant's arrears.

Prior to vacating the property, the Tenancy Sustainment team will contact the tenant to ask request that any outstanding balances prior to leaving are cleared or to make an arrangement to clear. Tenants will be informed that if they do not clear the outstanding arrears, the Council may not re-house them in the future.

If a former tenant refuses to make a payment arrangement to clear any outstanding debt, or has broken a payment agreement, an escalation process is followed in line with the Former Tenants Arrears Policy.

7.18 Garage Rents

Anyone who lives in Tamworth can apply to rent a garage; they are not limited to tenants who rent their homes from the Council.

Council tenants cannot apply to rent a garage if they have any rent arrears, former tenant arrears or garage arrears. They must clear all arrears before an application can be made.

Private tenants are charged VAT in addition to rent, in line with VAT regulations.

If a tenant is registered disabled and can provide supporting documentation, the rent can be reduced when a garage is allocated.

Council tenants will be given priority over private tenants.

The maximum number of garages that can be let to one household is three.

Garage rents are monitored weekly.

If tenants fall into garage arrears they are contacted by telephone, text, email or letter. After 4 weeks of arrears, this process is swiftly escalated to the termination of the garage tenancy if the customer fails to clear their rent arrears.

7.19 Recharges

The Council's repair contractor will provide details and evidence of any damage to Tamworth Borough Council property.

If damage has been caused to the property, which has been identified as rechargeable to the tenant, an affordable repayment plan will be agreed where appropriate.

To establish an affordable repayment plan an Income and Expenditure form will be completed with the tenant.

7.20 Write offs

Where a debt is found to be uneconomical to collect, or the person has passed away and has no estate, the debt will be written off in accordance with the Write off Policy.

7.21 Debt Respite Scheme (Breathing Space)

The Debt Respite Scheme also known as the Breathing Space Scheme, came into force on 4th May 2021 and gives those who owe money further legal protection from their creditors.

The scheme aims to help relieve some of the pressure of dealing with creditors, to focus on getting debt advice and setting up debt solution without worrying about being chased for payment or incurring extra charges.

This is a free scheme, launched by the Government. Application can be made through TAC adviser for sixty days 'Breathing Space' however; an applicant must continue to engage with the debt advisor.

A standard breathing space gives legal protections from creditor action for up to 60 days.

A mental health crisis breathing space is only available to a client who is receiving mental health crisis treatment. If an Approved Mental Health Professional (AMHP) certifies a client is in mental health crisis treatment, the client or someone else might ask you for a mental health crisis breathing space on the client's behalf. The mental health crisis breathing space has some stronger protections than the standard breathing space. It lasts as long as the client's mental health crisis treatment, plus 30 days (no matter how long the crisis treatment lasts).

The Council cannot presume any housing payment during this breathing space period.

The Income team follow the rules and regulations introduced by the Breathing Space Scheme.

A management framework was jointly set up across the Council and the Tamworth Advice Centre to closely monitor the impact.

7.22 Health and Safety

All Health and Safety procedures must be adhered to, at all times, by staff involved in the management of rent arrears. When carrying out visits all staff must follow the lone working policy and procedure.

All staff sign an annual Risk Assessment as part of Neighbourhoods Health and Safety management framework, with the measures to keep staff as safe as possible whilst carrying out their roles.

The Council operates a Harassment, Alert and Risk (HAT) register, which alerts Income Officers where there is a risk and what measures they need to take e.g., alert must not visit alone.

An alert called (UDC) is added to the Council Income management system (orchard) which also notifies staff of any risks.

7.23 Contacting the Income Team

During Council opening hours, tenants can contact the Income Team in several ways including by phone, email, in-person or by letter.

Tenants can request information in an alternative format or language,
By contacting the Council on telephone 01827 709709 or email:
enquiries@tamworth.gov.uk

8. Monitoring and Measuring Performance – including Tenant Involvement

There are a number of key indicator measures that are monitored weekly, monthly and annually. These help us to determine the success or otherwise of this policy and its underpinning procedures.

The key indicators are reported through to staff, management, Tenant Consultative Group and members via weekly reports, performance meetings, Pentana reports and the Council's corporate performance management system.

Arrears are monitored and reviewed weekly and compared to previous weeks and years and is an important indicator to establishing the financial viability of the Housing Revenue Account.

The Income Team will monitor arrears cases every week, identify the source of arrears and take action as appropriate and in accordance with the Rent Arrears Recovery Procedure.

The Income Management Team will monitor performance weekly, reviewing targets and actions regularly to ensure compliance with policy and procedures and that there is a consistent approach to arrears recovery.

Arrears arising from external factors, including welfare reform, are also monitored carefully and reported.

This monitoring is crucial for Business Planning. An annual Bad Debt forecast report and annual Income Performance Management Report is produced and shared with staff, Senior Management, the Corporate Management team, Tenant Consultative Group and the Executive Director of Finance.

Performance monitoring also helps us to determine and plan any remedial action and improvements to the service. This includes identifying opportunities for innovation and use of new technology.

Performance outcomes are reported to Council Members, the Corporate Management team and The Tenants Consultative Group.

The three-year Rent Accreditation Continuous Improvement Action is monitored by an external assessor from Housing Quality Network.

From April 2024, tenants' satisfaction will be captured via the new Social Housing Regulators '22 Tenant Satisfaction Measures'. The findings from this annual survey will be closely analysed by the Council's Management teams, Tenants Consultative Group, Council staff, stakeholders, partners and members action to learn and improve will be added to the three-year action plan.

9. Equality and Diversity

A Community Impact Assessment has been carried out on this policy to safeguard against discrimination on the grounds of race, disability, gender, sexual orientation, religion, belief or age and to make sure it is responsive and sensitive to the needs of each individual.