



Rent Arrears and Income Policy

(for use by Officers)

1.0 Purpose of the Policy

- 1.1 Maidstone Borough Council (MBC) adopted a Debt Recovery Policy that should be read in conjunction with this document. This policy and procedure sets out the Housing Portfolio Team's approach to ensuring that applicants have the best opportunity to conduct their tenancy in a satisfactory manner, in order to prevent them becoming indebted and to enable a sustainable resolution of their long-term housing.
- 1.2 MBC's approach to applicants who fall behind with the cost of their accommodation is to intervene at the earliest opportunity to prevent further indebtedness and to assist the applicant in regularising their financial position. Applicants who are unwilling to take reasonable steps to pay their accommodation costs will ultimately face losing the accommodation provided by MBC.

2.0 Policy Objectives and Scope

- 2.1 This policy applies to all Maidstone Council tenants and former tenants.
- 2.2 All officers must ensure that they have liaised internally to be confident that the action taken is the correct one for the type of tenancy. Clarification about the type of occupation can be obtained from the Housing Portfolio Manager or Senior Accommodation Officer.
- 2.3 MBC's officers will work with applicants to endeavour to prevent arrears from accruing from the outset of the tenancy. Financial expertise and housing support is available to all our residents to reduce the impact rent arrears has on both the Council and applicant. However, the Council will act firmly with applicants who are unwilling to pay their rent or engage to help reduce arrears.
- 2.4 MBC's officers will approach tackling rent arrears in a fair but firm manner, being supportive to the applicant and empathetic with their circumstances. Whilst the procedure sets out the steps that officers are expected to follow, each case will be judged on its merits and the action will be reasonable and proportionate to the situation, whilst balancing this against fulfilling the Council's wider housing duties.
- 2.5 Officers will have an awareness of any special need or characteristic that the applicant has that may affect their ability to understand their responsibilities. Assistance to applicants will be tailored to meet the specific needs of the applicant.
- 2.6 For applicants occupying temporary accommodation, liaison with the applicant's Housing Advice Officer is essential to ensure that the Housing Portfolio Team is aware of the applicant's circumstances.
- 2.7 Rent arrears recovery will follow a staged escalation process, up to and including repossession for non-payment of rent.

3.0 Legal and Regulatory Requirements

- 3.1 Maidstone Council will abide by the following legislation and requirements:
- Housing Act 1985
 - Housing Act 1996
 - Protection from Eviction Act 1977
 - Welfare Reform Act 2012
 - Homelessness Reduction Act 2017
 - Equality Act 2010
 - Human Rights Act 1998
 - Data Protection Act 2018
 - Coronavirus Act 2020

4.0 Tenant Responsibilities

- 4.1 It is the applicant's responsibility to pay, in full, the amount of rent and service charges that are lawfully due and set out in the agreement provided to the applicant. Applicants will provide relevant documentation to maximise income at the earliest point.
- 4.2 Applicants have an obligation under the terms and conditions of their agreement to pay rent and service charges in good time. It is an applicant's responsibility to notify the Housing Portfolio Team of any change in their circumstances that may affect their ability to pay their rent or affect their housing benefit claim.
- 4.3 Applicants will be reminded of their responsibilities when they sign their tenancy agreement and during their occupation.
- 4.4 The Accommodation Officer will highlight the various means for making payments and the process for doing so. Accommodation Officers will also assist the applicant to complete their claim for relevant state benefits at point of sign-up.
- 4.5 Where rent arrears for former tenancy arrears (FTA) are present, the officer will agree an affordable repayment plan to reduce the arrears through realistic instalments that are sustainable over a specific period. Any repayment agreement is based upon a detailed assessment of the applicant's finances and ability to pay.
- 4.6 Once arrears accrue, prompt action will be taken to ensure that the arrears do not become unmanageable for the applicant. The Council will endeavour to make sure that current rent is paid, and then ensure that the arrears are recovered in full. The process will be based on a preventative approach that seeks to maximise applicants' entitlement to benefits and secure regular payments.
- 4.7 Officers will maintain an accurate record of steps taken, which will be kept up to date on the designated software.

5.0 Council's Responsibilities

- 5.1 The sign-up stage is a critical opportunity to help the applicant understand their responsibilities and what assistance is available to them during their tenancy. MBC will provide clear information to applicants at the point of sign-up about the accommodation and all of the charges that are lawfully due whilst occupying the accommodation.
- 5.2 If the Council is made aware that a tenant has problems with understanding their rent accounts or arrears, then the Council will ensure the tenant understands the information presented to them. This may include signposting to appropriate support services and carrying out additional home visits. The Council will also offer translation and interpreting services, and information in alternative formats.
- 5.3 Maidstone Borough Council will ensure the policy complies with the Pre- Action Protocol for Possession Claims by Social Landlords, which aims to:
 - Encourage more pre-action contact and exchange of information between landlords and tenants
 - If possible, enable landlords and tenants to avoid legal action and settle disputes out of court
 - If court proceedings are necessary, enable an effective use of court's time and resources

6.0 Rent Payment Methods

- 6.1 Maidstone Borough Council offers tenants the options of direct debits and standing orders as methods to pay their rent.
- 6.2 The Council will ensure that this is made as convenient and simple as possible.

7.0 Prevention

- 7.1 Maidstone Borough Council will undertake preventative measures to minimise rent arrears, these include:
 - Providing advice to tenants prior to the beginning of a tenancy and identifying tenants that may need support to manage their finances
 - Referring tenants identified as needing support to the in- house Welfare Team, or to external advice/ support agencies if appropriate
 - Carrying out all property visits approximately within six to eight weeks of a tenancy starting, to determine any difficulties tenants may have with paying their rent
 - Signposting tenants to appropriate advice and support on debt, financial skills, and maximising income

8.0 Taking Enforcement Action

- 8.1 The rental charge is made on a weekly unless expressly stated in the tenancy agreement. Where applicant's income is received on a monthly basis, the option to pay monthly can be agreed but the rent becomes payable in advance.

- 8.2 The Accommodation Officer will carry out a review of their rent accounts using the designated software on a regular basis and not less than fortnightly. A record of actions will be recorded on the designated software.
- 8.3 If an applicant goes in excess of two weeks arrears, the Accommodation Officer will contact the applicant and send a letter to the applicant requesting the arrears be cleared in full or for the applicant to make contact with their Accommodation Officer to make a suitable repayment plan.
- 8.4 If the arrears continue to accrue after the first letter, a warning letter will be sent to the tenant advising that the Council will commence steps to end their tenancy. If the resident is occupying temporary accommodation, the Accommodation Officer should liaise with the relevant Housing Advice Officer to co-ordinate their action.
- 8.5 If the arrears remain unreduced to a satisfactory level to the equivalent of four weekly payments and no payment plan is agreed, the Accommodation Officer will provide a written justification to the Senior Accommodation Officer requesting that they authorise a Notice of Seeking Possession (NoSP) and the Ground for Possession being used.
- 8.6 Once the approval is received, the Accommodation Officer will arrange for the NoSP to be served and the service recorded by way of a witness statement.
- 8.7 The Accommodation Officer will continue to work with the applicant during the period of the NoSP in order to find a satisfactory resolution to the arrears. This might take the form of a repayment plan and if the applicant is keeping to the repayment plan no action will be taken at the stage that the NoSP expires.
- 8.8 If the arrears are increasing at the point at which the NoSP expires, the Senior Accommodation Officer will seek approval from either the Head of Housing & Regulatory Services or Housing Portfolio Manager to commence legal proceedings to recover possession of the property.
- 8.9 The Housing Portfolio Manager will ensure the necessary paperwork to commence legal proceedings. During this period the Accommodation Officer will continue to work with the applicant and the relevant Housing Advice Officer in order to clear the arrears and to prevent homelessness reoccurring.
- 8.10 The Housing Portfolio Manager will arrange for a suitable representative of the Council to attend the hearing at the County Court to obtain the necessary possession order. The outcome of the proceedings will be conveyed to the applicant and the Housing Advice Manager (in relation to the homelessness situation) and recorded both on the designated software and possession proceedings database.
- 8.11 The authority to request a Warrant of Execution to carry out the eviction will be authorised by the Head of Housing & Regulatory Services. When the Warrant for Eviction is granted, the Housing Portfolio Manager will carry out a risk assessment with the bailiffs in order to achieve the eviction and will make all necessary and proportionate arrangements to ensure the eviction takes place without a breach of the peace.

9.0 Dispute Resolution

- 9.1 It should be discussed with the Council as early as possible if the tenant is disputing their rent arrears. Maidstone Council will then provide the tenant with enough information to confirm the rent due and any outstanding arrears. The Council aims to resolve any disputes quickly without resorting to legal action.

10.0 Former Tenant Arrears

- 10.1 Once a tenant has been evicted from the property, any rent owed remains as a debt and is repayable to the Council.
- 10.2 Maidstone Council will pursue former tenant arrears, no matter how small. Tenants will be advised of the implications involved if rent arrears are not paid in full.

11.0 Equality and Diversity

- 11.1 Maidstone Borough Council adopts a flexible approach to ensure that different needs are met and well supported.
- 11.2 The Council recognises that some individuals may experience discrimination and disadvantage. An Equality Impact Assessment has been undertaken on this policy to ensure that all customers are treated fairly regardless of any characteristics.

12. Review

- 12.1 This policy will be reviewed every 5 years, or sooner if significant and relevant statutory changes occur.



Further information: maidstone.gov.uk/housing