

Rent Management Policy and procedure

Cornwall Housing

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Notes

One of the core management duties of Cornwall Housing Ltd is the efficient management and maximisation of rental income. However this policy will embed the key principles of reasonableness and proportionality, whilst also ensuring that the policy and procedures are sensitive and fair.

Legal influences on this policy

Housing Act 1985 and 1988
Reviewed Pre-Action Court Protocol
Tenancy Agreements (all variants)
Conditions of Tenancy (all variants)
Equality Act 2010
Disability Discrimination Act 1995
Financial Regulations
Welfare Reform Act 2012
Mobile Homes Act 1983
Housing and Planning Act 2016

Non-legal influences on this policy

Former Tenant Arrears Policy and Procedures
Tenancy Fraud Policy
Tenants' Handbook
Equality and Diversity Framework
Customer Promise Policy and Customer leaflet

Other documents linked to this policy

Tell us what you think Policy and Customer leaflet

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Appendix 1: Balance Transfer Request following Bankruptcy or Debt Relief Order

1.0 Introduction

This document details how we at Cornwall Housing will manage rent arrears. It seeks to emphasise our company ethos of working effectively and efficiently to sustain tenancies wherever possible.

It clearly defines our commitment to equality and proportionality within our rent management processes. It is intended as a structure within which to maximise rent collection, but also to ensure that our tenant's individual circumstances influence that process, this includes taking into consideration changes due to the Welfare Reform Act 2012.

Whilst under occupancy reduction and now the reduced Benefit Cap continues to impact some tenants, the biggest change yet will be the full implementation of Universal Credit, bringing together a number of working age benefits.

Universal Credit (UC) roll out in Cornwall has been underway since May 2015 for new single Job Seeker Allowance claimants, this is due to change when Cornwall moves onto the Digital Universal Credit platform which is expected in Cornwall at the end of 2017. At that time, all new claimants will move onto UC regardless of the household makeup.

However full migration of all current claimants, including tax credits is not expected to be complete until 2022

Whilst sustaining tenancies is always a priority, this policy also recognises that at times tenancies will fail, but it provides a process that evidences that everything possible will have been done to avoid that outcome.

The policy has been developed and revised to reflect best practice already in place to manage Cornwall Council's and Cornwall Housing's stock and other properties managed by Cornwall Housing.

2.0 Purpose and Aim of the Policy

This policy is intended to ensure rent arrears management is delivered in a consistent and measurable way. Our aim is to maximise rent income, but also to sustain tenancies wherever possible by facilitating debt advice, income maximisation, giving advice about welfare reform, what it takes to get UC ready, and by providing support around managing rent payments once a tenant is in receipt of UC, whilst also ensuring any action taken is reasonable and proportionate.

It provides staff with a clear process but allows variation in order to achieve the best outcome both in terms of the level of rent collection, whilst also maintaining a low eviction rate.

The policy aims to be:

- Sensitive to the needs of the individual;
- Accountable;
- Fair;
- Efficient; and
- Responsive and flexible.

3.0 Scope

This policy covers:

- Rent arrears management for Secure, Introductory, Assured, Assured Shorthold Starter tenancies and Non-Secure tenancies
- Private Sector Leased Property Non-Secure tenancies
- Licences: Hostels
- Gypsy and Traveller: Site Pitch Licences
- Bankruptcy and Debt Relief Order procedures
- Garage Rent Arrears procedures
- Refunding Overpayments of Rent.

4.0 Policy Statement

We will strive to keep the level of rent arrears to an absolute minimum in order to maximise rental income in the best interest of tenants, and Cornwall Council and Cornwall Housing as the landlords.

We will adopt a robust approach to recovering rent arrears; but we recognise that household's circumstances do change, and any recovery action will reflect this, including changes of circumstances and loss/change of income due to welfare reform. We will only use eviction as a last resort, and will work with our Housing Options Team to manage the impact on any households evicted.

Discrimination

We will ensure no individual is discriminated against on grounds of sex, marital status, race, disability, age, sexual orientation, language, social origin or other personal attributes including beliefs or opinions (e.g. religious beliefs or political opinions). We will promote equality of opportunity by publishing information in different languages and other formats such as large print, audio and Braille, on request.

Equality and Diversity Principles

We will work to manage rent arrears fairly, but recognise that there are some tenants who will need a more sensitive service.

5.0 Policy Details

5.1 Recovery of Rent Arrears

We take rent arrears very seriously and we expect all our tenants to pay the rent that is due each week. This is an important part of all Conditions of Tenancy. However, we recognise that occasionally tenants may have financial difficulties and be unable to pay the rent due. In these cases our service aim is to be 'firm but fair' and provide all tenants in rent arrears with basic money advice and to offer clear and affordable repayment plans, taking into consideration how they receive their income.

We will provide tenants with detailed rent statements on a regular basis (dependant on the type of tenancy); statements or balances will be available on request. In all rent arrears cases we will:

- take early action in every case;
- make personal contact with the tenant; backed by letters if there is no response;
- provide up-to-date rent account balances;
- document all actions and conversations;
- provide advice or refer to Inclusion Advisors for pre tenancy and affordability advice to tenants on paying their rent;
- Write rent arrears letters in plain English;
- agree negotiated payments based on the tenant's income and reasonable expenditure;
- check the Housing Benefit status or if UC housing costs are due (where possible when engaging with tenant) to check whether further benefits are due, (however this may not prevent the next stage of action);
If possible check with working age tenants whether they have moved onto UC and are receiving their housing costs direct.
- support tenants to access a provisional assessment of Housing Benefit/UC housing costs entitlement
- take further action if payment is not made or agreements are breached;
- Where necessary recover arrears via direct deductions from benefits, including UC, or wages; and
- provide translation services where required.

We will also offer advice on:

- Welfare benefits, debt counselling and money advice; welfare reform changes and income maximisation
- Getting UC ready
- Offer support in managing rent payments when in receipt of UC
- Downsizing
- Where appropriate support tenants to improve their financial situation by identifying and overcoming any personal barriers to work.
- Different payment methods

Tenants will be required to actively work with us to resolve their arrears situation, and whilst eviction will be the action of last resort, failure to take steps to deal with their rent arrears will result in possession proceedings as appropriate.

In addition to the work carried out by Rent Management Officers and Inclusion Advisors to sustain tenancies and maximise rental income, Cornwall Housing will instil a company wide recognition that all employees can and should contribute to the aim of tenancy sustainment and rental income maximisation.

This means that everyone needs to work more effectively, recognising how they work impacts on other areas within the organisation and supports successful tenancies. For example dealing with an abandoned property quickly means less lost rent, a property returned for re-letting more quickly to help another household, reduced former tenant rent arrears and ensuring that communities can see issues are dealt with effectively and efficiently.

Likewise, an operative, recognising fuel poverty when they carry out a home visit, and then signposting or giving advice to a tenant on how to get the best out of their heating system can provide a real financial benefit to that household, helping them sustain their tenancy and manage their finances.

All front line staff will need to know who within Cornwall Housing to signpost tenants to if they have a query regarding welfare reform and UC. Front line staff will have received UC awareness training in the lead up to UC roll out in Cornwall.

5.2 Customer Welfare Checks

We have many tenants who are elderly, who are vulnerable through mental or physical disabilities, who have young dependent children or who have literacy and numeracy problems. In accordance with our Customer Promise, and our Equality and Diversity Framework, these tenants will be treated fairly and in accordance with their needs. All tenants must pay rent, but for those tenants listed below the following safety checks will be adopted.

If a tenant, is either of pensionable age or with disabilities as defined in the Disability Discrimination Act 1995.

- we will offer to assist the recovery of arrears by collecting the rent until an alternative means of recovery can be arranged;
- we will always ensure any repayment plans are realistic; including looking at affordability, suitability of current accommodation and whether alternative accommodation would facilitate affordability,
- we will consider proportionality and disability justification issues prior to any legal action;
- a Notice of Seeking Possession, (or appropriate Notice), will where ever possible, not be served until a home visit/interview has been completed;
- we will request, subject to the Judge's discretion and tenancy type, that County Court Possession Orders requested be suspended on payment of rent plus a suitable sum; and
- we will make a safeguarding referral to Cornwall Council's Education, Health and Social Care department, through MARU, if requesting a warrant for Possession to be executed by the County Court.

If a tenant has a known/identified support package:

- we will always ensure the repayment plans are realistic;
- a Notice of Seeking Possession (or appropriate Notice) will not be served until the situation has been discussed with the support worker;
- we will normally request, subject to the Judge's discretion and tenancy type, that County Court Possession Orders are suspended on payment of rent plus a suitable sum; and
- we will make a safeguarding referral through Maru, if the tenant is deemed to be vulnerable under safeguarding guidance, if requesting a warrant for Possession be executed by the County Court

If there are dependent children within the household, (where child benefit is still in payment):

- we will normally request, subject to the Judge's discretion and tenancy type, that County Court Possession Orders are suspended on payment of rent plus a suitable sum; and
- we will make a safeguarding referral to Services for Education, Health and Social Care department, through MARU, if requesting a warrant for Possession to be executed by the County Court.

If a tenant has literacy problems:

- We will attempt to communicate all key decisions verbally; however these key decisions will also continue to be confirmed in writing.

5.3 Principles

If a tenant's first language is not English, where necessary we will:

- Provide all written information translated into the tenant's chosen language; and;
- Conduct all interviews through appropriate translators.

5.4 Customer care in letters, home visits and interviews

Letters

All letters will:

- be in plain English;
- be correctly addressed;
- be marked with our logo;
- be in sealed envelopes;
- show a current rent account balance with date;
- request that outstanding debts be paid with suitable repayment plans, where appropriate;
- give the option to re-negotiate the repayment plan, where appropriate;
- detail how to access welfare benefit advice from us and independent advice from the Citizen's Advice Bureau; or other appropriate advice agencies.
- provide a summary of the action that will follow if the tenant does not repay outstanding debt.

Office interviews and home visits

All interviews at a tenant's home or in an office must be sensitive and non-threatening. They must take place in privacy and be confidential. For interviews in the home, our staff will introduce and identify themselves with our identity cards. For an interview without a prior appointment at the tenant's home or in an office, the tenant must 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 offered and documented.

Failure by the tenant to agree or keep a subsequent appointment will be deemed as grounds to move to the next stage of the rent arrears policy unless there is good cause not to do so. All interviews will be documented and the key points confirmed in writing.

In exceptional cases, where we have been unable to contact the tenant by conventional means, we may telephone the tenant at their workplace, or other address. In such cases, confidentiality will be maintained and we will only conduct an interview if it is convenient to the tenant.

5.5 New tenants

We recognise that new tenants who have recently moved house are more likely to have financial problems.

To assist applicants before they become a tenant they will have their housing application verified which will also include affordability checks before their nomination is confirmed.

Where there are any concerns about a tenant's ability to manage financially, their Housing Management Officer will refer them directly to the Inclusion Advisors to arrange appropriate support after sign up.

New tenants will have pre-tenancy rent advice at the tenancy sign-up. This includes:

- Give advice on the Inclusion Advisor's service.
- help with completion of a Housing Benefit form and provisional assessment if applicable or requested. This may include completing the form with the tenant or supporting them to complete a change of address form to ensure benefits are paid
- Establish if in receipt of UC. If yes advise the Rent Management Team
- If claiming UC, or will migrate to UC in the future, advise on how to claim housing costs through UC and what direct payments mean
- Establish whether the tenant falls under tier 1 or tier 2 Alternative Payment Arrangement (APA) (See section 10), and is eligible for CHL to apply for direct payments. (Evidence and consent to share with DWP required, and pass this information to the Rent Management Team to apply for the APA).
- Advice on when, where and how to pay rent due, allowing for UC payment periods where appropriate
- An evaluation of welfare and support needs,
- A referral to an Inclusion Advisor if appropriate
- A copy of the Tenants' Leaflets with internet links
- An explanation of what tenancy fraud is, and that it is now a criminal offence to commit tenancy fraud in social housing.

Whilst UC claimants will require earlier contact to review payments, and that any necessary contact with DWP is underway, between 4 and 7 weeks all new tenants will have had contact or where possible a visit by their Rent Management Officer to check:

- that they have moved into their new home
- they are paying the correct rent;
- that any Housing Benefit/ Universal Credit claim has been processed or to advise the tenant to provide any information outstanding that is needed to process the claim or support the tenant to contact DWP about their UC claim.
- whether the tenant needs an appointment to discuss benefit entitlement;
- whether there is need for a re-evaluation of the tenant's welfare and support needs,
- whether there is an evidenced need to discuss the claimant's situation with their Work Coach at JCP to recommend an APA/managed payments and on what grounds, (See section 10.)
- That any sign up referral to an Inclusion Adviser has been acted upon

- whether the tenant, who had not previously been referred, now needs an appointment with an inclusion advisor to discuss indebtedness or any personal barriers to employment issues.

5.6 Sole tenancy

In households with single tenancy agreements and where the householders are married, cohabiting, or have joint care and control for dependent children, we will always encourage the tenant to keep other interested parties within the household informed of any legal action in connection with rent arrears.

We will also, where appropriate, give advice on what the head of the household means in relation to UC payments, and the process for applying for split payments.

5.7 Joint tenancies

If there is a joint tenancy, we will:

- address all letters to all the tenants named on the Tenancy Agreement;
- make agreements and hold interviews with any tenant who appears to be 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.

5.8 Access to independent advice

We believe that if tenants are in rent arrears, they should have access to independent advice and tenants will be advised in letters and encouraged at interviews to seek independent advice.

5.9 Persistent non-payers of rent

This Rent Management Policy is designed for those tenants who have difficulty paying their rent due to financial problems. For tenants who are persistently in rent arrears (having arrears greater than two weeks' rent payable, more than twice in any six month period) we will begin rent arrears action at the appropriate stage in the arrears policy.

5.10 Pre-Action Protocol for Possession Claims by Social Landlords

Cornwall Housing will at all times ensure that the enforcement action undertaken in rent arrears cases will conform to the requirements of the Ministry of Justice's Pre-Action Protocol for Possession Claims by Social Landlords. This protocol has been in place for a number of years, but from 6th April 2015 a new pre-action protocol came into effect. This protocol relates to a range of tenancies, but part 2 relates solely to claims on the basis of rent arrears

The protocol is split into 3 parts

Part 1: Aims and Scope of the Protocol

Part 2: Possession Claims based upon Rent Arrears

Part: 3 Mandatory Grounds for Possession.

Part 1 explains the aims and scope of the Protocol which are:

- To encourage contact and the exchange of information between landlords and tenants
- To enable parties to avoid litigation by settling the matter out of court if possible
- To enable court time to be used more effectively if proceedings are issues.

All of which support Cornwall Housing's aims to sustain tenancies and maximise rent income, but also to use resources effectively.

In the case of Secure and Assured tenancies, the Court will take into account whether the protocol has been followed when considering what order to make.

Part 2 recognises that it is in the interests of both landlord and tenant to ensure that rent is paid promptly and to ensure that difficulties are resolved wherever possible without the need for court proceedings. The important change here is that the old protocol for rent arrears did not take into account the introduction of Universal Credit.

Similarly to the previous protocol, the new protocol sets out the initial contact you should have with your tenant, ensuring that you send to them quarterly rent statements in a comprehensible format and offer to assist them with their Housing Benefit claims, but it now also requires us to assist in relation to discretionary housing benefit payments and/or Universal Credit.

The protocol also now gives tenants information on where debt advice and money advice is available, and also refers them to the appropriate website.

More importantly, paragraph 2.8 now gives a requirement for us to send a copy of the protocol to a tenant after service of the Notice and before issuing proceedings. One query is whether it is necessary to send a copy of the entire protocol or just that in relation to part 2 and rent arrears?

It is the opinion of Jan Luba QC that landlords should certainly provide tenants with copies of Parts 1 and 2. and on that basis it is simpler to send the whole protocol. There are no stipulations as to how the protocol should be sent to the tenant(s) and on that basis if the

tenant(s) has provided email details this method of distribution should be acceptable as long as the method, time and date of sending are recorded.

Part 2 also directs that when we advise a tenant of the date and time of the Court hearing that we send them an up to date rent statement and, at the same time, tell them what type of order we intend to seek.

Finally, no later than 10 days before the hearing we should also advise the tenant of what knowledge we have about their Housing Benefit or Universal Credit situation.

Part 3. Mandatory grounds for possession: this section relates to those cases where the court's discretion to postpone possession is limited, in other words:

- non-secure tenancies;
- unlawful occupiers;
- failed succession; and
- severed joint tenancies.

The purpose of this section is to ensure that in cases where an Article 8 defence might be raised, the necessary information is put before the court, at the first hearing, so that issues of proportionality may be dealt with. The aspect of proportionality must be considered across the range of tenancies, regardless of their security.

The full Pre-action protocol in relation to possession claims by social landlords can be found at:

<http://cornwallcouncilintranet.cc.cornwallonline.net/corporate-content/policy-procedure-strategy/a-z-of-policies-procedures-and-guides/#-tab-348493>

Any member of staff involved in possession proceedings should ensure that they familiarise themselves with this protocol.

6.0 Moving properties whilst in rent arrears

Social housing working age tenants have experienced many changes under the Welfare Reform Act 2012.

Working age tenants who are deemed to be under occupying their property and who claim housing benefit and Universal Credit housing Costs, will be affected by the under occupancy reduction. This will result in a 14% reduction of their gross rent to housing benefit/housing costs if a household under occupies by 1 bedroom, and 25% if under occupation is by 2 or more bedrooms.

Additionally there are caps to the maximum amount working age, non-working households can claim in benefits, with the maximum weekly amount currently set at £384.62, (from Autumn 2016) for couples and families and £257.69, (from Autumn 2016) for single claimants with no children. There are some exemptions to these caps and Cornwall Housing will support tenants to check their income levels are correct, or whether they have reasons why they should be exempt from the Cap.

Some tenants who have non-dependants living at their homes have also seen increases in the rates of non-dependant deductions made from their housing benefit entitlement.

However if a tenant moves onto UC and they have non-dependants in their households, any non-dependent deductions will be made in line with the UC regime, which sets a monthly deduction from the housing cost element of a claimants UC, irrelevant of their actual earnings.

These changes may well affect some tenant's ability to meet any rent charges that they are required to make. As part of the contact with tenants who are in rent arrears, affordability checks will be carried out to see if financial difficulties can be resolved by moving to a smaller home. (£69.75 per month for non-dependants over 21 years of age)

When it has been identified that an affordability issue can be resolved by downsizing to a smaller property, enabling a tenant to be able to cover the ongoing rent charge and reduce arrears from their previous home, tenants will be able to apply to move. This may be through applying for a transfer, or by finding a suitable mutual exchange. **Any moves must be authorised by the Rents Manager on a case by case basis.**

Cornwall Housing recognises the advantages to both tenant and landlord in allowing moves to alternative properties with rent arrears. However any consideration for such a move will be based on the tenants continued efforts to resolve their rent arrears situation.

Additionally whilst awaiting a move tenants will need to ensure that they:

- Work with their Inclusion Advisor/Rent Management Officer to review any priority and non-priority debts with a view to maximising their available income to cover their priority bills
- Register on Cornwall Homechoice to ensure that they can bid on suitable properties
- Register on Homeswapper for potential mutual exchanges
- Actively seek a mutual exchange to resolve any under occupancy and affordability issues

- Take advantage of any money management training made available either by Cornwall Housing or any other organisation
 - Consider the possibility of taking a lodger, (though this will be at the total discretion of individual tenants. Cornwall Housing can give advice on the affects that taking a lodger will have on income etc., but will have no involvement in providing or recommending possible lodgers.)
 - Continue where appropriate to seek employment or training.
 - Continue to make any agreed payments against their rent account.
- And
- In all cases current properties will be required to be in good order at the time of the move. Recharges will be made in line with current recharge policies.

Failure at any time to make agreed payments will result in progression through the rent arrears process, including possession proceedings as appropriate. Additionally, failure to engage in any of the above points will result in the authorisation to move with arrears being withdrawn.

When a move becomes available tenants will be required to sign an undertaking to make payments against any arrears accrued on their previous rent account. Failure to meet agreed payments will result in Cornwall Housing pursuing the debt through a County Court judgement and where appropriate with the use of debt collectors. If any future rent arrears situations arise at the new property, any non-payment of previous debts will contribute to how decisions to take further action are made.

Inclusion Advisors will support tenants they are working with who have rent arrears, but who have the opportunity to downsize and reduce their outgoings, to apply for Discretionary Housing payments (DHP), while available, to clear or reduce their arrears and cover some of their moving costs.

Other social landlords may refuse to accept nominations for transfer moves when the prospective tenant is in rent arrears at their previous home.

6.1 When a move with rent arrears may not be authorised

Where rent arrears have accrued prior to a tenant being affected by welfare reform, a move may not be sanctioned if legal action has already commenced and a current Court Order is in place, and where payments have not been made in line with that Court Order.

Tenants in that situation will be required to resolve any breaches of the Order before a move to a smaller property will be considered.

Failure to meet required payments will result in Cornwall Housing pursuing the Order through a warrant for possession (eviction).

If any future rent arrears situations arise at the new property, any non-payment of previous debts will contribute to how decisions to take further action are made.

Authority to move to a smaller property can be withdrawn at any time if the tenant fails to engage in the actions highlighted in section 6.

6.2 Other possible grounds to move with rent arrears

Whilst acknowledging that welfare reform will be the main ground on which Cornwall Housing will consider authorising moves with arrears, Cornwall Housing also acknowledges that there may be other circumstances that will also warrant consideration.

These circumstances include:

- Issues relating to serious harassment/domestic abuse etc.
- Where under occupation exists but where the tenant is not claiming housing benefit, and affordability is a contributing factor to sustaining the tenancy. As in 6. and 6.1 failure to meet required payments will result in further action being taken against a tenancy.
- Where arrears have accrued on a succession and the tenant is under occupying and would be required to move to more suitably sized accommodation.
- As in 6. and 6.1 failure to meet required payments will result in further action being taken against a tenancy.
- In such circumstances, tenants requesting a move **will be considered on a case by case basis by the Rent Manager in conjunction with the Housing Manager (Operational).**

7.0 Working with tenants to improve their financial situation

Cornwall Housing is acutely aware that tenants do not want to be in rent arrears. However for some households their opportunities to resolve their situation are impacted by unsustainable levels of debt, their inability to manage the money they have available and their lack of opportunities to improve their financial situation by finding employment.

Cornwall Housing is keen to support tenants who are experiencing those difficulties, to sustain their tenancies, deal with their financial issues and have the opportunity to improve their employment chances.

Therefore when tenants are facing increasing rent arrears linked to their inability to pay, consideration will be given to withholding further action, (up to the level that court action is due to be instigated), if the tenant(s) engages with Rent Management Officers and Inclusion Advisors to:

- look at ways in which their debt problems can be managed.
- set up and maintain a rent arrears repayment plan
- identify issues around their ability to manage their budgets, and to access and attend training courses to help them gain the confidence and the skills they need, and
- identify the tenant's personal barriers to finding employment in the future and to work with other agencies to overcome those barriers, improving the tenant's opportunities to access the work place with a view to improving their financial situation.

We are keen to support those tenants who want to work with us to improve their situation and keep their tenancy. Any efforts made by the tenant will be taken into consideration when deciding how a rent arrears situation will be dealt with and whether a case will be progressed.

However if a tenant chooses not to take advantage of the support available and they are failing to reduce their arrears at an acceptable level, or if their arrears continue to increase action to recover those arrears will be escalated as appropriate.

8.0 Stages for action in the rent arrears policy (for all introductory/assured short hold starter/secure and assured tenancies, other than for those tenants claiming Universal Credit.)

Go to stage 10, (Page 27), for Universal Credit claimant rent arrears procedures for these tenancy types.

In all cases, every effort will be made to contact the tenant first either by telephone, email or text message.

We will proceed to the next stage of the procedure unless the arrears have been cleared or a payment plan is in place and the debt is reducing.

The term "week's rent" means the individual property rent including service charges per week.

The term "week's rent payable" is the net rent payable by you after any Housing Benefit is deducted per week.

For persistent arrears cases (see definition in section 5.9) action can start at Stage three onwards.

8.1 Stage one (RA1)

With rent arrears of 1 week' rent or 1 weeks' rent payable, we will:

- Automatically send the tenant a reminder letter

8.2 Stage two (VLT)

With rent arrears of 2 weeks' rent or 2 weeks' rent payable, we will:

- 1) Make telephone contact or visit the tenant in their home. If the tenant is unavailable at a home visit a statement will be left at the property in a sealed envelope.
- 2) The tenant will be asked to contact their rent management officer within 7 days.

8.3 Stage three (RA2)

Where rent arrears are static, still increasing or are persistent (see definition in section 5.9), we will:

- Automatically send a strong warning letter advising the tenant that legal action may commence should they fail to address the situation.

Note: For introductory and assured shorthold starter tenancies, we will review the tenancy at this stage (with consideration to extend the introductory period, and throughout the tenancy up to the Notice stage). It is important to remember that it is an eight week notice period for extensions, so it is vital to ensure that there is sufficient time prior to the introductory/assured shorthold starter tenancy becoming secure/assured.

8.4 Stage four (NSP, NPP, NSS, NSA)

For rent arrears greater than £350.00 or in cases of persistent rent arrears with arrears greater than £100.00, we will:

- 1) Issue a Notice of Intention to Seek Possession (NSP) or an appropriate Notice, and carry out a home visit to serve the Notice. This will only be issued following an initial Human Rights Assessment and Disability Justification Form has been completed.
- 2) A financial statement must be issued with the Notice, in line with the pre action protocol, with the onus on the tenant to complete and return the form.

NOTE: A Notice of Intent to Seek Possession is a 28 day legal warning and if the amount displayed on the Notice is not cleared within 28 days, we can go to Court to seek possession of the property. If granted this could result in the tenant and their household being evicted. In the case of assured shorthold starter tenancies, the Notice period is 8 weeks and is served on the basis of breach of Conditions of Tenancy.

If it is an **introductory tenancy**, the tenant has the right to request a review. This request can be submitted verbally, in writing or by email within 14 days of the date of the Notice. The review must be held in time to give 5 days' notice to the tenant, and also for the hearing to be heard and for written confirmation of that decision to be given prior to Court proceedings being started, on the earliest date possible that legal proceedings can be commenced. There is only a 28 day period to ensure that the above takes place or it will negate the process. However this can be extended by giving a longer notice period in complex cases.

If it is an **assured shorthold starter tenancy**, there is no right to a review in law; however on the basis of equality this right has been written into the Conditions of Tenancy. Accordingly, the same process as for introductory tenancies must be followed, but there is an 8 week period of time in which to complete this process, due to the need to give 8 weeks notice.

Additionally if in the case of an assured shorthold starter tenancy, although there is no right in law to automatically become an assured tenant after a twelve month period, on the basis of equality, that right has been written into the Conditions of Tenancy. In addition to this, an assured shorthold starter tenancy can be extended by 6 months as with introductory tenancies, and the same process should be followed. However to extend the tenancy, this can be done in writing, not through a Notice to Extend as in the case of an introductory tenant.

In the case of both introductory and assured shorthold starter tenancies, failure to resolve the arrears prior to Court will result in mandatory possession being given as long as due process has been followed.

Reasonableness, proportionality and disability justification issues must be considered throughout this process.

At Warrant application stage, refer to 8.10 Stage ten and 8.11 Stage eleven below, but there is no right to appeal the warrant, as it is a mandatory possession.

8.5 Stage five (RA4)

If the arrears have not been cleared or substantially reduced by the second week of the notice period, we will:

- 1) Send a letter to advise the tenant that their case is now being considered for Court action and if there is no significant reduction in the level of arrears, or an agreement made and adhered to, their case will be referred to Court for possession proceedings.
- 2) Pre Action Protocol must be sent with this letter.
- 3) When reaching RA4 stage the Rent Management Officer will make a pre-court referral to an Inclusion Advisor. The Inclusion Advisor will attempt to contact the tenant, normally by telephone, to assess their situation and provide support to avoid possession action. If unable to make direct contact with the tenant a standard letter is sent providing details of the service offered by the Inclusion advisor and asks for the tenant to contact them for an appointment.

8.6 Stage six (RA5)

If there has been no response to Stage five, and the notice is live, we will:

- 1) The Rent Management Officer will try and arrange an appointment by phone, and if unable to contact by phone, they will make an impromptu visit. If unavailable a calling card is left with a request to contact. If necessary, pre court interviews can be carried out by telephone.
- 2) Every effort will be made to see or speak to the tenant to ensure that they are aware of the severity of the situation, to ensure that records regarding income etc. are up-to-date and to try and make an agreement to avoid progression of the case to Court. However, if either the contact or the outcome of any contact is unsuccessful, we will send a letter to the tenant confirming that a Court hearing has been applied for.

8.7 Stage seven

(Although the decision will have been taken to serve a Notice, it may well be the situation that a case is not automatically referred for Court proceedings. That decision is made at stage 7, and can be reviewed throughout the process.)

If rent arrears are greater than or equal to the amount stated on the NSP (unless pending Housing Benefit has been received or an Alternative Payment Arrangement (APA) **and** Managed Payment Arrangement (MPA) for UC Housing Costs is in place, or greater than £500 or if the NSP has been served and the arrears are greater than £350, but no payment to reduce the arrears has been received for 4 weeks at any given time, we will:

- 1) Ensure the **Rent Manager** considers and approves the case before possession proceedings commence. This will only be done following completion of:

a Human Rights Assessment, Disability Justification form and a Pre Action Protocol Check list.

8.8 Stage eight

If rent arrears are greater or equal to Stage seven, we will:

- 1) Request an online a County Court listing for a Possession Hearing.
- 2) Always attempt to carry out a further pre-court interview, contact by telephone if unable to interview, (not earlier than 4 weeks prior to the court date)
- 3) When a date has been received advice Housing Options, by email, of the date of Possession Hearing.
- 3) After the Court Hearing advice our Housing Options team, by email, if a Possession Order has been granted, and whether or not it is suspended etc. Giving a minimum of 28 days notice on an immediate Possession Order where possible, to enable Housing Options to investigate before the tenant becomes homeless.
- 5) Send a letter to advise the tenant of the Order in force against them, and include details of the consequences of failing to make payments in line with that Order.

8.9 Stage nine

If a tenant fails to maintain the terms of the Possession Order, we will:

- 1) Send a breached letter, (which should satisfy any outstanding Postponed Possession Order requirements giving 14 days notice); and
- 2) Carry out a pre-warrant assessment by home visit, office interview or telephone interview.

8.10 Stage ten

If a tenant fails to comply with the Order despite Stage nine, we will:

- 1) Request the Court issue a warrant for possession leading to eviction following a final Human Rights Assessment and disability justification form, if appropriate. We will update our Housing Options team at the time we request the warrant from the Court. We will keep them informed about the date for eviction when it comes through and request that if possible, an officer attends the eviction. Where possible we will give a minimum of 28 days notice to enable Housing Options to investigate before the tenant becomes homeless.
- 2) Make an appropriate safeguarding referral if the tenant or any family members are vulnerable, advising of the eviction date and stating the reason for the eviction.
- 3) Send a letter to the tenant to inform them of the date of eviction and to ask that the tenant clears their personal belongings from the property and to return the keys prior

to eviction. We will advise the tenant of their right to appeal. This letter will strongly suggest that the tenant contacts our Housing Options team for advice. A copy of that letter will be sent to the Housing Options team.

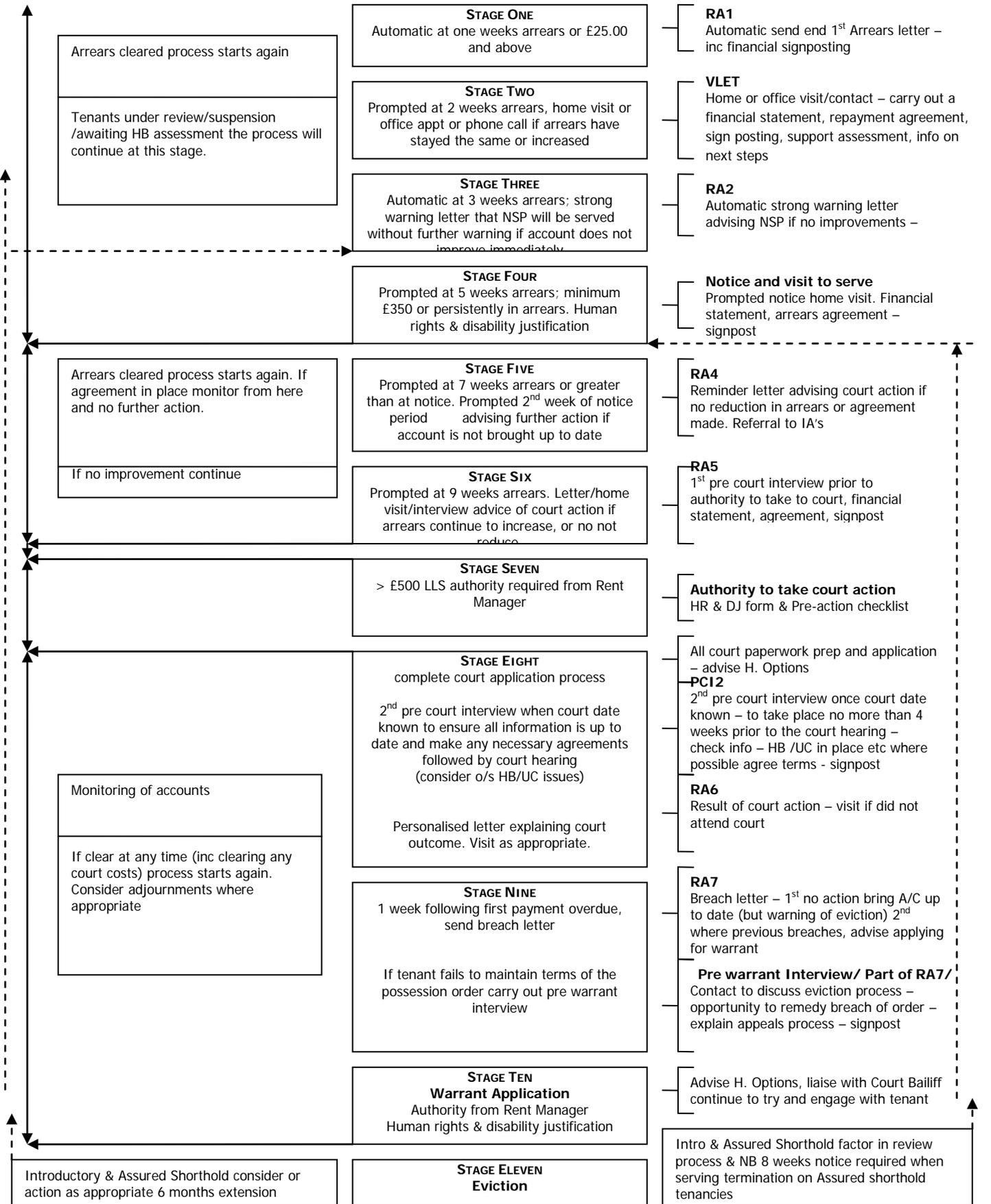
8.11 Stage eleven

The Eviction Procedure

Housing Management Officer & Rent Management Officer will attend the property at the eviction date and time set by the Court. Once the property has been handed back by the Court Bailiff, the Housing Management Officer will:

- 1) itemise and photograph all possessions not seized by the Bailiff;
- 2) store all possessions of monetary value left in the dwelling at a secure storage site and in accordance with the legislation;
- 3) dispose of all items of no monetary value;
- 4) advise the RSPCA of any animals left at the property, and make appropriate arrangements;
- 5) ensure the property is secure; and
- 6) change the status of the rent account to Former Tenancy, ensuring that all court and warrant costs are recorded in a sub-account.

9.0 Arrears process flowchart



10. Background information and Interim Stages for action in the rent arrears policy for Universal Credit claimants: (Introductory/assured short hold starter/secure and assured tenancies).

UC Background information

Universal Credit is a new welfare benefit that combines 6 working age benefits, (housing benefit, income support, JSA (IB), ESA (IB) working tax credit and child tax credits), which are made in one payment and paid to claimants monthly in arrears with assessment and waiting days..

Currently in Cornwall the roll out to new single JSA (IB) claimants started in May 2015, with various exclusions. This roll out will, over time, expand to include other groups of new claimants, culminating in the migration of all current working age claims, a process which the government intended to be completed by the end of 2017, however due to delays it is likely that this will not be completed until 2022

Unlike the current housing benefit regime for social housing tenants, the claimant, (nominated head of the household) will receive their housing costs direct in their UC monthly payment. They will then be responsible for paying their rent to their landlord.

To make a UC claim, most claimants will be required to apply for and manage their account on line, have a bank account to receive their UC payment, and be able to manage their personal finances on a monthly basis.

In order to ensure the rent accounts of tenants claiming UC are managed effectively it will be necessary to introduce some flexibility into the rent collection procedure for these types of claimants, to ensure effective management of rent accounts and to support tenancy sustainment.

All system generated letters have had an additional narrative added to them advising tenants to contact their rent management officer should they make a UC claim to try and establish early contact with UC claimants. Early communication and contact will be key to setting up monthly payments and ensuring actions are in place to avoid increasing rent arrears.

In addition to tenants contacting us direct to advise us of their change in circumstances, DWP state that if someone making a UC claim is a social housing tenant they will tell the landlord about the claim. A secure email facility has been set up to receive DWP notifications.

Regulations have been issued to allow the DWP to share data about Universal Credit claimants with social landlords .

The *Social Security (Information-sharing in relation to Welfare Services etc.) (Amendment) Regulations 2015* (SI 2015 No 46) come into force on 13 February 2015.

These regulations allow the DWP to share information relating to universal credit or welfare services with local authorities, citizens advice bureaux, credit unions, social landlords and

relevant registered charities for "*prescribed purposes*". These purposes are defined in the regulations as *purposes connected with providing advice, assistance or support under a universal support initiative, or in relation to the monitoring and evaluation of such advice, assistance or support*

Where the information is being shared with a social landlord **in their capacity as a landlord**, the information to be shared is defined in the new regulations as:

"(a) the identity of the universal credit claimant;

(b) that the universal credit claimant has a tenancy with the social landlord;

(c) the date on which the universal credit claimant made a claim for or was awarded universal credit; or

(d) in a case where universal credit has been awarded to the universal credit claimant—

(i) the date on which the next payment of universal credit is due to be paid;

(ii) whether the next payment is the first payment under the award; or

(iii) the amount of housing costs element in the next payment under the award."

DWP have advised CHL that the UC notification to the social landlord will be issued when it is established that a valid UC claim has been made.

Verification, Claimant Commitment, Personal Budgeting/IT Support and Alternative Payment Arrangements

DWP state that the aim of UC is to prepare claimants for employment, on the basis that as 75% of employees receive their wage monthly, and that it encourages claimants to take responsibility for their own financial affairs. Consequently UC is paid in one single monthly in arrears sum, and households are expected to manage their own budgets including making their housing costs a priority.

Personal budgeting support is being made available in Cornwall, through referrals to Cornwall Council, who in turn refer into the CAB for the appropriate budgeting

Alternative Payment arrangements are for those claimants who cannot manage the single monthly payment and there is a risk of financial harm to the claimant and or their family.

What are Alternative Payment Arrangements (APA's)?

- Paying the housing element of Universal Credit as a Managed Payment direct to the landlord (CHL can apply for this type of APA)
- More frequent than monthly payments
- A Split Payment of an award between partners

When a new UC claimant had submitted their application for UC, they will be sent an appointment to attend their administering Job Centre Plus (JCP). The first part of their interview will be with an administrator, to verify their details. This currently includes requesting photo ID. Recent reports have highlighted that some JCP's are refusing to verify claims without that photographic ID

Recent guidance has come back from the local DWP manager advising:

"To enable a client to prove ID we ask for a number of forms of identity. These are classified as primary [photo evidence e.g. passport], secondary [e.g. birth certificate, bank accounts etc.] and biographical [series of questions based on information in our current systems].

The primary ID can be linked with a single item of a secondary nature and is the simplest process. This is what the service centre will request in most/all cases.

If primary evidence is not available/ supplied then the local staff can consider 2 secondary forms of evidence and ask additional biographical questions. However as this is an additional activity to what the service centre will have requested and the claimant may not have brought the additional evidence with them, the member of staff may then book another appointment for the client to bring back the supplementary information before the claim can proceed. If there is no biographical evidence available we can ask for third party evidence, the PASA will get a client consent and then contact that third party [which could be an RP/LA] but this would require the claimant to be booked a follow up appointment before the claim proceeds.

The claimant will be required to also provide proof of tenancy and rent charges, including eligible service charges. CHL is currently looking at creating a letter from the new Capita system that will fulfil these requirements. It will also be important to check the rent charge details when CHL receives the notification of claim from the DWP, and if incorrect the details will require submitting again."

Once verified the claimant will see a work coach. Whilst part of the process is to formulate the claimants commitment to seeking employment, the interview is also 'supposed' to identify any issues that may mean the claimant or their family may be put at financial risk by having their UC paid monthly in arrears.

Additionally it is designed to identify when a claimant requires either assistance with IT skills, (sometimes this can be in order to actually make a claim or manage a COC and may have been identified prior to the claimant commitment interview), either to maintain their claim or to assist them with seeking employment, or alternatively where they identify that the claimant requires personal budgeting support to be able to manage their UC claim.

At that stage the work coach will refer the claimant to Cornwall Council, Shared Services; IT skills will then be on the basis of referral to libraries for IT access and support. This should be provided the same day or the next working day. It should be noted that to use IT facilities in the library a claimant will need to be a library member or become a member when they attend the library. (This could include the need for photo ID).

In the case of personal budgeting support needs the claimant will be referred via CC to CAB and will be guaranteed to be seen within 7 days of the referral.

(Once a tenant has made a claim for UC, if any budgeting or IT skill support needs are identified, CHL can make a referral direct to Revenues and Assessments via 0300 1234 121 or email the discretionary team on discretionaryaward@cornwall.gov.uk)

Whilst it is expected that potentially a high number of vulnerable claimants will fall through the net when being assessed for support needs, the work coach should use the following APA consideration factors when considering the needs for a managed payment.

| Alternative Payment Arrangements – Consideration Factors |
|--|
| Tier One factors – Highly likely / probable need for alternative payment arrangements |
| Drug / alcohol and / or other addiction problems e.g. gambling |
| Learning difficulties including problems with literacy and/or numeracy |
| Severe / multiple debt problems |
| In Temporary and / or Supported accommodation |
| Homeless |
| Domestic violence / abuse |
| Mental Health Condition |
| Currently in rent arrears / threat of eviction / repossession |
| Claimant is young either a 16/17 year old and / or a Care leaver |
| Families with multiple and complex needs |
| Tier Two factors - Less likely / possible need for alternative payment arrangements |
| No bank account |
| Third party deductions in place (e.g. for fines, utility arrears etc.) |
| Claimant is a Refugees / asylum seeker |
| History of rent arrears |
| Previously homeless and / or in supported accommodation |
| Other disability (e.g. physical disability, sensory impairment etc.) |
| Claimant has just left prison |
| Claimant has just left hospital |
| Recently bereaved |
| Language skills (e.g. English not spoken as the 'first language'). |
| Ex Service personnel |
| NEETs - Not in Education, Employment or Training |

Full information is given in the UC Personal Budgeting Support and Alternative Payment Arrangements guidance on the following link:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/541512/pbs-and-apa-guidance.pdf

CHL can currently make an application for an APA on the basis of rent arrears by completing the rent arrears managed payment form.

The rent arrears managed payment APA request form (UC47) can be found on Cornwall Housing's Intranet pages, through the link shown below:

[Rent arrears UC47](#)

Up until recently DWP have advised that an APA can only be applied for if a tenant has fallen into 2 months or more rent arrears due to non-payment of rent, or at 1 months rent arrears if there had been payments made, but which failed to meet the full rent charge. However recent feedback from DWP stated:

"If the landlord is aware of a tenant who is considered vulnerable and there are a number of factors affecting the claimant's circumstances as listed in the APA Tier factors, then they can apply on behalf of the claimant for an APA of a managed payment to landlord without rent arrears already being present. They will need to complete the Rent Arrears form, with as much information as possible around why they are recommending the claimant be considered for a managed payment to landlord APA. On receipt of the form, the UC Service Centre will then arrange for the claimant to have an interview with their work coach to discuss which Alternative Payments Arrangements are needed to support the claimant and they will also offer Personal Budgeting Support which is provided by the Local Authority.

The key thing to ensure is as much supporting information as possible is provided when completing the free text box "other information" where there are no current rent arrears present, to enable the Service Centre to clearly identify that an APA apt needs to be booked with the claimants work coach.

Ideally where a landlord knows that a tenant is about to make a claim to UC and they consider that this claimant may have circumstances listed as Tier 1 or 2 factors that they encourage the claimant to request the APA at their Initial Claim interview through their work coach. The earlier they are identified the better so as to reduce the chances of them falling in to rent arrears."

If the tenant's tenancy is at risk, and CHL is applying for an APA, we have been advised to ensure that the email is entitled "**URGENT EVICTION**".

The rent arrears form should be sent to DWP by using the following email address: UNIVERSALCREDITHOUSING.APAREQUESTS@DWP.GSI.GOV.UK NB. This is a secure network and only staff registered via IS Services will be able to use this email address. It is essential that this email address is used via a secure network link, as failure to do so will mean DWP will not respond to the request and additionally personal data of tenants may be compromised.

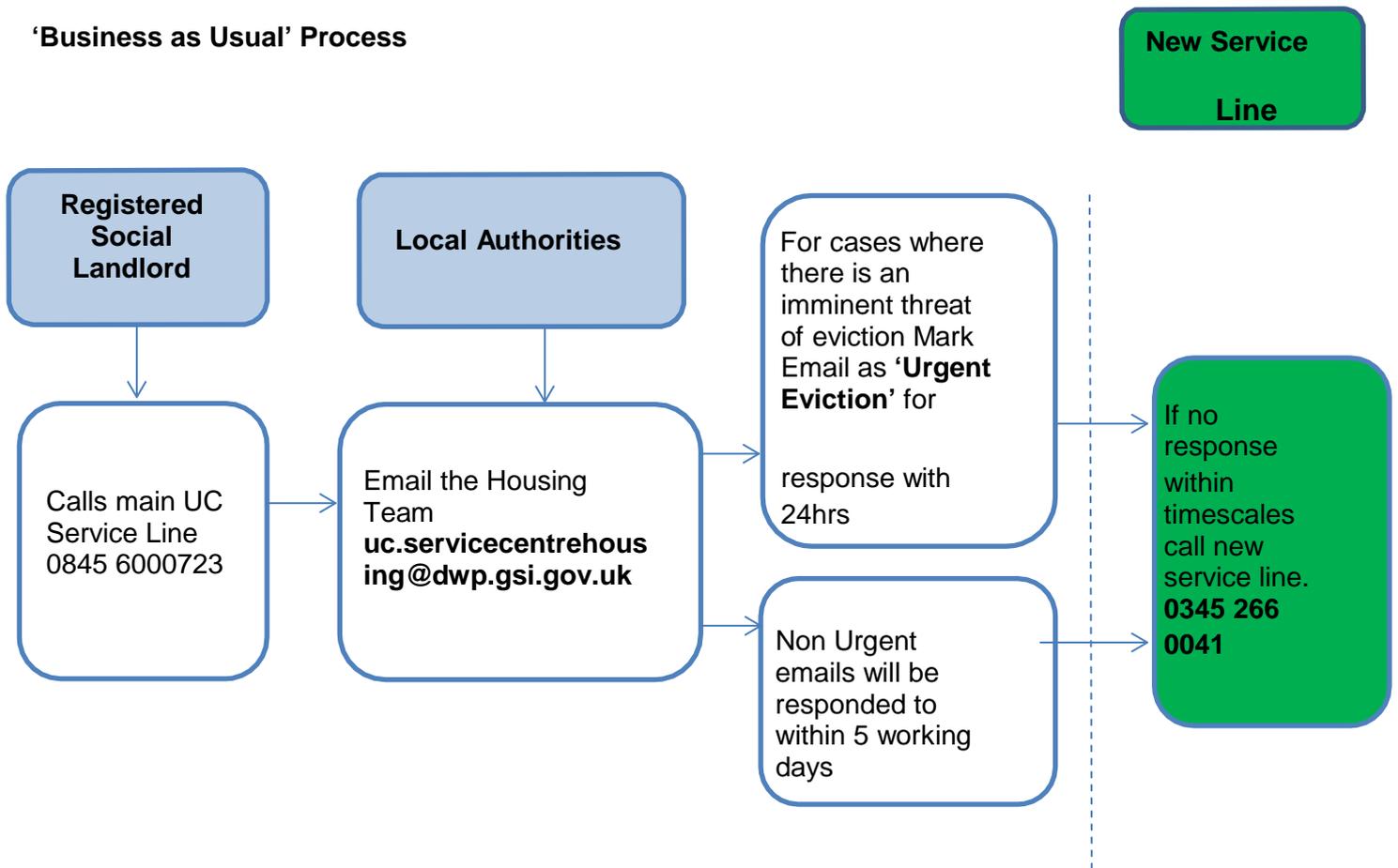
Where a response is not received having followed the 'business as usual' process a new UC enquiries escalation number has been provided.

The following information was recently supplied by DWP:

The new number to escalate UC enquiries is 0345 266 0041 and will be available Monday to Friday 10-12noon and 2-4pm. To avoid high volumes at 10am and 2pm we recommend that Landlords and LA's stagger their calls across the two periods. Under no circumstances should this number be given to claimants/tenants

This new service line is only to be used once the current 'business as usual' escalation routes have failed. Prior to calling the new service line Registered Social Landlords and LA's will be required to complete the following process:

'Business as Usual' Process



(Please note that due to the 'Test and Learn' approach of the Universal Credit system, the above may change.)

Only after completing the 'business as usual' process, and not receiving a satisfactory outcome within the timescales, should Registered Social Landlords and LA's call the new service line. Any inappropriate calls will be redirected to the appropriate channel and investigated/analysed for root cause.

STAGES:

The stages of action will still follow the normal stages contained within the rent policy, however there should be some flexibility in this and also additional actions due to the fact that UC is not yet at a 'business as usual' stage and the application process will require further bedding in as more and more UC applicants start claiming.

10.1 Stage one.

A reminder letter will automatically be issued

As with all arrears cases it is important to ensure that everything possible is done to make the tenant aware that they are in an arrears situation. This is especially important with UC claimants.

In cases where tenants are already claiming HB prior to making a UC claim, it is highly likely that their entitlement to HB will cease due to their new UC claim or the fact that other benefits have cancelled. On that basis it is likely that a stage 1 letter will be automatically generated due to no HB and no rent payments.

Likewise if a claimant had been employed and making a rent contribution prior to claiming UC, then a non-payment will automatically trigger a stage 1 letter, regardless of whether CHL is aware that a UC claim has been made.

If however a tenant makes contact on their own initiative because they have started the UC claim process, and a stage 1 letter has not been sent, it is important that this stage is implemented immediately. This is in order to start the policy process running so the arrears case can be moved through the stages as required.

10.1.1

If the tenant makes contact as requested in the above scenario's the aim should be to firstly gather details of the 1st UC payment date and also set up a payment agreement preferably via a direct debit. Currently CHL is only

able to process Direct Debits on the 1st and 16th of each month. If the tenant's UC payment period is compatible with either of those dates this is the preferred method of payment. However it is likely that the available Direct Debit options will not be suitable for some applicants due to their payment date, in which case a Banker's Standing Order should be encouraged.

CHL is currently investigating the option of Allpay daily Direct Debits.

It will also be necessary to check that the tenant has provided DWP with the correct rent charge details including service charge details. This can also be checked on receipt of confirmation of UC claim detailed above.

It is essential that an agreement is set up on the rent management system to coincide with the tenant's UC payment, and allowing sufficient time for payments to reach CHL. If possible the tenant should start making additional payments to bring their account into a payment in advance.

Where limited arrears already exist, if necessary, CHL can apply for a managed payment (previously known as DSS direct etc.), which can be deducted at the rate of up to 20% of the tenants standard UC. With regard to the up to 20%, the default deduction amount is 10%, and a higher deduction rate should only be applied for after financial checks and in negotiation with the tenancy to avoid financial hardship. However consideration should be given to the tenant adding those payments to their normal monthly payment as it is likely to be less onerous to administer.

In all cases the Rent Management Officer should also check whether DWP has referred the claimant for personal budget support via Cornwall Council, and to try and identify whether there are any other issues that may impact the tenant's ability to pay their rent or manage their UC claim.

If any issues are identified this should result in an immediate referral to an Inclusion Advisor, who will identify whether a tenant meets either Tier 1 or Tier 2. (See section 10 above for details of Tier 1 and Tier 2.) Additionally if a referral is not already in place, the Inclusion Advisor can also refer the tenant to Cornwall Council for either personal budgeting or IT support via Shared Services, as appropriate, by: contacting Revenues and Assessments via 0300 1234 121 or email the discretionary team on

discretionaryaward@cornwall.gov.uk

It is also vital that the tenant is advised to make a new application for local Council Tax support relief, as any previous entitlement would have ceased at the same time that the tenant's HB claim ceased.

(A referral to an Inclusion Advisor can happen at any stage within the rent arrears process.)

The Tier 1 and Tier 2 guidance is as follows:

If the inclusion advisor identifies either a Tier 1 or Tier 2 issue and can evidence that this will impact the ability to manage their rent payments, with the claimants agreement, They can complete the necessary form and send to the DWP to consider alternative payment arrangements, where appropriate, prior to the 2 months' rent arrears levels being accrued. Once the Inclusion Advisor identifies that an APA is appropriate they should immediately contact the Rent Management Officer to discuss the action. The details should still be submitted on the Rent Arrears form below, but the additional information section should give details why an APA is required.

Where substantial arrears exist which already equate to 2 month's rent arrears an immediate application for alternative payments, no client agreement is required, and the Rent management Officer should complete Whilst completing the APA if there are arrears an automatic request for an MPA should be made in the same form

[Rent arrears UC47](#)

This form should be emailed securely to:
uc.servicecentrehousing@dwp.gov.gsi.uk

In cases where the tenant's home is at risk the email should be headed **'URGENT EVICTION'**.

10.2 Stage two

If the tenant has failed to make contact following a stage 1 letter, and confirmation has been received from DWP that a UC claim has been made, then contact will be made with the tenant, preferably a visit to the tenant in their home. If the tenant is unavailable, a statement will be left at the property in a sealed envelope. The tenant will be asked to contact their rent management officer within 7 days.

This is to ensure the tenant understands their rent payment obligations under the UC regime, it will also give the rent management officer the opportunity to better assess any specific support issues, such as a required referral to an Inclusion Advisor or to Revenues and Assessments for Personal Budgeting or IT support.

Once the monthly UC payment date has been established an agreement should be set up on Open Housing, to reflect those payment dates and to avoid unnecessary letters/contact. The system should be flagged to show that the tenant is in receipt of UC. (Open Housing UC pages will be implemented in the near future)

Ideally the monthly payment from the tenant would include a small amount to bring the account into a payment in advance situation over time.

Any previously accrued arrears can either be negotiated to be paid in addition to the monthly in arrears rent payment amount. Or alternatively the UC47 e-secure email rent arrears form can be used to apply for managed deductions from a tenant's standard UC claim.

10.3 Stage three

If there is no response to stage 1 or 2, and where rent arrears are static, still increasing or are persistent (see definition in section 5.9), we will:

- Automatically send a strong warning letter advising the tenant that legal action may commence should they fail to address the situation.

Note: For introductory and assured shorthold starter tenancies, we will review the tenancy at this stage (with consideration to extend the introductory period, and throughout the tenancy up to the Notice stage). It is important to remember that it is a 2 months' notice period for extensions, so it is vital to ensure that there is sufficient time prior to the introductory/assured shorthold starter tenancy becoming secure/assured.

If rent arrears have reached the 2 months level or 1 month's arrears due to part payments, an application should be made for an APA through the secure email process shown above.

10.4 Stage four

For rent arrears greater than £350.00 or in cases of persistent rent arrears with arrears greater than £100.00, we will:

1. Issue a Notice of Intention to Seek Possession (NSP) or an appropriate Notice and carry out a home visit to serve the Notice. This will only be issued following an initial Human Rights Assessment and Disability Justification Form has been completed.
2. Any APA applied for at NSP level and above must be marked **'URGENT EVICTION'** when the UC47 rent arrears form is sent through the secure network. Arrears will be such at this stage that it is appropriate to apply for a managed deduction in addition to ongoing rent payments in order to reduce the arrears.

NOTE: A Notice of Intent to Seek Possession is a 28 day legal warning and if the amount displayed on the Notice is not cleared within 28 days, we can go to Court to seek possession of the property. If granted this could result in the tenant and their household being evicted. In the case of assured shorthold starter tenancies, the Notice period is 8 weeks and is served on the basis of breach of Conditions of Tenancy.

If it is an introductory tenancy, the tenant has the right to request a review. This request must be submitted in writing within 14 days of the date of the Notice. The review must be held in time to give 5 days' notice to the tenant, and also for the hearing to be heard and for written confirmation of that decision to be given prior to Court proceedings being started, on the earliest date possible that legal proceedings can be commenced. There is only a 28

day period to ensure that the above takes place or it will negate the process. However this can be extended by giving a longer notice period in complex cases.

If it is an assured shorthold starter tenancy, there is no right to a review in law; however on the basis of equality this right has been written into the Conditions of Tenancy. Accordingly, the same process as for introductory tenancies must be followed, but there is an 8 week period of time in which to complete this process, due to the need to give 8 weeks notice.

Additionally if in the case of an assured shorthold starter tenancy, although there is no right in law to automatically become an assured tenant after a twelve month period, on the basis of equality, that right has been written into the Conditions of Tenancy. In addition to this, an assured shorthold starter tenancy can be extended by 6 months as with introductory tenancies, and the same process should be followed. However to extend the tenancy, this can be done in writing, not through a Notice to Extend as in the case of an introductory tenant.

In the case of both introductory and assured shorthold starter tenancies, failure to resolve the arrears prior to Court will result in mandatory possession being given as long as due process has been followed. Reasonableness, proportionality and disability justification issues must be considered throughout this process.

At Warrant application stage for introductory and assured shorthold starter tenancies, refer to 8.10 Stage ten and 8.11 Stage eleven above, but there is no right to appeal the warrant, as it is a mandatory possession.

10.5 Stage five

If the arrears have not been cleared or substantially reduced by the second week of the notice period, even if an APA has been applied for we will:

Send a letter to advise the tenant that their case is now being considered for Court action and if there is no significant reduction in the level of arrears, or an agreement made and adhered to, their case will be referred to Court for possession proceedings.

The reason for taking this action despite an APA for direct payments is that the tenant's circumstances may change at any time, or as the APA for direct payments are at the DWP's discretion, whilst unlikely, the request may be declined.

Additionally APA's are expected to be a short term management tool, and the tenant will be expected to undertake personal budgeting support to enable them to manage their finances over a period of time.

It will therefore be prudent to have the next stage of action in place to pre-empt the need to escalate the enforcement action.

Additionally a tenant may already be in serious rent arrears prior to moving on to UC and direct payments, and there are no guarantees that tenants with rent arrears will be identified at work coach interview stage for an automatic APA. Consequently a tenant may quickly move from a high level of rent arrears which when increased, justify escalating the enforcement action.

10.6 Stage six

If there has been no response to Stage five, and the notice is live, we will:

The Rent Management Officer will try and arrange an appointment by phone, and if unable to contact by phone, they will make an impromptu visit. If unavailable a calling card is left with a request to contact. If necessary, pre court interviews can be carried out by telephone.

Every effort will be made to see or speak to the tenant to ensure that they are aware of the severity of the situation, to ensure that records regarding income etc. are up-to-date and to try and make an agreement to avoid progression of the case to Court. However, if either the contact or the outcome of any contact is unsuccessful; we will send a letter to the tenant confirming that a Court hearing has been applied for.

10.7 Stage seven

(Although the decision will have been taken to serve a Notice, it may well be the situation that a case is not automatically referred for Court proceedings. That decision is made at stage 7, and can be reviewed throughout the process.)

If rent arrears are greater than or equal to the amount stated on the NSP (unless pending Housing Benefit has been received or an Alternative Payment Arrangement (APA) **and** Managed Payment Arrangement (MPA) for UC Housing Costs is in place, or greater than £500 or if the NSP has been served and the arrears are greater than £350, but no payment to reduce the arrears has been received for 4 weeks at any given time, we will:

Ensure the **Rent Manager** considers and approves the case before possession proceedings commence. This will only be done following completion of:

a Human Rights Assessment, Disability Justification form and a Pre Action Protocol Check list.

From stage seven onwards, if all steps have been taken to avoid Court action follow stages 8.8 onwards.

11. Stages of action for non-secure tenants

Non secure tenancies are used for tenants who are re-housed in social housing properties owned by Cornwall Council, (excluding hostel accommodation), but which are used to provide temporary housing, pending residents' moves into alternative privately rented accommodation, or a successful bid through Cornwall HomeChoice.

Cornwall Council will have accepted a duty for the occupants under homeless legislation.

As far as possible, Non-Secure tenancies are dealt with in line with other tenancies with some additions, namely the ongoing involvement of the Housing Options team.

It should be noted there is no security of tenure, and possession (if sought) is mandatory. However, consideration should be given at all stages to the reasonableness and proportionality of any action, and additionally to any disabilities within the household. All vulnerabilities will be dealt with in the same way as other tenancies.

It is highly likely that eviction from a non-secure tenancy will affect an individual's homeless status, which could seriously impact on that individual and their household. Due to this factor it is essential that any rent arrears are dealt with quickly to avoid the tenant losing their home.

Additionally, it is important to recognise that many people who find themselves homeless may have a number of support issues, including previous debt, poor financial capability and issues around income maximisation.

Where possible, repayment agreements should be made and advice given regarding benefit entitlement etc.

As with other tenancies, we will proceed to the next stage of the procedure unless the arrears have been cleared or a payment plan is in place and the debt is reducing.

In all cases, every effort will be made to contact the tenant first either by telephone, email or text message.

Temporary accommodation owned by the Local Authority are not currently exempt from the under occupancy reduction, and it is therefore important that the property meets the tenant's housing needs in line with the welfare reform bedroom criteria.

11.01 Non-secure tenants and Universal Credit.

If a tenant has a non-secure tenancy and is a UC Claimant, refer to section 10 back ground information and 10.1.1 additional actions for guidance on UC claimants in rent arrears or at risk of accruing rent arrears.

The stages applicable to the tenancy type should still be followed to ensure that possession proceedings are still a viable option if all other mitigating actions fail.

It should be noted that although Cornwall Council properties let on non-secure tenancies are temporary homelessness accommodation as they are self-contained and do not have housing support attached to the tenancies, they are not classed as specified accommodation and are therefore not exempt from direct housing cost payments to UC claimants.

Consequently although this is temporary accommodation, if tenants claim UC during their residency and claim housing costs, those costs will be paid direct to the claimant.

However as tenants in non-secure tenancies, (temporary homelessness accommodation), will automatically be identified as 'tier 1' claimants, an application for an APA must be considered at the earliest opportunity, along with an automatic referral to an Inclusion Advisor to check their financial capability etc., as it is likely this factor will not be identified during the tenant's initial work coach interview.

Whilst more susceptible to the repossession process due to being non-secure, it will be important to have fully considered the challenge of 'reasonableness' prior to starting any possession proceedings.

11.1 Stage one

If there are rent arrears of 1 week' rent or 1 weeks' rent payable, we will:

- 1) Automatically send a reminder letter; and
- 2) Copy the letter we send to our Housing Options team to alert them that a non-secure tenant is falling into arrears.

11.2 Stage two

If there are rent arrears of 2 weeks' rent or 2 weeks' rent payable, we will:

- 1) Make telephone contact or visit the tenant in their home. If the tenant is unavailable at a home visit a statement will be left at the property in a sealed envelope.
- 2) The tenant will be asked to contact their rent management officer within 7 days.

11.3 Stage three

If rent arrears are static, still increasing or where there are persistent rent arrears (having arrears greater than 2 weeks' rent payable, more than twice in any six month period) we will:

- 1) Send a strong warning letter advising the tenant that legal action may commence if they do not address the situation; and
- 2) Send a copy of the letter to our Housing Options team.

3) If financial statements show the inability to make rent payments due to other debts, the Rent Management Officer will refer the tenant to an IA to prioritise payment of those debts to enable the tenant to meet their rent liability. Failure to engage in this process, or make/keep a repayment agreement will result in a Notice to Quit being served and action progressed.

11.4 Stage four

Where there is a failure to reduce the arrears satisfactorily from the level of arrears at Stage Three, we will:

1) Formally interview the tenant jointly by the Rent Management Officer and the Housing Options Officer. The tenant will be warned that failure to bring the arrears down at a satisfactory rate will lead to a Notice to Quit being served and subsequent application for the re-possession of the property.

(At the same time, the Housing Options Officer will carry out a check on intentionality due to arrears and formally warn the tenant of a possible ending of the duty to house.)

11.5 Stage five

Where rent arrears are higher than at Stage Four we will

- 1) Issue the tenant with a Notice to Quit and proceed to Court to repossess the property, following a review of the case by the Rent Manager, completion of a Human Rights Assessment form and a disability justification form as appropriate; and
- 2) Ensure that our Housing Options team receive a copy of the Notice to Quit.

11.6 Stage six

Consideration to withdraw the Notice to Quit will only be made if there is a significant reduction in the arrears, if a repayment agreement is put in place and if the Housing Options team agree that Court action is withdrawn.

The tenant will also be required to engage in work around indebtedness, money management training and work opportunities as appropriate, in addition to adhering to a repayment plan in order to improve the tenant's financial situation whilst sustaining their tenancy.

If after the withdrawal of the Notice to Quit there are further breaches of any conditions within the tenancy agreements a further Notice to Quit will be served and the possession process will continue.

11.7 Stage seven

In the case of non-secure tenancies, possession is mandatory as long as due process has been followed. It is important for us to record consideration given to reasonableness, proportionality and issues of disability. It is

possible for a non-secure tenant to seek judicial review as a means to overturn possession proceedings.

11.8 Stage eight

Where possession is granted, we will follow Stages **8.10** and **8.11** above, (page 19); however there is no right of appeal regarding the execution of the warrant.

12. Private Sector Leased properties

Private Sector Leased (PSL) properties are properties leased by Cornwall Council and managed by Cornwall Housing Ltd to provide temporary housing, pending residents' moves into alternative privately rented accommodation, or a successful bid through Cornwall Homechoice.

Cornwall Council will have accepted a duty for the occupants under homeless legislation. PSL properties are let on non-secure tenancies and will follow the non-secure tenancy procedure. It should be noted there is no security of tenure, and possession (if sought) is mandatory. Due to this factor it is essential that any rent arrears are dealt with quickly to avoid the tenant losing their homes. It is highly likely that eviction from a PSL property will affect an individual's homeless status, which could seriously impact on that individual and their household.

Additionally, it is important to recognise that many people who find themselves homeless may have a number of support issues, including previous debt, poor financial capability and issues around income maximisation.

As far as possible, non-secure tenancies are dealt with in line with other tenancies in relation to customer care with some additions, namely the ongoing involvement of our Housing Options team. Due to the issues around reduced security, it is essential that consideration is given at all stages to the reasonableness and proportionality of any action, and additionally to any disabilities within the household. Where possible, repayment agreements should be made and advice given regarding benefit entitlement etc.

The arrears action stages for PSL's mirror those for non-secure tenancies. However management of the rent account is dealt with by the Rents Management Team in Landlord Services.

PSL temporary accommodation is exempt from the welfare reform under occupancy benefit penalty; however households are not exempt from the Benefit Cap. Therefore Housing Options will ensure that they consider this factor when looking at the affordability of an offer of a PSL property.

When a rent account has triggered the above process a signed Arrears Action Sheet will be passed to the Rents Manager.

This is to ensure that the property and homelessness file meets the necessary requirements to discharge Cornwall Council's homelessness duty.

No applicant will be evicted from temporary accommodation unless his or her homelessness duty can legally be discharged. If a request for review is received under Homelessness Legislation regarding the discharge of duty records need to show that the process has been completed satisfactorily and can be evidenced.

12.1 Private Sector Leased properties and Universal Credit

If a tenant in a non-secure tenancy is a UC Claimant, refer to section 10 back ground information and 10.1.1 additional actions for guidance on UC claimants in rent arrears or at risk of accruing rent arrears.

The stages applicable to the tenancy type should still be followed to ensure that possession proceedings are still a viable option if all other mitigating actions fail

It should be noted that although PSL properties are temporary homelessness accommodation, they are not classed as specified accommodation and are therefore not exempt from UC direct rent payments to UC claimants.

Consequently although this is temporary accommodation, if tenants claim UC during their residency and claim housing costs, those costs will be paid direct to the claimant. This presents a risk to CHL in relation to rent collection levels as the rent is substantially higher, and it is not yet clear what the process will be to deal with the housing management subsidy payable for this type of general fund property.

However as tenants in non-secure tenancies will automatically be identified as 'tier 1' claimants, an application for an APA must be considered at the earliest opportunity, along with an automatic referral to an Inclusion Advisor to check their financial capability etc., as it is likely this factor will not be identified during the tenant's initial work coach interview.

Whilst more susceptible to the repossession process due to being non-secure, it will be important to have fully considered the challenge of 'reasonableness' prior to starting any possession proceedings.

Housing Option's staff identified as being responsible for applying for APA's must, like the HRA Rent management officers ensure that the UC47 arrears form is submitted via the secure email network.

12.2 Stage one (NS1)

If there are rent arrears of 1 week' rent or 1 weeks' rent payable, we will:

- 1) HA will automatically send a reminder letter; ~~and~~

12.3 Stage two (VLET)

If there are rent arrears of 2 weeks' rent or 2 weeks' rent payable, we will:

- 1) Housing Assistant (HA), will make telephone contact, ~~or~~ if the tenant unavailable will send letter advising that referring to AO and to make contact. Pass copy letter to Accommodation Officer (AO) to diary date and if no contact within 7 day visit the tenant in their home.

2) If the tenant is unavailable at a home visit a statement will be left at the property in a sealed envelope and request financial statement to be completed. The tenant will also be asked to contact the rent management HA's within 7 days.

12.4 Stage three (NS2)

If rent arrears are static, still increasing or where there are persistent rent arrears (having arrears greater than 2 weeks' rent payable, more than twice in any six month period) we will:

- 1) The HA will send a strong warning letter advising the tenant that legal action may commence if they do not address the situation; and
- 2) HA to advise the relevant AO in Housing Options that the letter has been sent.
- 3) If financial statements show the inability to make rent payments due to other debts, or if no financial statement received, the HA will refer the tenant to an IA to prioritise payment of those debts to enable the tenant to meet their rent liability. Failure to engage in this process, or make/keep a repayment agreement will result in a Notice to Quit being served and action progressed.

12.4 Stage four (NSI)

Where there is a failure to reduce the arrears satisfactorily from the level of arrears at Stage Three, we will:

1) HA's will refer to the AO to arrange to formally interview the tenant jointly with an Inclusion Advisor. The tenant will be warned that failure to bring the arrears down at a satisfactory rate will lead to a Notice to Quit being served and subsequent application for the re-possession of the property.

At the same time, the Accommodation Officer will carry out a check on intentionality due to arrears and formally warn the tenant of a possible ending of the duty to house. The AO will brief the tenant's Homelessness case worker that an NTQ may be required.

Some PSL tenants may still be under investigation regarding their homeless duty, so it is essential that the homelessness case worker is kept informed.

Arrears action sheet to be completed prior to next stage of action (NTQ)

12.5 Stage five (NSNTQ)

Where rent arrears are higher than at Stage Four;

- 1) The HA's will prompt the AO that the arrears are at NTQ level, The Accommodation Officer will complete a Human Rights Assessment form and a disability justification form as appropriate; and
- 2) The AO will produce the Notice to Quit, issue the NTQ and explain to the tenant how it will affect the homeless decision.
- 3) The AO will also give advice to the tenant on what options are available to them.

12.6 Stage six (NS4)

Where rent arrears are the same or higher than at stage five, the HA's will;

- 1) Send a letter to advise the tenant that their case is now being prepared for court action and if there is no significant reduction in the level of arrears or an agreement made and adhered to, possession proceedings will ensue.
- 2) At this stage the HA will also send a copy letter to the AO for information and evidence.

Consideration to withdraw the Notice to Quit will only be made if there is a significant reduction in the arrears, if a repayment agreement is put in place and if the relevant Accommodation Officer in Housing Options agree that Court action is withdrawn. (Final decision around withdrawal will be signed off by the Temporary Accommodation Manager).

The tenant will also be required to engage in work around indebtedness, money management training and work opportunities as appropriate, in addition to adhering to a repayment plan in order to improve the tenant's financial situation whilst sustaining their tenancy. The AO or IA can refer the tenants to Reed in Partnership, Smart or TFF as appropriate.

If after the withdrawal of the Notice to Quit there are further breaches of any conditions within the tenancy agreements a further Notice to Quit will be served and the possession process will continue.

12.7 Stage seven

AO's manage the process from this stage.

In the case of non-secure tenancies, possession is mandatory as long as due process has been followed. It is important for us to record consideration given to reasonableness, proportionality and issues of disability. It is possible for a non-secure tenant to seek judicial review as a means to overturn possession proceedings.

12.8 Stage eight

Where possession is granted, we will follow Stages **8.10** and **8.11** above, (page 19); however there is no right of appeal regarding the execution of the warrant.

13. Hostels: Licences

Licences differ in a number of ways to other types of tenancies we manage. They provide different levels of security depending on the type of property they relate to, and consequently this affects the way in which rent arrears relating to licences are managed.

13.1 Polruan Hostel Accommodation

Licences relating to hostel accommodation offer no security. Hostel accommodation is used primarily for short stay temporary accommodation for applicants moving through the homeless process. The licences offered are commonly referred to as bare licences; the accommodation is mostly non self-contained and hostel staff have the right of access to this accommodation 24 hours per day. This accommodation can at times be offered to homeless applicants whom Cornwall Council has yet to confirm a duty for under homeless legislation.

Although most charges relating to the hostels are eligible for Housing Benefit, charges relating to items such as energy costs are not covered by Housing Benefit and arrears will accrue if these charges are not covered by the licensee. Additionally if a hostel licensee is in employment, due to the level of the rent charge, high arrears can quickly accrue if payments are not made in a timely manner.

It is therefore essential that licensed accommodation is monitored closely, and that rent arrears are dealt with quickly to prevent the licensee from losing their home. It is highly likely that any eviction from hostel accommodation will affect the licensee's homeless status, which could seriously impact on them and their household.

Additionally, it is important to recognise that many people who find themselves homeless may have a number of support issues, including previous debt, poor financial capability and issues around income maximisation.

As far as possible, licences are dealt with in line with other tenancies in relation to customer care with some additions, namely the ongoing involvement of our Housing Options team. Due to the issues around lack of security, it is essential that consideration is given at all stages to the reasonableness and proportionality of any action, and additionally to any disabilities within a household. Where possible, repayment agreements should be made and advice given regarding benefit entitlement etc.

As with other tenancies, we will proceed to the next stage of the procedure unless the arrears have been cleared or a payment plan is in place and the debt is reducing.

13.2 Polruan Hostel Accommodation and Universal Credit

It should be noted that for UC purposes Polruan Hostel is registered as 'specified accommodation' due to being a homeless hostel that provides temporary accommodation, which is non-self-contained, with the required communal facilities and importantly where housing support is provided to individual licensees at the facility.

Consequently any licensee at Polruan Hostel, when eligible to claim UC, will be exempt from claiming their housing costs in their UC claim. They will be required to make a Housing Benefit claim as normal and any entitlement will continue to be paid direct to the landlord.

(With the current limited UC roll out process, claimants in temporary accommodation are exempted from claiming at this time, however this will change as the roll out progresses, and in addition to this a new licensee may already be claiming UC prior to moving into the hostel in which case that UC claim will continue).

It is however important to acknowledge that as those licensees move out into non-temporary accommodation be it in to social housing or the private sector they will at some stage be claiming UC. On that basis everything possible should be done to ensure they fully understand what it takes to be 'UC ready' whilst still at the hostel.

Additionally whilst Polruan is 'specified accommodation' should a licensee be placed in Polruan but does not receive housing support, and is in receipt of UC or makes a claim for UC the exemptions for that licensee ceases. Whilst this does not impact other licensees who meet the specified accommodation criteria, the licensee in question would have to apply for their housing costs within their UC claim and any housing cost entitlement would be paid direct to the licensee not to the landlord.

Should that situation occur please refer to section 10 for background information and section 10.1.1 for additional actions that should be undertaken to try and mitigate any negative impacts on rental income or their licence.

However as licensees will automatically be identified as 'tier 1' claimants due to being in temporary homelessness accommodation an application for an APA must be made at the earliest opportunity, along with an automatic referral to an Inclusion Advisor to check the licensee's financial capability etc.

The arrears stages process should continue appropriately even if an APA is in payment in order to mitigate any changes to that situation and that further enforcement action may then be required.

13.2 Hostels: stage one

With rent arrears of 1 week' rent payable, the appropriate member of staff will:

- 1) Send the licensee a reminder letter (Letter 1); and
- 2) Alert the Homelessness Team (Homelessness Officer) to the arrears. In the Mid area, this is currently through the Hostel Manager. The Homelessness Officer should then liaise with the client and the Hostel Manager, in the East area, the Homelessness & Move On Team manage the rent process and therefore follow stages one to eight.

Hostel accommodation has management staff and support workers who will be in regular contact with the licensee, so rent arrears management is not confined to weekly/fortnightly letters etc. Ad hoc visits will also have their role to play throughout the process to ensure the highest level of support to help sustain a licensee's tenancy. Due to the ongoing contact with our support staff, it is highly likely that contact with the licensee will be made in addition to and before this procedure would normally start, especially if they are employed, due to the levels of rent charges involved.

NB Polruan rent arrears are currently managed by Landlord Services rent management team, and Hendra are managed by the Temporary Accommodation Managers.

13.3 Stage two

With rent arrears of 2 weeks' rent payable, or failure to make an agreement and start reducing the arrears, we will:

- Issue a second reminder letter (Letter 2) and visit the licensee at their flat to discuss repayment of any arrears. If licensee is unavailable, a statement will be left at their flat in a sealed envelope, or in their post box. The licensee will be asked to contact their hostel manager or support worker immediately regarding their arrears.

13.4 Stage three

Where rent arrears are static, still increasing or persistent (having arrears greater than 3 weeks' rent payable, more than twice in any six month period) we will:

Issue a third reminder letter (Letter 3) and arrange a further home visit advising the licensee that their licence is at risk if they fail to take steps to bring their account under control. Additionally, if the arrears are in excess of £100, this could affect the licensee's move out of hostel accommodation into temporary or Private Sector Leased properties. Moves into permanent accommodation could also be affected at the verification stage, with future

potential landlords turning down the licensee's nomination on the ground of rent arrears.

13.5 Stage four

Where there is a failure to reduce the arrears satisfactorily from the level of arrears at Stage Three, we will:

A Rent Management Officer/Temporary Accommodation Manager, dependant on which hostel the arrears relate to, will formally interview the licensee jointly with the Housing Options Officer. The licensee will be warned that failure to bring the arrears down at a satisfactory rate will lead to a Notice of Termination being served (28 days notice for rent arrears) and subsequent repossession of the property.

(At the same time, our Housing Options Officer will carry out a check on intentionality due to arrears and will formally warn the licensee of a possible ending of the duty to house.)

13.6 Stage five

Where there is a failure to reduce the arrears satisfactorily from the level of arrears at Stage Four, we will:

- 1) Serve Notice of Termination, signed by the appropriate manager, giving 28 days' notice to leave. Throughout this process consideration must have been given to proportionality and disability justification issues; and
- 2) Our Housing Options team will consider intentionality, and serve information regarding the duty to house and intentionality as appropriate, at the same time.

In agreement with our Housing Options team, if a licensee resolves the arrears situation within the 28 days that the Notice of Termination is in force, the notice will be withdrawn.

If however the licensee does not take steps to resolve the arrears, they will be required to leave the hostel when the notice expires. If they fail to leave voluntarily, it will result in legal action on the grounds of trespass and costs will be sought. (Where possible, the support worker will work with a licensee to seek alternative rented accommodation during the notice period, and will work with Housing Options around issues such as deposits).

14. Gypsy & Traveller Sites: Pitch Licence

The Council provides services to the residents of sites in return for a pitch licence fee. This charge is used to cover the cost of amenities to the site. Cornwall Housing manages these sites on behalf of Cornwall Council.

Gypsy & Traveller sites offer little security of tenure; however as far as possible they will be dealt with in-line with other tenancies, namely with the ongoing involvement with Rent Management Officers and Gypsy & Traveller Support Workers although there is no security of tenure and possession (if sought) is mandatory.

However consideration should be given at all stages to reasonableness and proportionality of any action, and additionally to any disabilities within the household. All vulnerabilities will be dealt with in the same way as other tenancies. Where possible, repayment agreements will be made and advice given regarding housing benefit, money management etc.

As with other tenancies, Cornwall Housing will proceed to the next stage of the procedure against the licensee unless arrears have been cleared or a payment agreement is in place and the debt is reducing. The term weeks rent means the individual pitch licence fee including service charges per week.

The term weeks rent payable is the net rent payable by the pitch licensee after any Housing Benefit is deducted each week.

This process will also apply to any transient sites.

In all cases, every effort will be made to contact the licensee first either by telephone, email or text message.

14.0.1 Gypsy & Traveller Sites: Pitch Licences and Universal Credit

Gypsy and traveller sites have undergone a recent rent and service charge review, which has resulted in increased costs for renting a pitch on the Gypsy and Traveller sites leased by CHL.

As a high number of licensees are in receipt of Housing benefit, those costs are currently paid direct to CHL who now lease and manage the three Cornwall Council owned gypsy and traveller sites across Cornwall. However as those licensees migrate across to become UC claimants, so any housing costs will go from being paid direct to CHL to the claimants themselves.

UC potentially poses a substantial risk to both CHL and to the licensees.

To CHL on the basis that historically rent collection has been difficult on the sites in question, and that risk will rapidly increase as residents start to move across to UC and have to be responsible for managing the direct payments of all their housing costs.

For the Gypsies and traveller households there are a number of issues that may make it difficult for them to manage the UC process, such as access to IT, IT and personal budgeting skills, literacy problems and overcoming the

historical issues around failure to make required rent and service charge payments on an ongoing basis.

Communication will be extremely important as new UC claims materialise and every use must be made of the ability to apply for direct payments using tier 1 and tier 2 vulnerabilities. Please refer to sections **10** and **10.1** for background information and guidance on APA's

It is highly likely that a number of gypsy and traveller households will meet tier 1 consideration factors and an early APA application may ensure that rent income is maximised and licences sustained. However the process is at DWP's discretion and consideration must be given to what the life of any APA will be and what conditionality DWP will attach to any APA granted. For instance conditionality may include a mandate to attend personal Budgeting support or IT skills training. Failure to attend may result in sanctions etc. which could impact ability to pay.

The arrears stages process should continue appropriately even if an APA is in payment in order to mitigate any changes to that situation and that further enforcement action is then required.

14.1 Stage one

With rent arrears of 1 week rent or 1 week's rent payable, we will;

- 1) Send the pitch licensee a reminder letter
- 2) Alert the Gypsy & Traveller Support Worker (GTSW), of the arrears

14.2 Stage two

With rent arrears of 2 weeks rent or 2 weeks rent payable or static arrears, we will;

- 1) Make telephone contact or visit the tenant in their home with the GTSW. If the tenant is unavailable at a home visit a statement will be left at the property in a sealed envelope.
- 2) The tenant will be asked to contact their rent management officer within 7 days.

14.3 Stage three

If arrears are still increasing, static or where there are persistent rent arrears (having greater than 2 weeks rent payable, more than twice in any six month period) we will;

- 1) Send the pitch licensee a strong warning letter advising them that legal action may commence if you do not address the situation; and
- 2) Alert their GTSW & Gypsy and traveller Liaison Officer (GTLO) of the situation

14.4 Stage four

Where there is a failure to reduce the arrears satisfactorily from the level of arrears at stage three, we will;

- Formally interview the pitch licensee jointly with the GTLO or Site Manager. They will be warned that failure to bring the arrears down at a satisfactory rate will lead to a Notice to Quit being served and subsequent eviction from the pitch.

The aim of this meeting will be to establish:

- a) If the pitch licensee understands the previous correspondence.
- b) The reasons why payments have stopped or changed.
- c) To check Housing benefit and other welfare benefit entitlements are being claimed.
- d) To agree a reasonable re-payment plan
- e) To signpost the pitch licensee to other support services like the CAB, other appropriate advice agencies & Housing Options.

The minimum weekly arrears agreement will be current rent plus £3.60 per week (to be reviewed yearly in line with the Department of Work and Pensions deduction rates).

14.5 Stage five

If the arrears agreement is broken and arrears increase or remain static after stage 4, we will;

- 1) Send the pitch licensee a letter which states that they have 7 days to pay the arrears in full or bring their agreement up to date, any further breaches will not be tolerated.
- 2) Alert the GTLO that the agreement has been broken & provide a copy of the letter.

14.6 Stage six

Where rent arrears are higher than at stage 5 or the pitch licensee is persistently in arrears we will;

- 1) Issue a Notice to Quit by personal delivery
- 2) Interview the pitch licensee at their home if available
- 3) Advise Housing Options that a Notice to Quit has been issued and supply a copy.

14.7 Stage seven

Consideration to withdraw the Notice to Quit will only be made if there is a significant reduction in arrears, or if an alternative repayment agreement is in place.

If arrears have not reduced or regular payments being made towards the arrears at expiry date of the notice to quit, court proceedings for possession will be initiated, we will;

- 1) Send the pitch licensee a letter advising that the notice to quit has expired and the account is still in arrears and court proceedings have been initiated
- 2) Liaise with the GTLO
- 3) Advise Housing Options

Throughout this process, consideration must be given to proportionality and disability justification.

15. Bankruptcy and Debt Relief Order Policy

15.1 Policy statement

We are committed to collecting the rent due from all of our tenants and will operate our Rent Management Policy fairly. We will also comply with the law and recognise that there are circumstances where recovery will not be possible. Bankruptcy and Debt Relief Orders are both examples of such circumstances.

15.2 Policy Details

Whilst we will give tenants assistance, support and advice to try to manage their debts, if an individual is experiencing extreme financial hardship, it is acknowledged that they may owe such large sums in comparison to their income and/or assets that they may be unable to clear their debts. We will not advise any tenant to declare themselves bankrupt or to seek a Debt Relief Order, but will be prepared to manage the consequences if they decide to take these actions.

15.3 Bankruptcy

It has become increasingly common for people to be declared bankrupt when they have overwhelming debts, which they are unable to pay back to their creditors. Being declared bankrupt can allow a person to make a fresh start and also ensures that any assets they have are distributed fairly among creditors. If a tenant declares themselves bankrupt and we are included in any housing related debt in the Bankruptcy Order, we would be treated as any other creditor and would not receive any preferential treatment in respect of any debt owed.

- Anyone can apply to become bankrupt when they have insufficient assets to pay their creditors.
- To be declared bankrupt, it is necessary to seek a Bankruptcy Order in the courts.
- A Bankruptcy Order relates to the debt outstanding at the time the applying person becomes bankrupt.
- If someone is declared bankrupt, they are automatically discharged from bankruptcy after 12 months; additionally they can apply for an early discharge prior to the conclusion of the 12 month period, (unless they have previously been declared bankrupt, in which case they can apply for discharge after 5 years).

15.4 Debt Relief Orders

In addition to Bankruptcy, there is now an alternative means of dealing with indebtedness, namely Debt Relief Orders (DRO('s)). They are granted by the Insolvency Service and are a cheaper option than going bankrupt.

- To apply for a DRO, the applicant must have debts under £15,000 and be on a low income.
- They must not own things of value or have savings of over £300.
- They must not own a vehicle worth more than £1000.
- In the last 3 years, they must have lived, had a property, or carried on a business in England or Wales.

A DRO usually lasts for 12 months and during that time none of the creditors can take action to get their money back. There are further restrictions on who can apply for a DRO, such as current bankrupts etc.

Only certain approved agencies, such as the Citizens' Advice Bureau, who act as a third party for the Insolvency Service, can take applications for DRO's. There are some grounds to appeal a DRO; however they are mainly based around misinformation being provided by the applicant.

15.5 Procedure

In the case of Bankruptcies:

- We should be contacted by the Insolvency Service requesting details of the applicant's tenancy and proof of debt owed (if any). (It should however be noted that these letters may go to services within Cornwall Council, and it is often the case that the tenant will need to advise us of the bankruptcy or DRO). It is important to first establish the total debt owed to us on the rent account etc. In addition to any rent outstanding, there could be court costs, service charges, rechargeable repairs etc.
- The appropriate Rent Officer will respond to this letter, this is due to the fact that if the details of debt owed are not sent, we will not be included in the list of creditors should there be any money to distribute. On our response letter, it should request that we are listed under 'miscellaneous' on the list of creditors.
- Any arrears balance as at the date of the order should be transferred into a newly created sub-account. To do this, the bankruptcy Balance Transfer Request (Appendix 1) should be completed and sent to the Rent Manager to authorise, along with a copy of the Bankruptcy Order and any associated relevant correspondence. The Rent Officer should retain a copy of the request form along with copies of the Bankruptcy Order and any relevant letters etc.
- Details of the bankruptcy should be noted on our computerised databases.

15.6 In the case of Debt Relief Orders:

- We will normally be contacted by the agency acting on the tenant's behalf, normally the Citizens' Advice Bureau, to check any outstanding debts.
- An application for a DRO will then be made by the Citizens' Advice Bureau or by the tenant.
- We should then receive notification of the date the tenant legally entered into the Debt Relief Order. Where a DRO includes an amount for rent arrears, the debt detailed in the DRO is no longer recoverable via the rent arrears procedure.
- Details of the DRO should be noted on our computerised databases.
- We will also receive details of any DRO's granted. Details of the DRO will stipulate the level of rent arrears covered by the DRO. Only this amount should be transferred to a sub-account.
- Any arrears balance shown on the Order should be transferred into a newly created sub-account. To do this the DRO Balance Transfer Request (Appendix 1) should be completed and sent to the Rent Manager with a copy of the DRO and any associated relevant correspondence. The Rent Officer should retain a copy of the request form along with copies of the DRO and any relevant letters etc.
- It is important to note that this will not apply to any arrears that accrue on the account **after** the DRO is issued – these can be treated as normal arrears, and the rent management procedure should be applied to any new debt following an order. Additionally if a tenant has made a Bankruptcy Order or DRO, it is important to understand that these do not remedy the breach of the Conditions of Tenancy. Within the 12 month period of the Bankruptcy Order or DRO, these details will still be relayed in information to the Court, should possession proceedings be undertaken.
- Once authorisation has been granted, the Bankruptcy Order / DRO Balance Transfer Request and information should be sent to our Finance team/Housing IT team, who will set up a sub-account for this debt.
- The debt will be held on the sub-account for one year. The debt will be written off in accordance with Financial Regulations. Our Finance team will ensure that these amounts are written off as appropriate.

16. Garage and Parking Space rent arrears policy

This garage and parking space policy follows a staged process similar to the main Rent Arrears Policy. There are no anti-poverty implications for garage arrears management or any welfare or financial checks.

The principle is that garage or parking space tenants are expected to pay the rent monthly in advance by Direct Debit. The initial advance payment should be made at the time of the sign up for the garage, at which time the tenant will be required to complete a Direct Debit mandate payment form. Failure to pay in advance via Direct Debit will result in a Notice to quit being served.

16.1 Stage one

If a tenant's garage rent account is more than 1 weeks in arrears, we will:

- Send a reminder letter.

16.2 Stage two

If a tenant's garage rent account is more than 2 weeks in arrears, we will:

- Send a strong letter if the account has not been bought up to date, requiring that future payments be made monthly or weekly in advance.

16.3 Stage three

If your rent account is more than 4 weeks in arrears, we will:

- Serve you with a Notice to Quit.

16.4 Stage Four

If the Garage arrears have not been cleared Seven days after the Notice to Quit was served, we will;

- Issue a five day letter, advising that repossession will take place after 5 days from the date of the letter, if the account is not paid in full within this time.

If the account has not been cleared within the times scales the Rent Management Officer will request that the locks are changed on the garage, whilst liaising with the Housing management Officer for that area.

16.5 Stage five

Following possession action:

- 1) The tenant will be requested to collect all items in the garage;
and

- 2) All items not collected after 14 days will be disposed of or sold to repay the debt.

16.6 Stage six

If a tenant has rent arrears on the home they rent from CC/CHL and are failing to reduce those arrears in an acceptable way, and also rent a garage from us:

- 1) We will advise the tenant that unless their rent account is brought up to date in line with any repayment agreement, a Notice to Quit will be served relating to the garage.
- 2) If you then fail to make the required payments, we will serve a Notice to quit on the garage.
- 3) When a Suspended Possession Order is granted on a property tenancy, if the tenant also rents a garage from us, a Notice to Quit will automatically be served regardless of the garage accounts status.
- 4) Stages Four and Five above will then be followed.

17. Refund of overpaid rent

We recognise the importance of timely refunds if a tenant has overpaid their rent.

Requests for BACS payments and personal cheques to third parties must be in writing and signed. If there is a joint tenant, any requests for refunds must be made by both parties to the tenancy, and both parties must confirm how and to whom the payment should be made.

The necessary procedural checks and the refund itself will be completed within a period of 4-6 weeks from receipt of the initial request. Refunds can be made via personal cheque, BACS payment or open cheque, if the tenant(s) does not have a bank account.

Prior to any refund being processed, we will make enquiries with Cornwall Council & Cornwall Housing as to any debts that may be outstanding. If a debt is confirmed by Cornwall Council or Cornwall Housing, the amount of this debt will be deducted before a refund will be issued.

Appendix 1

: Balance Transfer Request following Bankruptcy or Debt Relief Order

BALANCE TRANSFER REQUEST FOLLOWING BANKRUPTCY/ DEBT RELIEF ORDER (Delete as appropriate)

TO: Finance Team

Following a Bankruptcy Order/ Debt Relief Order for the following tenant, please transfer the following rent arrears balance to a Bankruptcy Order/ Debt Relief Order sub-account.

Tenant's
Name.....
Tenant's
Address.....
Date of Bankruptcy Order/ Debt Relief Order
..... Amount of Rent Arrears included in the
Bankruptcy Order /Debt Relief
Order £.....

FROM:.....
..... (Name of Housing officer)

AUTHORISED
BY:.....
(Housing Services Manager/Rent Manager)

DATE:.....

Please attach a copy of the Bankruptcy Order/ Debt Relief Order, and any related paperwork and forward to Finance. The Housing Officer should retain a copy for their records.

Alternative formats

Furvasow Erel

If you would like this information on audio CD, audio tape, Braille, large print, any other format or interpreted in a language other than English, please contact:-

Mar mynnowgh hwi kavos an kedhlow ma war son-sidi, sonsnod, yn Braille, prynt bras, furvas aral po styrys yn taves dres Sowsnek, kesteveugh mar pleg: -

Address

Cornwall Housing Ltd
Higher Trenant Road
Wadebridge
Cornwall
PL27 6TW

Telephone

General enquiries and repairs: **0300 1234 161**
Text: **07941 712 712**

Email

General enquiries and
South East repairs: info@cornwallhousing.org.uk

Website

www.cornwallhousing.org.uk