



DRAFT INCOME MANAGEMENT & ARREARS RECOVERY POLICY

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INTRODUCTION

The purpose of this policy is to explain how West Lancashire Borough Council will collect rent and service charges from its tenants and the approach it adopts to recovering rent arrears.

WLBC takes arrears very seriously and we expect all tenants to pay their rent and service charges due each week. This is a legal condition of the Tenancy Agreement. It is the responsibility of each tenant to ensure that their rent and service charges are paid in full, even if they are entitled to housing benefit. Cases of persistent non-payment will not be tolerated and West Lancashire Borough Council will take legal proceedings to recover possession of properties. However, eviction will only be carried out as a final sanction, and only after all other appropriate recovery actions have been exhausted.

We, recognise that our tenant's personal circumstances are all different and many may occasionally experience periods when it is difficult to pay their rent and service charges on time. We will therefore have procedures in place which makes it as easy as possible for customers to pay their rent and access information about their rent account. We will offer support for customers through well trained staff, in-house Money Advice and a links with other agencies and partners who can help with maximizing income and managing debt. We will demonstrate excellent customer care and respect in all of our actions and listen to our service users so they can help us shape the service delivery.

POLICY STATEMENT

West Lancashire Borough Council aims to collect rent and service charges due promptly from tenants in order to sustain tenancies and protect the provision of services.

KEY AIMS OF THE POLICY

To maximise income collection and minimise bad debts.

To sustain tenancies by preventing arrears accruing in the first place and by pro-actively encouraging tenants to clear any debts that do occur through a fair, responsive and, where necessary firm approach. With this in mind, the objectives are:

- To ensure that all existing and new tenants understand fully their responsibility to pay their rent and other charges where appropriate.
- To inform tenants promptly of any changes to rent charges
- To inform tenants of the different payment methods available to them

- To maximise Housing Benefit take up by raising awareness of entitlement and assisting with the completion of housing benefit application claim forms where appropriate
- To ensure that all those tenants entitled to Housing Benefit are aware that it is their responsibility to provide any necessary documentation in relation to their claim, and to follow up claims with the Housing Benefit Office.
- To liaise with and operate the agreed Service Level Agreement with the Housing Benefit Office to ensure tenants receive the best possible service and prompt payment of housing benefit.
- To provide money and debt advice, or sign-post tenants to other agencies who can help maximise their income.
- To ensure that all communication is clear, tenant friendly and encourages tenants to make contact with us if they need help.
- To act quickly through personal contact and to offer advice to any tenant who falls into arrears, finding out why there has been non-payment.
- To work closely with any advice agency or authorised person, acting on behalf of the tenant to resolve any problems.
- To undertake a financial assessment of tenant's circumstances, and their ability to pay with a view to agreeing realistic arrangements to pay off any arrears.
- To identify tenants who owe the Council more than one debt and to ensure that recovery action and/ or repayment arrangements takes account of the total amount owed in accordance with Council's corporate debt procedures.
- To take legal action against tenants who wilfully and persistently fail to pay their rent and service charges
- To advise tenants throughout the recovery process of the actions we will take and the consequences should they fail to pay their rent and service charges satisfactorily. Which could eventually be eviction.
- To treat all tenants fairly and consistently within the relevant and appropriate laws and procedures.
- To maximise the use of IT systems to monitor and record rent and service charge payments.
- To train all staff to ensure they maximise the use of available resources, such as IT and benefits advice.
- To provide all staff with guidance on relevant legislation and recovery methods available to recover unpaid rent and service charges.

- To have rent recovery procedures that are clear, easy to follow, ensuring all arrears cases are managed in a consistent and fair manner.
- To promote Financial Inclusion
- To encourage and support the formation of properly established and regulated credit unions.

The rent arrears recovery process will be regularly reviewed and updated to incorporate areas of best practice, in particular with reference to the characteristics of an excellent service provider in the Audit Commission's Housing Income Management Key Line of Enquiry No. 4 (KLOE 4).

RENT AND SERVICE CHARGES

The Council will set rents in accordance with the Governments Rent Restructuring Formula. Each year the rent will be increased in line with the Government guidelines.

The Council will base service charges on the cost of providing services such as heating, caretaking, communal lighting etc. Service charges will be adjusted according to changes in the cost of provision, however, increases are restricted by the Government policy on setting rent and service charges.

The statements above reflect the current Housing Finance Regulations. This policy will be updated to reflect any future changes to these regulations.

RENT STATEMENTS

We will provide detailed rent statements, on a quarterly basis to tenants and on a yearly basis to garage tenants. Statements or balances will also be available on request.

PERSONAL INTERVIEWS

All personal interviews will be conducted in a sensitive manner with due consideration to privacy and confidentiality. For interviews without prior appointment the tenant will be made aware that a rent interview is to take place. If it is not convenient for the tenant to discuss rent account details an alternative appointment will be agreed and documented. Failure by the tenant to agree to or keep a subsequent appointment will result in triggering the next stage of the rent arrears recovery procedures unless there is good cause not to do so. Where an interview is to be conducted at the tenant's home on an agreed date and time, Housing Officers will always produce their identity cards and explain the purpose of the visit.

All interviews will be documented and the any repayment arrangements confirmed in writing to the tenant.

NEW TENANTS

Prospective tenants will be informed of the property rent and service charges at offer and viewing stage and offered help and assistance with completing a claim for housing benefit. Where appropriate, arrangements can be made to provide an estimate of how much housing benefit the applicant could receive. At sign up, the Housing Officer will advise the tenant of their responsibility to pay rent and service charges and the consequences of non-payment.

Tenants will be advised to start paying their rent in advance of their tenancy start date.

The Housing Officer will:

Provide information about different payment methods available, promoting the benefit of paying by direct debit.

Encourage tenants to authorise the Rents Team to liaise with and access information from the Housing Benefit Office to help deal with their claim for housing benefit, where applicable.

Advise tenants to contact the Council promptly should their personal financial circumstances change or they are having difficulty paying their rent or service charges.

Offer an individual appointment with the Rent & Money Advisor where appropriate.

Signpost the tenant to agencies providing independent debt management advice and income maximisation services where appropriate.

Follow up action will be taken for every tenant moving into a West Lancashire Borough Council property to:

Confirm that they are paying the correct rent due.

Check Housing Benefit has been or is likely to be received where appropriate.

Offer an appointment with the Housing Officer/Rent & Money Advisor where appropriate.

PAYMENT

Rent is due weekly over a 48 week collection year with two non- collection weeks around the start of April and a further two around the Christmas/New Year period.

A rent account will be considered to be in arrears if a payment has not been received within the week in which it is due.

Payments can be made by any of the following methods:

Direct Debit – this is the preferred payment method of the Council and a convenient way to pay for many of our tenants. Tenants can pay monthly on 1st or 15th of each month. A direct debit mandate can be obtained by telephone on 01695 585177 or can be downloaded from www.westlancs.gov.uk

On Line – by credit or debit card at our website www.westlancs.gov.uk 24 hours a day, 7 days a week.

Automated Telephone Line – by debit or credit card. Tel 01695 585150, this service is available 24 hours a day, 7 days a Week.

Post Office, Paypoint or Payzone – retail outlets, with cash and a plastic rent payment card issued by the Council.

Standing Order – through the tenants bank/building society account regularly. A standing Order mandate can be obtained by telephoning 01695 585177 or downloaded from www.westlancs.gov.uk

By Post – by sending a cheque or postal order made payable to West Lancashire Borough Council. **Cash should not be sent through the post.**

By Telephone – with a debit or credit card, telephone 01695 577177 tenants can speak to a Customer Service Advisor. Monday – Friday 8.30am to 5.30pm.

RECOVERY ACTION

In all arrears cases the Council will follow the guidance on good practice as reflected in the Pre-action protocol for possession claims in court based on rent arrears.

Rent accounts will be monitored every week and tenants in arrears will be contacted as early as possible before the debt becomes difficult to manage. Appropriate repayment arrangements will be sought and agreed. Action will also be taken to ensure that housing benefit is in payment where there is an entitlement. It is essential in managing arrears cases that early personal contact is made with the Tenant, and contact is maintained throughout the period of arrears.

Prior to the service of a Notice of Seeking Possession, a minimum of three attempts to contact the tenant will be made to secure payment. In addition, prior to any court application or eviction application a further personal visit to the property will be carried out. If contact is not made or an interview refused this will not prevent court proceedings. Where a tenant has been advised verbally that a court application will be made, a personal visit will not be necessary.

At court the Council will seek an order appropriate to the level of arrears and conduct of the account by the tenant. Under normal circumstances an adjournment will be sought where a satisfactory payment agreement is made with the tenant. Alternatively, a suspended possession order will be sought, plus a money judgement. However, in more serious cases, or where the property is suspected to be abandoned, a forthwith possession order may be requested. The Council will seek an order for costs in all cases unless there are significant reasons not to do so.

Staff will monitor all Court Orders on a weekly basis and should a tenant default on that order, they will be notified of the default and given a reasonable time to bring the payments back into line with the Order. Tenants will be provided with advice on how to request a hearing to vary the terms of an Court Order if they have reason to do so.

Once an eviction application has been made, it will not be withdrawn unless the arrears are cleared in full or the default brought up to date and the warrant costs have been paid. A decision to withdraw an eviction application will be made by the Housing Officer in conjunction with the Senior Housing Officer. Throughout the recovery action process, free confidential debt management advice will be made available to WLBC tenants from the Council's in-house Money Advisors. Arrears letters will also advise tenants they may seek independent advice including, Welfare Rights, Citizens Advice Bureau, Legal etc.

FINANCIAL INCLUSION

The Council will promote Financial Inclusion for all tenants through the Housing Division in – house Money Advisors who provide advice and assistance on budgeting, managing debt and claiming benefits. A range of links and partnerships will also be maintained with other agencies where tenants can be sign- posted for help in maximising income. These link services will be regularly promoted and take up campaigns carried out to raise awareness.

Links include:

- Access to affordable credit
- Access to basic bank account services
- Fuel Poverty Advice
- Low cost home contents insurance
- Independent Money Advice
- Paylink multiple debt payment facility
- Furnished Tenancies
- Furniture Recycling

Stoptheloansharks
Welfare Rights
Citizens Advice Bureau

VULNERABILITY

The Council has many tenants who are elderly, or tenants who are vulnerable through mental or physical disability and tenants who have young dependent children, or are carers etc. In such instances the Council will, subject to data protection issues:

Take action that is more appropriate to the needs of the tenant, which may mean a personal visit, rather than sending letters, providing more support in-house or by referral to other agencies.

In implementing this policy the Council will ensure that any tenants who have mobility problems due to disability, or who need information in other formats and languages, or who may need interpreters or signers, or who have difficulty with reading are provided with the assistance that they require.

For vulnerable tenants, we will, liaise with the Homelessness Team before any possession proceedings take place.

We will Inform the Lancashire County Council Social Services department at the earliest opportunity where eviction becomes the only option left.

EQUALITY & DIVERSITY

West Lancashire Borough Council serves a diverse society. That is a society made up of men and women; of people of different races, cultures and religions, of people with and without disabilities; of young people and older people, of people with different sexual orientation, of people with and without caring responsibilities; and of people with many other differences. WLBC respects and values that diversity and will strive in all we do to serve the interests of people from all sections of society. We will also strive to become an organisation that reflects more fully the diversity of the society we serve

We will, in the development and implementation of our policies and procedures, comply with the Council's policy on Equality & Diversity.

INFORMATION IN ANOTHER FORMAT

We can provide this information on audiotape, CD, large print, Braille, and in other languages as appropriate on request. Visit our website www.westlancs.gov.uk/access or telephone 01695 577177.

Wszystkie te informacje możemy przekazać na życzenie w formie audio, na płycie CD, w wersji zapisanej dużym drukiem lub alfabetem Braille'a, bądź też przetłumaczonej na wymagany język. Zapraszamy na stronę www.westlancs.gov.uk/access lub prosimy o kontakt telefoniczny pod nr 01695 577177.

Podemos prestar esta informação em gravação áudio, em CD, em letra grande, em Braille e noutras línguas, conforme apropriado e a pedido. Visite o nosso Website www.westlincs.gov.uk/access ou telefone para o 01695 577177.

HOUSING BENEFIT

The Council's Housing Division will work closely with the Housing Benefit Section to ensure prompt payment of housing benefit. The Housing Benefit Service Level Agreement (SLA) will be formally reviewed annually and will provide the basis on which access to information and standards of service delivery have been agreed. The Council will arrange for quarterly liaison meetings with the Housing Benefit Department in respect of the day to day administration of the SLA.

DIRECT PAYMENTS

The Council will liaise with the Department of Work & Pensions (DWP) about direct payment of rent arrears from welfare benefits where appropriate.

JOINT TENANCIES

All joint tenants are jointly and severally liable for rent arrears that may accrue. The Council will:

- Address separate letters to all the tenants named in the tenancy agreement.
- With authority, make arrangements and hold interviews with any person/tenant who is acting on behalf of all parties in the tenancy agreement.
- Provide a copy of all legal documents to all parties named in the tenancy agreement.

SOLE TENANCY

In households with single tenancy agreements and where the householders are married, cohabiting for tax or benefit purposes, or have joint custody over children under 16 we will always encourage the tenant to keep other interested parties within the household informed of any legal action in connection with rent arrears; interested parties do not include lodgers.

GARAGE TENANCY

The rent charges for garages represent relatively low weekly amounts for collection, therefore collection and arrears recovery costs must be kept to a minimum to provide value for money.

Tenants are expected to pay their garage rent on the due date. In dealing with garage arrears, the Council will monitor rent payments and instigate recovery action at an early stage. Cases of persistent non-payment will not be tolerated and the Council will recover possession of garages.

When dealing with garage rent arrears, the Council will consider the needs of elderly and vulnerable tenants who may specifically require a garage for parking their vehicle.

Although a range of alternative payment methods are available, garage tenants will be encouraged to pay their rent monthly in advance by Direct Debit.

FORMER TENANCY

The Council will ensure that tenants are made aware of their obligations even after their tenancy has ended. Upon notice of termination, the tenant will be made aware of any rent and service charge balance due and a forwarding address will be requested. Where the outgoing tenant is not in a position to clear any balance prior to termination, an affordable and realistic repayment agreement will be sought. This agreement will be confirmed in writing and the tenant will be made fully aware of the methods of payment after termination. The Council will pursue all recoverable former tenant arrears. Where no forwarding address is given, every effort will be made to trace former tenants owing arrears. The Council will utilise the Experian tracing system in-house, and an outside tracing/collection agency will also be used if appropriate. Failure to agree to, or maintain an acceptable repayment arrangement will result in further recovery action. The appropriateness of such action will be considered on a case by case basis and may include the following legal actions:

- Money Judgement
- Attachment of earnings
- Third Party Debt Order
- Warrant of Execution
- Order to Obtain Information
- Bankruptcy
- Selling on Debts

The Council will not normally house an applicant where there is a significant outstanding debt owed to the Council, unless a satisfactory payment arrangement has been agreed and maintained by the applicant.

When, after review, a debt is considered uneconomical to recover, or the former tenant cannot be traced, it will be dealt with according to agreed Council procedures, and may be written off. These debts may be written back on in circumstances where the debt subsequently becomes collectable.

PERFORMANCE MONITORING

The Council will benchmark its rent collection against a range of other similar landlords and set challenging performance targets in consultation with tenants and other service users.

CONSULTATION & ACCESSIBILITY

Details of this policy, a summary of the arrears recovery procedures and Rents Service standards will be included in the Tenancy agreement, tenant's handbook, and Council website

In order to ensure the Council is delivering the services the tenants want, we will create, following consultation with tenants, a structure for tenant involvement. Through the structure, tenants will be involved in reviewing the Rents Service and making recommendations for improvements and change. Tenants will be involved in Service Improvement and, Service Evaluation Groups monitoring and evaluating service delivery

LEGAL & REGULATORY FRAMEWORK

The Council will at all times, meet legislative and regulatory requirements. We will also ensure it meets all good practice guidelines.

MONITORING AND RESPONSIBILITIES

It is the responsibility of the Service Manager, Rent Recovery & Money Advice to ensure that implementation of the Income Management and Arrears Recovery Policy is monitored.

The Executive Manager, Housing & Corporate Property Maintenance Services is responsible for delivering the policy and will be accountable for its implementation. All staff dealing with rent collection and arrears recovery issues have the responsibility to be fully familiar with this policy.

ASSOCIATED DOCUMENTS

TSA Standards
Housing Act
Rent Collection & Arrears Recovery Procedures
Lettings Policy & Procedures
Corporate Debt Policy
Customer Complaints Policy & Procedure
Housing Benefit Service Level Agreement
Customer Care Standards
Ministry of Justice Pre-Action Protocol
Equality & Diversity policy
Audit Commission KLOE 4

POLICY REVIEW

This policy will be reviewed on a rolling programme to take account of any necessary updates, changes in legislation and lessons learned. Tenants will be consulted and involved in any significant changes. The policy will be formally reviewed with tenants every 2 years.

Approved by:	Rents Focus Group, Tenants Forum
Effective date:	1 April 2011
Review date:	1 April 2013
Policy developed by:	Rents Focus Group
Associated Procedure:	Income Management and Arrears Recovery Procedures