



# Rent Arrears Prevention and Recovery Policy

## 2024-2027

### Basildon Borough Council

Basildon Centre

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Basildon

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Date of Cabinet Approval:	
Equality Impact Assessment (EIA)	<a href="#">BBC Full EIA Rent Arrears Prevention &amp; Recovery Policy 2024 - 2027 - Copy.docx</a> 01/05/2024
<b>Consultee(s)</b>	
Groups and/or individuals consulted during the development of this Policy:	Tenant and Leaseholder Panel 14 June 2024
Groups and/or individuals consulted on draft Policy:	<p><b>July 2024</b></p> <p>Basildon Borough Council's website</p> <p><b>10 October 2024</b></p> <p>Lyndsey Smith, Legal Services</p> <p>Kirsty O'Connell, Assistant Director, Housing Need</p> <p>Julie Long, ASB and Community Safety Manager</p> <p>Joanne Clements, Sheltered Housing Manager</p> <p>Rob Manser &amp; Samantha Stanley, Housing Benefits</p> <p>Housing Rents Team</p> <p>Gill Macdonald, Leaseholder Manager</p> <p>Phil Warren, Housing Solutions Manager</p>
Policy, Performance and Insights Team approval	
Senior Leadership Team approval	Yes <input type="checkbox"/>
Has the Policy been considered at a Scrutiny Committee Meeting:	Yes <input type="checkbox"/> No <input type="checkbox"/>

This Policy is due its next review:	05/07/2027
<b>Governance</b>	
The Policy applies to:	Tenants, former tenants and people who rent BBC owned garages
The Policy is available in the following locations:	Publications Scheme <input type="checkbox"/> Intranet / SharePoint <input checked="" type="checkbox"/> Council website / Service webpage <input checked="" type="checkbox"/>
This Policy has related documents:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>  Appendix 1 sets out the rent recovery procedures
The Policy was disseminated to:	

Document Control				
Date	Officer Name, title	Version	Action	Amendment(s)

## Contents

1	Introduction .....	2
2	Policy Statement .....	<b>Error! Bookmark not defined.</b>
3	National Context.....	3
4	Local Context .....	3
5	Policy .....	<b>Error! Bookmark not defined.</b>
6	Who or what will be affected by the Policy?.....	7
7	Inclusion and Diversity .....	9
8	Corporate Knowledge .....	9
9	Links to other Corporate Policies or Partner documents..	<b>Error! Bookmark not defined.</b>
a.	Appendices .....	<b>Error! Bookmark not defined.</b>

## 1 Introduction

Basildon Borough Council is committed to promoting and encouraging sustainable tenancies for tenants. This document outlines Basildon Borough Council's policy for the management of current and former tenant rent arrears.

This policy specifically covers:

- Rent arrears prevention
- Current tenant arrears
- Former tenant arrears
- Garage rent arrears
- Accounts in credit

Regular performance meetings will be held by senior officers to monitor the performance management objectives which are associated with this policy.

This policy will impact Basildon Borough Council tenants, former tenants who have outstanding rent arrears and people who rent garages from the council

### 'Policy on a Page' (POP)

The POP draws out the key elements of the policy

['Policy on a Page' Rent Arrears Prevention and Recovery Policy 2024 - 2027.docx](#)

## 2 Policy statement

This policy aims to maximise solutions for tenants, prevent rent arrears and sustain tenancies whilst maximising income to the Housing Revenue Account through the swift collection of rent and rent arrears. To this end, this policy will therefore ensure that the Council is proactive in:

- Encouraging tenants to pay rent to prevent rent arrears
- Supporting tenants through any rent recovery processes
- Taking swift action to enforce the payment of arrears

By doing this the council will ensure that income collection to the Housing Revenue Account is effectively managed and continuously improved and enable housing related services to be delivered. A further aim is to highlight the services the council will provide to support tenants to pay their rent.

## 3 National Context

In October 2017, central government announced the intention to set a long-term rent deal for social housing landlords which would permit annual rent increases. This increase would not affect tenants whose rent is paid to the Council via Housing Benefit but rather is most likely to affect middle income distribution tenants within the Borough who are responsible for paying their own rent.

In light of this, the rent increase for Basildon Council tenants in 2024-2025 is 7%. This policy is designed to ensure that the Council can support all tenants to pay their rent by communicating the importance of making regular payments and committing to make referrals where necessary for tenants in financial hardship.

Since the Coronavirus pandemic in 2020, the UK has been hit with a 'cost of living crisis' which has meant that Local Authorities have found it increasingly difficult to collect from those households that have serious / high debt.

Basildon Council will continue to provide early interventions to all households that are experiencing debt with their rent. We will continue to refer tenants to support agencies, including our own Welfare Benefit Support Team, in order to identify any opportunity to maximise tenants income.

#### 4 **Local Context**

Rental income is the main source of income to the Housing Revenue Account (HRA) and it is essential that tenants pay their rent in full and on time to ensure a sustainable HRA. The Council own and manage 10,918 homes and 3324 garages in the Borough. The income from these assets is used to manage, repair and maintain the Council's housing and garage stock.

A poor collection rate has a direct impact on service delivery and so Basildon Borough Council is committed to ensuring swift and efficient rent recovery across the Borough. This involves working to ensure that tenants are able to pay rent and access rent services with ease, but also pursuing legal action in instances of persistent rent arrears.

The agreed priorities are:

- Early intervention to prevent arrears rising.
- Helping tenants sustain their tenancies and prevent homelessness.
- Ensuring treatment of all tenants is accountable, fair, efficient, effective and consistent throughout the process.
- Professional, fully trained staff in place to deliver the desired outcomes.
- Contact maintained with tenants at all stages of the recovery process, particularly vulnerable tenants.

In all circumstances, the Council will ensure that the most effective measures are put in place to prevent the accrual of rent arrears. This ensures the continuation of the HRA, the sustainment of tenancies and reduces costs for tenants further down the line. This will always be the Council's first approach to rent collection and is the key emphasis of this policy.

#### **Best Practice**

Effective rent collection and arrears management are crucial components of successful rent collection. Some of the following methods are considered best practices: -

**Establish clear rent payment policies:** Local Authorities should establish clear and consistent policies, including outlining early interventions and acceptable forms of payments.

**Automate rent collection:** Utilising online rent payment systems, to ensure that the rent collection process is streamlined, which will reduce the risk of missed or late payments.

**Encourage prompt payment:** Rent Officers should encourage prompt payments, by sending regular reminders to residents who have not yet paid their rent

**Follow up with residents who are behind on rent:** Prompt follow-up with residents who are behind on their rent payments can help prevent rent arrears from increasing. Ensure that all early intervention methods are utilised, to avoid the need for legal action.

**Offer payment plans:** Officers from the Housing Rents team work with residents who have difficulty in paying their rent, by offering a reasonable payment plan and other flexible arrangements, such as scheduled payments, Standing Order and Direct Debit.

**Laws and regulations:** Local authorities should ensure that they stay informed about changes in legislation in relation to rent collection, to ensure that they comply with the law.

**Maintain accurate records:** Maintaining accurate records of accounts, such as payment transactions, financial circumstances, any vulnerabilities and details of any contact that has been made or received.

## 5 Policy

### Vulnerable tenants

The council will make every effort to identify vulnerable tenants and highlight how this may impact on their ability to manage their money and sustain a successful rent account. As with all tenants, vulnerable tenants will be treated sensitively, and working practices will be adapted where appropriate, to ensure they do not face any additional barriers when accessing council services. A record of vulnerable tenants will be flagged on IT systems and this information will be used to ensure the service they receive is tailored to their needs.

### Prevention / Early Intervention:

- Measures to prevent arrears will be taken at the earliest opportunity.
- The council commit to working with tenants to establish their individual circumstances and to provide support where necessary.
- The council commit to working with other internal, external and relevant partners and organisations to identify opportunities to maximise tenants' incomes, as appropriate.
- At the tenancy offer and sign-up stage, all new tenants will be clearly made aware of their obligations to pay rent, the importance of making regular payments and preferred methods of payment will be discussed.
- A wide range of communication tools are utilised as appropriate for each tenant's needs. Communication with tenants will include the following methods:-

- ❖ Telephone calls
  - ❖ Letters
  - ❖ Text messages
  - ❖ Emails
  - ❖ Face-to-face appointment at home or in the office
- Tenancies will be monitored to identify any early issues with rent payments to prevent arrears accruing.
  - A wide range of payment methods are available. The Council will actively promote direct debit as the preferred method of payment.
  - The Council will ensure that consideration is given to the Equalities Act 2010, by undertaking individual Equality Impact Assessments, where appropriate. This will ensure that tenants' vulnerabilities are identified and effective support mechanisms are introduced.
  - The Council will run regular publicity and communication campaigns with the purpose of informing tenants of the support and assistance available to minimise arrears.

### **Current Tenant Arrears**

The tenancy agreement outlines that tenants must pay their rent on time. It is due every Monday for the week ahead. If tenants wish to pay fortnightly or on a monthly basis, this also should be in advance.

If the tenancy is in joint names, this means that both tenants are responsible, together and separately, for paying the whole rent. This means that if one tenant does not pay the rent, we can demand the full payment from the other tenant.

The Rent Arrears Recovery Process (Appendix 1) outlines the steps that need to be taken. However, to enable the Council to effectively fulfil this process, consideration on the following points, will be undertaken:-

- Arrears recovery will focus on personal contact at the earliest opportunity, ensuring high quality support and advice is readily available as well as informing tenants of the debt and consequences of non-payment in writing.
- All communication with tenants will make it clear that rent is a priority debt, and letters will highlight the seriousness of particular arrears situations.
- All members of staff responsible for the collection of rent and arrears recovery will receive the appropriate training.
- The Council will balance resources in order that there is both a pro-active and a reactive approach to rent recovery by having Housing Support Officers complete early intervention and support work and Rent Recovery Officers carry out the recovery work including court and eviction processes.

- The Council will use the most cost-effective method to recover the debt depending on the amount owed. Initial stages of the recovery process will be automated. There is a dedicated resource to drive the prevention and early intervention, to prevent arrears from increasing, as well as a dedicated resource for more complex cases.
- The Council will ensure that tenants have access to appropriate financial/debt advice.

In cases where arrears continue to increase and tenants do not engage with officers to resolve the situation, the Council will commence legal action to repossess the property. At all stages of the legal process, tenants will be informed of the action being taken, the implications of the action and offered continued help and advice from Council Officers and external partners.

The Council will comply with the requirements of relevant legislation and guidance including the Housing Act 1985, Equality Act and the Ministry of Justice Pre-Action Protocol for Possession Claims relating to rent arrears in social housing. This protocol aims to encourage more pre-action contact and exchange of information with the intention that litigation is avoided where possible. Repossession of a property as a result of rent arrears will always be a last resort.

The Council will always request that court costs are awarded against the tenant and that a money judgment is included in the Order for Possession.

If a Suspended Possession Order is granted and subsequently breached by the tenant, no more than one opportunity will be given for the tenant to remedy the breach. Should the breach not be rectified quickly or if the order is breached on more than one occasion, an application will be made to the County Court for a Warrant of Eviction.

In cases where the arrears are a direct result of unpaid under-occupancy charges, the Council will adopt a non-eviction policy providing tenants have:

- Registered to downsize to a smaller property
- Not refused two suitable offers of alternative accommodation
- Applied for a Discretionary Housing Payment
- Managed their tenancy to a satisfactory standard

This is subject to there not being any other breach which warrants possession action being taken.

### **Former Tenant Arrears:**

The former tenant debt recovery process starts when a tenant's period of occupation has ended.

The Council will pursue the recovery of former tenant arrears in accordance with the Former Tenants procedures.

In cases where payments are not forthcoming and officers are unable to trace the whereabouts of a former tenant, consideration shall be given to writing off the debt in accordance with financial regulations. When a debt has been written off, it will no longer be shown as outstanding in the Council's accounts. However, the debt remains due to the Council in law and if the tenant is subsequently traced, the debt will be re-instated.



**Garage Rent Arrears:**

The Council will aim to ensure that tenants are encouraged to keep rent accounts on garages clear or in credit and make payments 4 weeks in advance.

Council tenants on the garage waiting list who have rent arrears will not be offered a garage until arrears are cleared.

The Council will seek repossession on garages where the tenant falls into arrears.

**Accounts in Credit:**

All rent accounts over £500.00 in credit will be checked on a monthly basis.

Where there are no other debts owed to the Council, a refund form will be issued to the tenant and refunds will be actioned on receipt of the completed refund form.

In the event of other debts owed to the Council, the credit on the account will be used to offset these debts before a refund can be considered. Tenants will be informed in writing that the credit will be used for this purpose.

**Discretionary Housing Payments (DHP)**

A DHP may be awarded when a local authority considers that a claimant requires further financial assistance towards housing costs and is in receipt of either Housing Benefit or Universal Credit. This may include tenants affected by the spare room subsidy or benefit cap.

Officers will provide support and advice to tenants in making applications for this funding where appropriate. Any applications will be considered by the Revenues and Benefits department in accordance with the Council's Discretionary Housing Payment Policy.

**Discretionary Housing Payments (DHP) – Exceptional Circumstances**

The Exceptional Circumstances Rent Payment Grant aims to prevent homelessness due to arrears-led evictions or ease prolonged financial hardship caused by Rent Arrears accrued due to exceptional circumstances. The Exceptional Circumstance Rent Payment Grant is funded from money ring fenced from the DHP fund contribution from the Housing Revenue Account.

Provision to either prevent homelessness through arrears-led evictions or prolonged financial hardship caused by rent arrears repayments for those tenants who accrued arrears during a period, or periods of exceptional circumstances deemed by the decision maker to meet all 3 qualifying criteria, set out below.

- The tenant must have sustained a reasonable length of time where full rent and an agreed contribution towards the arrears have been made.
- Tenants must have successfully engaged with the Rents Welfare Team and completed a full welfare benefit review and had their income from statutory and discretionary welfare benefit entitlement maximised.
- The rent arrears must have been caused by an exceptional circumstance, which must have been severe enough to either cause a significant loss of benefit entitlement or earned/other income, or loss of ability to manage their finances.

This will be a one-off payment to reduce or clear rent arrears and is not designed to be an ongoing payment or substitute for ongoing benefit entitlement.

Following the COVID 19 pandemic, the introduction of the Exceptional Circumstances payments was piloted to ascertain whether this would enable those tenants effected financially by the pandemic, would assist with those tenants, to maintain their tenancies and rent payments, going forward.

This approach proved successful as this demonstrated that out of the 80 accounts, that received this payment, all 80 maintained their tenancy and 57 have gone on to further reduce their debt, which subsequently also meant that no enforcement action was required.

### **6 Who or what will be affected by the Policy?**

All current and former tenants or any residents within the Basildon Borough that may also rent a garage from the Council, will be affected by the Policy.

### **7 Inclusion and Diversity**

An Equality Impact Assessment was undertaken May 2024, whereby there were no negative impacts identified.

The positive impact is that the updated policy is shorter, simpler, and clearer in its wording and format. This will increase the accessibility of the document and ensure that all that require it, can access and understand the policy equally.

### **8 Corporate Knowledge**

Corporate Ambitions	Levels of Impact			
	High	Medium	Low	None
We want Basildon to be home to healthy and active local communities able to support themselves and each other.	•			
We want Basildon to offer a high quality of life for all residents through attractive, liveable, accessible and safe neighbourhoods and towns along with the provision of enduring facilities, green spaces and town centres that meet the needs of the community.		•		
We want Basildon to have a thriving, dynamic and diverse economy where all our communities benefit from increased opportunity and our workforce has		•		

the right skills for our local economy and beyond.				
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### Outcome and Priorities

Outcome	Priority
Tenants are prevented from getting into arrears (increased early intervention)	Early intervention to prevent arrears arising
Sustained reduction in rent arrears owed by tenants	Help tenants sustain their tenancies and prevent homelessness
Tenants have the information, support and advice they need to maximise their income and prevent or minimise debt	Supporting literature is up to date Staff are trained in providing appropriate advice, support and information
Services are accessible transparent and accountable	Treatment of all tenants is accountable, fair, efficient and effective; and consistent throughout the process
Tenants are treated fairly and equally	Professional, fully trained staff are in place to deliver the desired outcomes
High quality, value for money service	Contact maintained with tenants at all stages of the recovery process, particularly vulnerable tenants
Sustainable Housing Revenue Account	Effective management and control of rent arrears

## 9 Links to other corporate policies or other partner documents

- Allocations Policy
- Financial Regulations
- Corporate Debt Policy (in development)
- Local Council Tax Scheme
- Information Management Policy
- Safeguarding Policy
- Homelessness and Rough Sleeping Prevention Strategy
- Housing Strategy
- ASB Policy
- Financial Inclusion and Resilience Policy
- Discretionary Housing Policy
- Former Tenant procedures
- Garage procedures

## Legal compliance requirements

- Housing Act 1985
- Housing Act 1996
- Protection from Eviction Act 1977
- Local Government Act 2000
- Equality Act 2010
- Human Rights Act 1998
- Mental Capacity Act 2005
- Localism Act 2011
- Welfare Reform Act 2012
- Welfare Reform and Work Act 2016
- Data Protection Act 2018 (General Data Protection Regulations)
- The Coronavirus Act 2020
- Ministry of Justice Pre-Action Protocol for Possession Claims by Social Landlords (2015)

## Appendix 1

### Overview of Rent Arrears Recovery Process

Length of Arrears Period	Action	Trigger	Possible outcomes
2 weeks arrears	1 <sup>st</sup> reminder letter	2 weeks arrears + current rent	Balance cleared
3 weeks arrears	2 <sup>nd</sup> letter and 1 <sup>st</sup> contact call	2 weeks arrears + current rent 1 <sup>st</sup> reminder completed over £50 debt	Balance cleared Vulnerabilities identified Arrears repayment plan agreed Council Insurance team will be advised payments are not being made and they may cancel home and contents insurance held with the council.
5 weeks arrears	Consideration of action- Notice of Seeking Possession (NOSP)	5 weeks arrears + current rent 2 <sup>nd</sup> contact complete excludes 100% non-rent debt Over £50 debt	Balance cleared Refer to Citizens Advice, Peabody or other support agencies. Liaise with other council departments for any joint actions. Serve Notice of Seeking Possession.
6 weeks arrears	NOSP waiting period Contact stage	6 weeks arrears + current rent over £500 debt	Balance cleared Arrears repayment plan agreed Assess vulnerabilities Review HB/UC & pend as appropriate Review agency referrals Home visit/interview 7-day letter – notice of legal action Send pre-court protocol
7 weeks arrears	NOSP waiting period Contact	7 weeks arrears + current rent over £500 debt	Balance cleared Arrears repayment plan agreed Assess vulnerabilities Review HB/UC & pend as appropriate

			Review agency referrals Home visit/interview 7-day letter – notice of legal action Send pre-court protocol
10 weeks arrears	Make court application	10 weeks arrears + current rent Over £500 debt	Balance cleared Review HB & agency referrals Senior Rent Officer review Instruct legal to obtain court date Issue letter to tenant advising of action taken

Process	Possible Outcome
Court Hearing	Dismissed by the Court Withdrawn or Adjourned with terms Suspended Possession Order or Absolute Possession Order
ABSOLUTE POSSESSION ORDER DATE OR BREACH OF SUSPENDED POSSESSION ORDER	Balance cleared Interview with Senior Officer Release of Warrant requested
RELEASE OF WARRANT	Balance cleared or warrant Obtained Eviction date notified
EVICITION PROCESS	Balance cleared or stay of execution granted Eviction takes place

**Monday to Friday**  
**10am to 5pm**



**Basildon Council**  
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питань перекладів, а також для отримання тексту великим шрифтом та шрифтом Брайля телефонуйте (Ukrainian)

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