



Bristol City Council – Housing & Landlord Services

# Rental Income and Arrears Management Policy

Version

Approved by	
Date approved	
Date adopted	
Date for Review	
Responsibility	Housing Management and Estates

<b>History of most recent policy changes</b>			
Date	Page	Change	Origin of change (e.g. legislation)
29.05.21	3, 7, 8	Insertion of reference to 'Breathing Space'	Legislation

18.3.21	Title	Changed name to Rental Income and Arrears Management	
18.3.21	Whole doc	Housing and Estates replaces Estate Services	Reflect changed department name
18.3.21	2	Added equalities statement	
18.3.21	4	Removed ref to joint tenants	Covered in contract
18.3.21	6	Removed sections Housing Benefit and Universal Credit and Housing Register	Not necessary for this policy – referenced in appendix
18.3.21	8	Removed sections 6,7 and part of 8	To be written into an overarching statement for all policy.
18.3.21		Added date for review to title page	
26.8.21	3	Addition of Strategic Context Section	Director
26.8.21	3	Re-wording and additions to Policy Statement to include further references to early intervention. Addition – links to Homelessness, Social Services and Adult Social Care	Director
26.8.21	4	Introduced objective “To ensure where issues of proven fraud, illegal occupancy, hate crime or Anti-Social Behaviour are recorded and evidenced enforcement procedures including referral to the courts, Police and other relevant agencies are made in goFod time and fully recorded.”	Director

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## **1. Strategic Context**

Bristol City Council's (BCC) vision is that 'we play a leading role in driving an inclusive, sustainable, and healthy city of hope and aspiration, one where everyone can share in its success.' There are several obstacles to making this a reality. One is delivering sustainable high quality public services and designing that into everything we do. BCC owns and manages over 27,500 housing/residential property stock and wishes to provide more social and affordable housing. This is a resource in scarce supply. It is BCC's responsibility to manage this resource effectively on behalf of our residents.

The collection of rents is fundamental to maintaining our services and enabling BCC to further invest in improving and maintaining good quality homes for the residents of Bristol. BCC wants to make sure that everyone in Bristol feels they belong, has a voice and an equal opportunity to succeed and thrive.

## **2. Policy Statement**

If our residents are to thrive, we need to make sure that the monies due from rent and all charges associated with the property are collected in a timely manner. BCC recognises that individuals and families can face unexpected and complex changes in life that may lead to the development of arrears. We are committed to helping residents, through early intervention, avoid debt from unpaid rent and charges associated with the property.

In some circumstances residents who are in rental arrears may also become involved with other agencies such as Social Services, Revenues and Benefits, and/ or Housing Options including Homelessness. BCC recognises the importance of working in partnership with other departments to support informed decision-making processes, taking the person's whole circumstances into consideration.

As part of a holistic approach, BCC will assist residents to access support to apply for welfare benefits, sign-post individuals to access advice, and support from other agencies and/or charities. This will minimise bad debts arising and mitigate consequential BCC costs including, but not limited to, costs associated with the provision of homelessness services and costs for legal proceedings.

Rental income is the main source of funding for managing and maintaining council housing. It is essential that rental income collection is effectively managed to make sure that BCC can continue to provide those services and value for money for residents. BCC will therefore work to help residents to stay in their homes, free from debt and to pay their rent as it falls due.

Where failure to pay rent is the only breach of a tenancy agreement, BCC will comply with the Pre-Action Protocol for Possession Claims by Social Landlords and will only pursue legal action for recovery of possession and repayment of arrears as a last resort.

Where a person accesses the Debt Respite Scheme, known as 'Breathing Space', BCC will comply with its legal obligations and the government guidance relating to the Scheme, following our procedures. (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020.

In line with our Equality and Inclusion Policy & Strategy 2018-2023, an Equalities Impact Assessment has been completed. This will inform policy making and Council reporting to ensure we are aware how the implementation of these policies impacts on our diverse communities and identify any unintended consequences. It will also enable the Council to intervene on a strategic level to provide support and other forms of investment and anti-poverty strategies.

### **3. Aims and objectives**

The aims and objectives of this policy are as follows:

- To maximise income collection and ensure effective management of rent collection.
- To minimise arrears through early intervention, advice and support that helps residents maintain their tenancy and avoid eviction.
- To provide a clear framework for staff of their responsibilities for rental income management and arrears recovery.
- To ensure we advise and support residents to maximise the use of housing related benefits prior to using any enforcement proceedings.
- To explain the responsibility of residents regarding paying rent, charges related to the property and arrears, and how and where those payments can be made.
- To communicate with residents by all means available and in accessible language to help them manage their debts.
- To refer tenants and residents to third party advice agencies for independent support and advice including referrals to Housing Related Support for those residents identified as 'vulnerable'. (Vulnerable Tenants Policy)
- To afford residents every opportunity to fulfil their obligations in terms of repaying arrears before taking initial or escalating existing enforcement action.

### **4. Roles, Responsibilities and Authority**

The Director of Housing and Landlord Services and the Head of Housing Management and Estates are responsible for the implementation of this policy.

All staff involved in income collection activities have responsibility for delivering this policy.

Referrals for enforcement action will be signed off by the Head of Service and/or the Director of Housing and Landlord Services.

## **5. Scope**

The policy applies to: -

- Residents with BCC Secure, Demoted and Introductory tenancies and covers all other charges raised by Housing and Estates including rent paid for garages and service charges.
- Persons in Use and Occupation of a BCC residential property
- BCC licensees including licensees in HRA funded temporary accommodation.

This policy explains Housing Management and Estates service approach to rental income and arrears management and is in line with Corporate Debt Management.

## **6. The Policy**

### **Responsibilities**

Residents and Licensees will: -

- Maintain their current rent account in accordance with the conditions set out in their Tenancy Agreement or Licence Agreement.
- Pay all charges, including service charges, rent, and garage charges, related to their tenancy and use of the property, as they fall due.
- Claim any welfare benefits they are entitled to, which may support payments.
- Contact BCC should their rental income account go into arrears to enter payment arrangements and seek support.
- Commit to repaying arrears as soon as possible.
- Follow any agreements that are made between the resident and BCC and make the agreed payments so that arrears can be cleared.
- Clear all arrears before ending any tenancy or licence.
- Comply with orders from the Court when proceedings have been brought by BCC against a resident or licensee as a result of rent and property related arrears.

Persons in use and occupation are responsible for paying the use and occupation charges and claiming any welfare benefits they are entitled to in order to support payments.

It is recommended that rent is paid in advance of the residents' chosen payment frequency.

BCC are committed to: -

- Facilitate payment of rent and charges related to the property and follow all relevant Pre-Action Protocols to recover arrears.
- Provide information to new residents to enable them to pay their rent in accordance with their Tenancy or Licence Agreement, including, but not limited to, the payment terms and the different ways a resident can pay.
- Make the residents and licensees aware of the impact of non-payment of rent and charges related to the property on their tenancy or licence.
- Advise the resident about different ways they can maximise their income including claiming benefits such as Housing Benefit or Universal Credit independently, that may support payment of their rental income.

- Make sure that, if necessary, residents are signposted to relevant advice and support services, both internally and externally of BCC.
- Make sure appropriate and timely referrals to Housing Related Support are made for those residents identified as 'vulnerable' in accordance with the Vulnerable Tenants Policy. (Further information about Housing Related Support available can be found on the BCC Web site)
- Where BCC is aware that a person to whom this policy applies may have a protected characteristic under the Equality Act 2010, it will have regard to that protected characteristic(s) and consider whether a resident is vulnerable and the impact of their vulnerabilities when applying this policy.
- Give the resident every opportunity to fulfil their obligations in terms of repaying arrears before taking initial or escalating existing enforcement action.
- Review rent levels annually.
- Provide a minimum of 28 days' notice to the resident of any change to their rent.

### **Methods of Payment**

BCC recommends payment by direct debit where residents have a bank account.

BCC will facilitate other methods of payment where appropriate, such as:

- Allpay Swipe cards – payments can be made at applicable Post Offices and at any outlet with a PayPoint sign.
- Telephone or internet banking.
- In person to housing or lettings officers during home visits.
- Standing orders.

### **Refunds**

Residents can request a refund if their rent account is in credit due to an overpayment. Refunds should be agreed by the team leader. All residents/ occupants at the property will be informed of any overpayment received and of any refund that may be due.

### **Enforcement**

The enforcement of rent arrears recovery is based on a staged escalation process that depends on both the amount owed and the length of time a resident is in arrears.

BCC will not seize a resident's goods or possessions as a means of collecting rental income debt.

BCC will follow the Pre-Action Protocol for Possession Claims by Social Landlords, after which BCC may apply to the courts for a possession order to evict residents or licensees on grounds of rent arrears.

Where BCC commences possession proceedings, the resident(s) or licencees will be served with copies of those legal proceedings and a Notice of Hearing of the first and any subsequent court hearing dates to enable them to attend.

If possession proceedings are started, BCC will also request an order from the courts for all costs of those proceedings be paid by the resident or licensee.

When a resident is occupying under Use and Occupation, they will be informed at the outset of their occupancy that the level of any arrears may impact their eligibility to access social housing.

Where possession of a property occupied by a person who does not have a tenancy is sought through the courts BCC will also seek to recover any Use and Occupation charge arrears in those court proceeding.

Where an occupier has given up possession before any court proceedings have started, any use and occupation charge arrears will be treated as former resident arrears.



## Appendix Legal and Policy Context

### External

- Pre-Action Protocol for Possession Claims by Social Landlords
- Pre-Court Action Protocol for Debt Claims
- Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020.

### Internal

- Bristol City Council Tenancy Agreement(s)
- HomeChoice Bristol Allocations Policy
- Former Tenant Arrears and Write-off Policy
- Equality and Inclusion Policy & Strategy 2018-2023
- Vulnerable Tenants Policy

### Glossary of terms

Resident	Person who is liable for payment of the rental income.
Rental Income	Rental income includes rent paid as part of a tenancy agreement / payments under the terms of Use In Occupation / rent under licence for temporary accommodation / defect charges / charges related to the property/ and any arrears arising from missed payments.
Licensee	Pays rent under licence for HRA funded temporary accommodation (e.g., Youth Projects)
Bid	Registering an interest in a social housing property being advertised for letting via the choice-based lettings system, HomeChoice Bristol.
Housing and Estates	Includes the following services, tackling Anti-Social Behaviour, Caretaking, Estate Management, Income Management and Support to Older People Services.
Income Management Team	The team responsible for monitoring rent payments and arrears, making contact with residents to discuss arrears and taking possession proceedings for arrears
Notice of Possession Proceedings	Written notice for Introductory council tenants of the council's intention to pursue possession proceedings
Notice of Seeking Possession	Written notice for Secure council tenants of the council's intention to pursue possession proceedings
Pre-Action Protocol for Possession Claims by Social Landlords	Ministry of Justice protocol which must be followed by social landlords prior to beginning possession proceedings for rent arrears.
Strategic interest	Contributing to the vision and priorities for the city and the council, meeting the aims and objectives set out in the Corporate Strategy
Suspended Possession Order	A court order which states a tenant can stay in their property as long as they make the payments, or obey the conditions, set out in the order
Warrant of Eviction	A warrant granted by the court to enable a bailiff to evict the tenant
Debt Recovery Orders	A Debt Recovery Order freezes your debt repayments and

	interest for 12 months. If your financial situation hasn't changed at the end of this period then all of the debts included will be written off.
Bankruptcy Orders	Bankruptcy is a legal status that usually lasts for a year and can be a way to clear debts you can't pay. When you're bankrupt, your non-essential assets (property and what you own) and excess income are used to pay off your creditors (people you owe money to). At the end of the bankruptcy, most debts are cancelled.
Bad debt	A debt that can't be recovered.
Notice to quit	A legal notice to formally end a tenancy or licence.
Breathing Space	A resident can apply through a registered agency for breathing space which is defined as either standard or Mental Health Crisis.
Standard Breathing Space	60 days where no contact should be made with the resident by their creditors.
Mental Health Crisis Breathing Space	A person will remain in breathing space for the period of time they receive mental health crisis treatment and 30 days after the last day of treatment.