Rent Arrears Policy

1 Purpose

To set out the Association’s approach to rent collection and the management of rent arrears. The policy details approaches to meet regulatory and legislative requirements and to ensure that rental income is maximised and customer debt minimised. As well as maximising income to ensure financial viability a key aim of this policy is to ensure that the Rent Collection/Arrears Management service contributes to the key organisational objectives of poverty reduction and transformational services.

2 Impact Housing’s commitment

The Association will take a firm but fair approach to rent arrears recovery seeking to embed a rent first culture where tenants attach a high degree of importance to prioritising their rent and paying in line with the requirements detailed in the Tenancy or Licence agreement.

We will:

- Work intensively and in line with the guidance and processes detailed in this policy to ensure all reasonable action is taken to minimise arrears, including taking the appropriate legal actions.

- Assist tenants to avoid rent arrears through early intervention and a preventative approach. Tenants will be alerted at the earliest stage to arrears issues and offered financial inclusion support including budget management advice, debt advice and income maximisation advice.

- Work in partnership with other agencies, including Housing benefit Departments, The Department of work and Pension (DWP), other RSL’s and local voluntary and specialist advice agencies to ensure that all appropriate advice and assistance is available to tenants, that information including appropriate updates and good practice is effectively shared, and a collaborative and resource efficient approach is taken.

- Ensure that any action taken by the Association in respect of rent arrears is proportionate to the particular circumstances. The Association will follow the Rent Arrears Pre-Action Protocol and will only seek eviction when all other avenues have been explored.

- Take a consistent approach, but with flexibility to respond to individual circumstances including vulnerability factors, as appropriate.

- Ensure former tenant arrears are dealt with promptly and, where there is a high probability that the debt will not be recovered, write off the arrear.
3 Linked Documents

1. Process and Flowchart
2. Guidance
3. Appendices
   1. Affordability Check Form and process
   2. Positive Impact and Income Management Service Level Agreement
   3. DWP guidance on personal budgeting
   4. DWP introduction to universal credit
   5. Under-occupancy guidance for tenants
   6. Pre-Action Protocol for rent arrears
   7. ARR 4 Eviction Approval Form
   8. Termination of Tenancy Form
   9. Justification Form

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Job Title: Housing Manager  Next Review Due: Oct 2019
1 Process for Rent Arrears Management

1.0 Introduction

This document sets out the processes in place to achieve the main policy objective of maximising the association’s rental income and minimising customer debt. The processes are intended to achieve this objective as efficiently as possible and will be reviewed regularly and separately from this policy to ensure a cost effective/value for money service is achieved.

2.0 Overview of Process

The association has a dedicated Income Management Team with responsibility for the management of rent collection and arrears. Currently rent collection is managed on a caseload basis with individual arrears officers (Senior Income Management Assistants) managing caseloads based on geographical areas. The team includes a Money Advice/Financial Inclusion Service (Money Matters), that works across all areas.

The key elements of the arrears process are:

- A risk based approach including affordability checks for prospective tenants to ensure that a tenancy will be affordable/sustainable and to highlight particular issues and risks to work with
- Weekly monitoring of arrears using a computer generated arrears extract showing level of arrears and a recommended action based on the value of the arrear and previous action taken. The extract works on an agreement basis recommending a particular action where arrears exist and there is either no agreement in place, or an agreement has been broken
- A staged process with a recommended action at each stage/level of arrear. Key stages include:
  - Early intervention (stage 1 at £20 arrears)
  - Contact by the Money Matters Matter Team when Stage 5 is reached (level of arrears prior to service of a Notice To Seek Possession)
  - Service of a Notice to Seek Possession at 6 weeks rent payable owing (Stage 6).
  - Quick referral to court at the expiry of a NSP where arrears are still owing and no agreement in place or being kept to
- A mix of actions including letters, telephone calls, visits and text
- Intensive/proactive management of housing benefit claims and payments and housing payments via universal credit
- Early contact with former tenants with arrears including frequent contact during the termination/notice period
- Swift referral to a debt collection agency for former arrears over £200 where contact by the association has not resolved the matter
- Regular and appropriate write offs of former tenant debt
3.0 Flow chart of Process

See Below

4.0 Detailed Process

New Tenants

- Prior to an offer of General Need’s accommodation, the Association will conduct an affordability assessment with the prospective tenant to ensure that they have the financial resources to pay the rent due and sustain the tenancy (Appendix 1 – Affordability Check form, purpose and procedure). The assessment will normally be carried out by the Money Matters Team. Advice on assistance with rent payments, income maximisation and budget management will be given during the assessment, as appropriate, as well as expectations relating to payments (paying rent as due/keeping the rent account clear etc.)

- With regard to any housing benefit entitlement, the prospective tenant will be advised of the likely level of entitlement as part of the affordability assessment and provided with a Housing Benefit Form to complete if the tenancy is confirmed. Where the prospective tenant would be claiming the housing element of universal credit then they will be advised of the need for an appointment to assist with this following confirmation of the tenancy.

- An initial agreement for rent payments, including any additional amounts to achieve 4 weeks credit for housing benefit or universal credit claimants, will be made at the affordability assessment, and confirmed at the sign up meeting. The method of rent payment will also be agreed with encouragement to pay by direct debit, as appropriate.

- Where a high risk has been identified from the pre-tenancy interview/affordability check linked to universal credit or other welfare reforms that is likely to put rent payments at risk, then an i-Deal tenancy requiring engagement with appropriate support services will be offered to the prospective tenant. The need to offer an i-Deal tenancy will be identified by the Housing Options Team and Money Matters service following the Pre-Offer interview and Affordability Check and agreed with the appropriate Neighbourhood Co-ordinator.

- When an offer of General Needs, Positive Impact or Supported Living accommodation is accepted the tenant will be provided with clear information on their responsibility to pay the rent due, rent payment methods, the amount of rent and any service charges payable at the Tenancy/Licence Sign Up meeting.

- Where appropriate the tenant will also be assisted with a Housing Benefit claim or Universal Credit application, at the sign up meeting, or shortly after the meeting.
Further details on housing benefit claims are given in the Housing Benefit section of this document.

- No tenancy or licence agreement within Positive Impact (with the exception of Supported Living accommodation) will be started until Housing Benefit paperwork is completed where it is understood that the tenant/licensee is eligible for this.

- General Needs tenants are required to pay 1 week's rent when they are given the tenancy for a property (this is covered at the pre-offer interview with a requirement to pay by sign up). This applies whether or not the tenant expects to be in receipt of Housing Benefit or the housing element of Universal Credit, and is additional to the rent due from the start of tenancy date. In exceptional circumstances and where the new tenant cannot pay the full sum, payment may be negotiated and agreed up to a maximum period of 4 weeks from the point of agreement. Normally a minimum payment of £25.00 will be required with up to 3 further payments to meet the weeks rent due, in full.

- All new General Needs and Supported Living tenants will be offered an appointment with the Money Matters Service.

- Within 1 working day of the tenancy commencing a new rent account for the tenant will be set up, method of payment checked and recorded and a rent payment card ordered.

- Within 6 weeks of the start of a General Needs tenancy a tenancy follow up visit is carried out by a Neighbourhood/Communities Co-ordinator. Rent payments are checked and discussed as part of the visit and any issues discussed with the appropriate Income Management Team member for further action.

**Housing Benefit**

(i) **New Tenants**

- The Association will ensure that where required tenants complete their Housing Benefit forms fully and accurately and submit the forms along with the necessary verification documents, as quickly as possible. Normally new tenants will be given a Housing Benefit Form at the Affordability Assessment and required to bring a completed form to the Tenancy Sign-up Meeting. Where the tenant is unable to complete the form themselves, then staff will assist with completion at or after the sign up meeting, ensuring that this assistance is clearly declared as appropriate. If assistance is provided after the meeting then this should be arranged between the Neighbourhood Co-ordinator and Income Management Team and an appointment made with the tenant for within 3 working days of the sign up meeting.

- Likely Housing Benefit entitlement will be calculated using the appropriate benefit calculator. Where determined that the tenant will not receive full housing benefit, an interim weekly payment will be agreed until such time as formal notification is received from the Housing Benefit department of the actual benefit amount to be paid.
• All tenants will be encouraged to request Housing Benefit payments direct to the Association, unless it is the Association’s belief that it is in both the tenant’s and the Association’s best interests for payments to be made to the tenant e.g. in preparation for Universal Credit.

• Tenants are required to provide the Association with a copy of their Housing Benefit receipt as proof of claim submission. An electronic copy of the receipt is held against the tenancy on the documotive electronic filing system.

• All new Housing Benefit claims (e.g. claims by new tenants, claims due to a change of circumstances etc.), are checked with the Housing Benefit department on a weekly basis by the Senior Income Management Assistant. Details checked include:
  
  ➢ Receipt by the Housing Benefit department of all information required to process the claim
  ➢ If staff have not had sight of the claim, whether payment will be made to the tenant or direct to the Association

• Where a tenant has requested that Housing Benefit is paid to them, the Association will aim to set up a direct debit with the tenant on the most appropriate date and frequency.

• Tenants must endeavour to ensure that any delays in the payment of Housing Benefit from the relevant Housing Benefit department are kept to an absolute minimum. This includes the prompt provision of information to Housing Benefit departments when it is requested.

• Where there are any queries on a claim and/or further information is required, the tenant will be informed of this within five working days. Any failure to respond or to comply with reasonable requests will result in the next arrears stage being progressed.

(ii) Current Tenants

• Where notification is received by the Association from the Housing Benefit department of a claim cancellation, a change in entitlement etc., then written notification will be sent to the tenant within a maximum of 5 working days and a request for the tenant to provide a reason for the change in Housing Benefit entitlement will be made within the letter where applicable. Where a cancellation letter is received, the Housing Benefit department should be contacted by telephone within 2 working days to determine the reason for the cancellation. If this is due to the tenant moving to Universal Credit then the procedure for dealing with Universal Credit claims should be followed (see section 4 below), including contacting the tenant within 2 working days to confirm this and to agree next steps and any support requirements. Where we are unable to establish the reason for a cancellation of benefit from the Local Authority, and where the tenant has also failed to respond to a request for this information, then follow-up telephone calls and visits will be made to the tenant.
The Association will endeavour to work closely with Local Authority Housing Benefit departments to ensure that there is a positive working relationship and that there are clear channels of communication open to affect the swift resolution of any problems. Where possible we will establish formal service level agreements with Housing Benefit department to define the working relationship.

(iii) **Direct Payment of Housing Benefit**

- Where it is known that a tenant is in receipt of Housing Benefit payments which the tenant is receiving themselves, then where arrears are equivalent to 8 weeks full rent or more a request will be made to the Housing Benefit department for the Housing Benefit to be paid directly to the Association.

(iv) **Housing Benefit Overpayments**

- When an overpayment is notified by the Housing Benefit department, we will check that the overpayment is correct and if necessary contact the Housing Benefit department to query the reason.

- As a general rule, if the overpayment was caused by an official error by the Association it is reasonable to recover this from the Association. If the overpayment was caused by tenant error, official error or is something the Association would be unaware of, then the decision should be appealed because it is not reasonable to recover from the Association.

- The Housing Benefit department must receive the Associations appeal within the time limit specified. A written appeal must be sent within 4 weeks of the date of the Housing Benefit department notification. The tenant will be informed in writing of the overpayment.

- Where necessary the Arrears Officer will seek advice on the overpayment from the Money Matters Service.

- If an overpayment demand is determined as correct, the tenant will be notified of this, including details of the amount of additional payments required. Overpayments are generally recovered from ongoing Housing Benefit entitlement. Officers should ensure payments are revised and agreed to reflect the reduction in Housing Benefit.

**Rent Statements**

- Rent statements are mailed to all tenants and licensee’s every quarter. Statements are generated by the Finance team and e-mailed to a mailing service to print and post to tenants.

- Any queries arising from the rent statements will be dealt with by the N-Gage Customer Team in the first instance. The N-Gage team will record the query on the Customer Relationship Module (CRM). The log on CRM will notify the Finance Department of the query.
Where the Customer Team cannot deal with the query then it will be referred to the Income Management Team. The Income Management Team will record details of the conversation on CRM.

**Universal Credit**

- The detailed processes for managing universal credit claims and payments are given in the following section of this document.

**Rent Arrear Processes - Current Tenants**

- The following sections detail the processes for managing current and former rent arrears and for dealing with universal credit claims, for different tenancy types. The general approach taken for all tenancies is as follows:

  (i) Accounts with arrears are monitored weekly by Arrears Officers. Each Officer has a caseload and is responsible for managing their caseload in line with the arrears policy and procedure. The arrears procedure defines the action to be taken, depending on a variety of factors including the level of debt, the number of week’s arrears and any previous actions taken or arrangements broken. Personal contact and a certain degree of flexibility are also encouraged, dependent upon circumstances.

  (ii) Impact Housing will proceed to the next arrears stage unless the arrears have been cleared or a payment plan is in place and the arrears are reducing. A payment plan may be put in place at any stage in the arrears procedure, except where it would contradict the terms of an order made by the Court or where the tenant’s proposal for a payment plan is not satisfactory to Impact Housing.

  (iii) At all stages, the level of rent arrears is also made clear to the tenant. Where Impact is in receipt of Housing Benefit or Universal Credit payments on behalf of the tenant, the anticipated amount due is deducted from the total arrears level in correspondence with the tenant.

  (iv) At most stages in the arrears procedure tenants are advised as below (or similar):

    We strongly advise that you contact our Money Matters Service if you have not already done so. A representative from this service can visit you to give a range of advice and support on money, debt or benefits issues. Contact the Money Matters Service directly on 01228 633632 or text moneyhelp to 07585968466.

    Your local Citizens Advice Bureau can also provide confidential independent advice on the above issues, or you can contact the National Debtline on 0808 808 4000.

    “Week’s rent” means the rent and service charges relating to the individual property, per week.
“Week’s rent payable” means the net rent payable by the tenant after the Housing Benefit or DWP payment is deducted, per week.

The timescale between all arrears stages is 1 week, unless otherwise stated.

Assured and Fair Rent Tenancies

Stage 1 (A10)

Rent arrears of £20 or more. Impact Housing will make contact by letter, requesting payment to be made or a payment plan put in place.

Stage 2 (A20)

Rent arrears have not reduced. Impact Housing will contact the tenant by telephone and request payment to be made or a payment plan put in place. Where it is not possible to contact the tenant by telephone a letter will be sent.

Stage 3 (A30)

Rent arrears are £60 or over and it has been at least 2 weeks since Impact has made contact regarding rent arrears. Impact Housing will make contact by letter, requesting payment to be made or a payment plan put in place. The letter advises that we will visit in the following week if neither of these actions is taken.

Stage 4 (A40)

Rent arrears are £100 or over. Impact Housing will issue a letter stating that we will visit the tenant on a particular day. We ask that the tenant contacts us to confirm whether the appointment is suitable, and if not, arrange an alternative appointment.

The visit ideally takes place within the same week. During the visit, the Arrears Officer discusses the tenant’s circumstances, issues them with an up-to-date rent statement and advises on the potential consequences of non-payment. The Arrears Officer agrees with the tenant any necessary actions to be taken, as well as making an agreement for payment of the arrears and the ongoing rent due. Where a need for support and/or financial advice is identified the Officer will provide such advice, or where appropriate refer to the Money Matters service.

Stage 5 (A50)

Rent arrears are at least 6 week’s rent payable, or are over £120, or the arrears have been over £100 for at least 60 days without reducing. Impact Housing contact the tenant by telephone to advise that if the arrears are not cleared or a payment plan put in place then we will commence legal proceedings in the following week. The tenant is informed that it is possible that they may be evicted from their home as a result of this.

A letter is also sent to convey the same information.
At this stage, a trigger is sent to the Money Matters team who then contact the tenant by text to offer their service.

**Stage 6 (NSA/NSC)**

Rent arrears are over £150 and at least 6 week’s rent payable. Impact Housing will issue a Notice of Intent to Seek Possession (NISP). The NISP is a 28-day legal warning that if the amount displayed on the Notice is not cleared with 28 days, Impact Housing can apply to the court for a possession hearing, the outcome of which may result in eviction. The tenant is also informed that if we are required to proceed with legal action, they may be responsible for the legal costs which Impact incurs in taking this action.

The NISP is either sent by first class post or is hand-delivered and a rent statement is included. Where there is more than one tenant within the household, separate Notices are issued for each tenant.

**Stage 7 (N10)**

Rent arrears are greater than or equal to the amount stated on the NISP and there is no payment plan in place. A letter is issued reminding the tenant of the NISP and states approximately how many weeks it will be until the NISP expires and becomes enforceable. Again, the tenant is reminded that we will apply for a possession hearing in the county court if sufficient payments are not made, and that they may be responsible for the court costs if this is the case.

**Stage 8 (N20)**

As above. Wherever possible, a telephone is also made at this stage.

**Stage 9 (N30)** As above.

**Stage 10 (N40)**

Arrears are greater than or equal to the amount stated on the NISP and 2 weeks have passed since Stage 9 (N30) was committed.

Application for a possession hearing in the county court is made and paid for via PCOL. A letter is issued to the tenant confirming that the application has been made and advises that we will inform them of the date and time of the hearing (or these details are sometimes provided within this letter). An up-to-date rent statement is issued along with this letter.

Other teams within Impact Housing are informed of the possible pending eviction.

**Stage 11 (N50)**

Arrears are greater than or equal to the amount stated on the NISP and there is no payment plan in place.
A letter is issued to inform the tenant of the time and date of the pending possession hearing, and the anticipated order to be applied for if these details are known at this stage. The letter advises the tenant to contact us before the court hearing if they have not already done so, to attend the court hearing, and also to make payments before the court hearing as this may prevent eviction.

A telephone call is also made at this stage wherever possible.

**Stage 12 (N60)**

Arrears are greater than or equal to the amount stated on the NISP and there is no payment plan in place.

A letter is issued to inform the tenant of the time and date of the pending possession hearing, and the anticipated order to be applied for if these details are known at this stage. The letter advises the tenant to contact us before the court hearing if they have not already done so, to attend the court hearing, and also to make payments before the court hearing as this may prevent eviction.

Court preparation paperwork is completed by the Arrears Officer at this stage.

*(POSSESSION HEARING TAKES PLACE, GENERALLY RESULTING IN AN ADJOURNMENT, AN OUTRIGHT POSSESSION ORDER OR A SUSPENDED POSSESSION ORDER)*

**Stage 13a (C00) (Where Suspended Possession Order has been made)**

Letter is issued which confirms the details of the Suspended Possession Order and the amount/frequency of payments required in order to comply with the terms of the order.

Details of the costs awarded are confirmed within the letter (if applicable) and it is stated that if any payments are missed, or if any payments are lower than required then the tenant is in breach of the court order and Impact is legally entitled to take possession of the property.

**Stage 14a (C10)**

Suspended Possession Order has been breached. Details of the Suspended Possession Order are outlined within a letter. It is confirmed that the required payments have not been made. It is made clear that a payment must be made immediately in order to comply with the court order and that failure to do so will result in Impact taking possession of the property.

**Stage 15a (C20)**

Suspended Possession Order has been breached for the second time. Details of the Suspended Possession Order are outlined within a letter. It is confirmed that the required payments have not been made. It is made clear that a payment must be made immediately in order to comply with the court order and that failure to do so
will result in Impact taking possession of the property. Impact informs the tenant within this letter than a further warning will not be issued.

Other teams within Impact Housing are informed of the possible pending eviction at this stage.

### Stage 16a (C30)

Suspended Possession Order is breached for the third time. Letter is sent to the tenant informing them that they are required to vacate the property by a given date and return the keys to Impact Housing. The tenant is advised that if they do not do this then Impact will apply for a warrant for possession and a fee will be passed onto them due to this. The tenant is also made aware that if any belongings are left in the property they will charged for storage or disposal of the items, and that a charge will also be applied if the property is not left in a clean and satisfactory state of repair.

### Stage 17a (C40)

Letter is sent to remind the tenant of date they are required to vacate the property.

Form ARR4 (Eviction approval) is completed by the Arrears Officer and sent to the Director of Assets and Homes or their nominee for approval. In making this decision, the Director of Assets and Homes will consider the vulnerability of the tenants and any safeguarding issues. He/she must also be satisfied that the Homelessness Department have been made aware of the pending homelessness situation.

Where we have an SPO: Application Notice (N244) requesting permission to enforce the SPO is lodged with the court, along with supporting evidence to include schedule of breaches and witness evidence.

Only when permission granted from the court can application for warrant (Stage 18a) be made.

### Stage 18a (C80)

Application for warrant is made and risk assessment is completed. Tenant is informed via letter that we are making the application and that the cost of this will be charged to them. Letter states that we will inform the tenant of the time and date of the eviction when we have this information.

### Stage 19a (C90)

Letter is sent to the tenant to confirm the date and time of the eviction. Rent Arrears Officer informs all relevant teams within Impact Housing of the pending eviction.

(EVICATION TAKES PLACE)

### Stage 20a (E00)
Eviction costs are added to the account of the tenant. Policy regarding the storage of personal good is followed if there are belongings left in the property which require storage or disposal.

**Stage 13b (C60) (Where an Outright Possession Order has been made)**

Letter is sent to the tenant confirming the outcome of the possession hearing. The tenant is reminded of the date when they must have vacated the property by. The tenant is also made aware that they must remove all their belongings from the property and leave it in a clean and satisfactory condition.

Other teams within Impact Housing are informed of the pending termination.

**Stage 14b (C70)**

Letter is sent to the tenant confirming the requirement to vacate on the date given at the possession hearing.

**Stage 15b (C80)**

If the possession date has passed and the keys for the property have not been returned to Impact Housing, an application for a warrant for eviction is made (as Stage 18a)

**Stage 16b (C90)**

(As stage 19a)

**Stage 17b (E00)**

(As stage 20a)

**Stage 13c (C50) (Where an Adjournment is granted)**

Letter is sent to the tenant to confirm the terms of the adjournment. The date and time of the next possession hearing is confirmed if this is known at this stage.

Case remains at this stage until either the next court hearing, or until the terms of the adjournment are breached. Case is then overridden as appropriate.

**Stages for action in the rent arrears management of Starter and Assured Shorthold tenancies**

**Stage 1 (S10)**

Rent arrears of £20 or more. Impact Housing will make contact by letter, requesting payment to be made or a payment plan put in place.

**Stage 2 (S20)**
Rent arrears have not reduced. Impact Housing will contact the tenant by telephone and request payment to be made or a payment plan put in place. Where it is not possible to contact the tenant by telephone a letter will be sent.

Stage 3 (S30)

Rent arrears are £60 or over and it has been at least 2 weeks since Impact has made contact regarding rent arrears. Impact Housing will make contact by letter, requesting payment to be made or a payment plan put in place. The letter advises that we will visit in the following week if neither of these actions are taken.

Stage 4 (S40)

Rent arrears are £100 or over. Impact Housing will issue a letter stating that we will visit the tenant on a particular day. We ask that the tenant contacts us to confirm whether the appointment is suitable, and if not, arrange an alternative appointment.

The visit ideally takes place within the same week. During the visit, the Arrears Officer discusses the tenant’s circumstances, issues them with an up-to-date rent statement and advises on the potential consequences of non-payment. The Arrears Officer agrees with the tenant any necessary actions to be taken, as well as making an agreement for payment of the arrears and the ongoing rent due. Where a need for support and/or financial advice is identified the Officer will provide such advice, or where appropriate refer to the Money Matters service.

(AFTER S40, ARREARS OFFICER CHECKS TO SEE IF TENANCY IS LESS THAN OR MORE THAN 4 MONTHS. IF LESS THAN, DECISION CAN BE MADE TO OVERIDE TO A50 - AS PER ASSURED AND FAIR RENT TENANCIES, OR CAN WAIT UNTIL THE TENANCY DOES REACH 4 MONTHS IF IT DEEMED TO BE BENEFICIAL TO DO THIS. IF TENANCY IS 4 MONTHS OR MORE, THE STARTER TENANCY/ASSURED SHORTHOLD RENT ARREARS PROCEDURE CAN BE CONTINUED).

Stage 5 (S50 – Pre-Section 21 Notice)

Rent arrears are at least 6 week’s rent payable, or are over £120, or the arrears have been over £100 for at least 60 days without reducing. Impact Housing contact the tenant by telephone to advise that if the arrears are not cleared or a payment plan put in place then we will commence legal proceedings in the following week. The tenant is informed that it is possible that they may be evicted from their home as a result of this.

A letter is also sent to convey the same information.

At this stage, a trigger is sent to the Money Matters team who then contact the tenant by text to offer their service.

Stage 6 (Section 21 Notice)
Rent arrears are over £150 and at least 6 week’s rent payable and the tenancy start date was at least 4 months ago. Impact Housing will issue a Section 21 Notice with a letter to explain what this means. The letter outlines that Section 21 Notice is legal document which gives the tenant 2 months in which to clear the arrears or to maintain an agreement to clear the arrears. It is made clear that if, after the 2 month period, adequate payments have not been made, then the tenancy will be terminated and the property must be vacated.

The letter notifies the tenant that they have the right to appeal the serving of the Section 21 Notice and gives details of how they can do this.

The Section 21 Notice is either sent by first class post or is hand-delivered and a rent statement is included.

**Stage 7 (21A)**

Two weeks have passed since the Section 21 Notice was served. Rent arrears have not reduced and there is no payment plan in place.

Letter advises when the Section 21 Notice is due to expire and advises the tenant to get in contact with Impact to discuss the arrears. It is made clear that they will be required to vacate the property if they do not do this.

**Stage 8 (21B)**

Four weeks have passed since the Section 21 Notice was served. Rent arrears have not reduced and there is no payment plan in place.

Letter advises when the Section 21 Notice is due to expire and advises the tenant to get in contact with Impact to discuss the arrears. It is made clear that they will be required to vacate the property if they do not do this.

A telephone call is made at this stage wherever possible.

**Stage 9 (21c)**

Six weeks have passed since the Section 21 Notice was served. Rent arrears have not reduced and there is no payment plan in place.

Letter states when the Section 21 Notice is due to expire and advises the tenant to get in contact with Impact to discuss the arrears. It is made clear that if they do not do this they will be required to vacate the property and that if any belongings are left in the property they will charged for storage or disposal of the items, and that a charge will also be applied if the property is not left in a clean and satisfactory state of repair.

The tenant is also advised that if they do not vacate the property by the given date then Impact will apply for a possession hearing in the county court and that they will incur charges if this is the case.

A telephone call is made at this stage wherever possible.
Stage 10 (21d)

Eight weeks have passed since the Section 21 Notice was served. Rent arrears have not reduced and there is no payment plan in place.

Letter re-iterates that if sufficient payments are not made by the date specified on the Section 21 Notice then they do not do this they will be required to vacate the property and that if any belongings are left in the property they will charged for storage or disposal of the items, and that a charge will also be applied if the property is not left in a clean and satisfactory state of repair.

The tenant is also advised that if they do not vacate the property by the given date then Impact will apply for a possession hearing in the county court and that they will incur charges if this is the case.

A telephone call is made at this stage wherever possible.

Form ARR4 (Eviction approval) is completed by the Arrears Officer and sent to the Director of Assets and Homes or their nominee for approval. In making this decision, the Director of Assets and Homes will consider the vulnerability of the tenants and any safeguarding issues. She must also be satisfied that the Homelessness Department have been made aware of the pending homelessness situation.

Stage 11 (NSD)

If the expiry date of the Section 21 Notice has passed and the tenant has not vacated the property, an application to the court for Accelerated Possession Proceedings is made.

Letter is sent to the tenant advising of this, and that they may also be responsible for the court costs incurred.

A visit to the tenant is also made at this stage wherever possible.

(AFTER 2 WEEKS OF MAKING ACCELERATED POSSESSION PROCEEDINGS THE ARREARS OFFICER CHECKS WITH THE COURT TO ASCERTAIN WHETHER THE TENANT HAS FILED A DEFENCE. IF THEY HAVE, FURTHER ACTIONS ARE TAKEN MANUALLY, SPECIFIC TO THE CASE. IF A DEFENCE HAS NOT BEEN FILED AND THE COURT GRANTS A POSSESSION ORDER THEN THE PROCESS FOLLOWS THAT AS IN THE CASES OF ASSURED TENANCIES WHERE AN OUTRIGHT POSSESSION ORDER HAS BEEN MADE I.E. STAGE 13B - C60 ONWARDS).

Stages for action in the rent arrears management of Licence Agreements

Stage 1 (L10)

Rent arrears of £5 or more. Impact Housing will make contact by letter, requesting payment to be made or a payment plan put in place.

Stage 2 (L20)
Rent arrears have not reduced. Impact Housing will make contact by letter, requesting payment to be made or a payment plan put in place.

Stage 3 (L30)
Rent arrears have not reduced. Impact Housing will contact the tenant by telephone and request payment to be made or a payment plan put in place. Where it is not possible to contact the tenant by telephone a letter will be sent.

Stage 4 (L40)
Rent arrears have not reduced. Impact Housing will make contact by letter, requesting payment to be made or a payment plan put in place.

Stage 5 (L50)
Rent arrears are at least 5 week’s rent payable, or are over £100, or the arrears stage has been at L40 for 14 days, without the arrears reducing. Impact Housing will contact the resident by telephone and arrange to visit them, ideally within the same week but dependent upon the availability of the resident and the Independent Living Worker. During the visit, the Arrears Officer will agree a payment plan* with the resident and will stress that if the agreed actions are not taken we will issue a Notice to Quit the following week, or at a later date where necessary. The resident is informed that it is possible that they will be required to vacate their home as a result of this.

*The payment plan may involve actions other than simply making a payment to their account, e.g. taking necessary evidence to Housing Benefit, attending appointment at JobCentre.

Stage 6 (L60)
Rent arrears are at least 5 week’s rent payable and are over £110. Impact Housing will make contact with the resident by letter. The timescale for issuing of this letter will be dependent upon the actions/payments which were agreed at the L50 visit. The L60 letter notifies the resident that they have not fulfilled their actions/payments as agreed at the L50 visit, encourages the resident to make contact regarding this if they have not already done so, and warns the resident of the imminent service of Notice to Quit if they do not take the required actions.

Stage 7 (NQ0)
Notice to Quit is served. This states that the resident is required to vacate the property within 28 days.

Stage 8 (NQ1)
Two weeks have passed since the Notice to Quit was served. Reminder of the requirement to vacate on the specified date is sent via letter.

**Stage 9 (NQ2)**

Three weeks have passed since the Notice to Quit was served. Visit to the resident is made to remind the resident of the requirement to vacate on the specified date.

**Rent Arrears Processes – Former Tenants**

**Tenancy Termination**

- Upon notification that a tenant wishes to end their tenancy, the Association will seek to obtain a forwarding address and up to date contact details. The Termination of Tenancy Form ([Appendix 9 – Termination of Tenancy form](#)) will be sent to the tenant to clarify the responsibilities regarding payments due before the end of tenancy, and the conditions which must be met to prevent additional charges. In the weeks leading up to the end of tenancy, if the rent account is in arrears, the Income Management Team will follow all normal recovery procedures. It will also:

  - Highlight the arrears owing and outline the expectations for payment at the pre-void inspection
  - Notify the arrears to other appropriate staff (e.g.: Asset Management, Neighbourhood and Communities and N-Gage Customer Service) via a weekly ‘Terminating Tenancy’ list. Where there is contact between the tenant and staff in these teams the arrears owing will be raised and discussed
  - Make regular contact with the tenant, via a mix of telephone calls, texts and visits. The Income Management team will work closely with the N-Gage Neighbourhood and Communities team to organise contact
  - Where the tenant is known to be moving to another landlord, consider contacting the landlord to discuss the outstanding debt and joint approach to dealing with the matter. Where the level of debt exceeds the limits specified in the Cumbria Choice Based Lettings Policy and/or legal action is being taken, or has been taken on the basis of arrears, then if the tenant is moving to a new landlord, this landlord will always be contacted to discuss the matter, including giving consideration to withdrawing the new tenancy offer made
  - Consider starting any appropriate legal action e.g.: attachment of earnings order, prior to the tenant leaving and where the required payments have not been forthcoming
  - Chase up any outstanding matters relating to Housing Benefit or Universal Credit Housing element payments, during the notice period

- If a forwarding address has not been input to the system prior to a tenancy becoming former, steps will be taken to find a suitable correspondence address, contact number or e-mail address in the first instance.

**Dealing With Deceased Tenant Arrears**
• Where a former tenant is deceased, the Association will seek to recover the debt from the estate. Prompt action will be coupled with a sensitive approach to members of the deceased tenant’s family.

• The Association will use discretion in dealing with the notice period, advising relatives where appropriate of Housing Benefit issues and rent liability. Normally the family of the deceased will be allowed 2 weeks ‘grace’ with regard to the notice period.

• Action will take the form of personal contact and a letter. The standard deceased relative letter will be used.

**Former Arrears Process**

• Accounts with former arrears are monitored weekly by a dedicated member of the Income Management Team. The arrears procedure defines the action to be taken, depending on a variety of factors including the level of debt, the number of week’s arrears and any previous actions taken or arrangements broken. Personal contact and a certain degree of flexibility are also encouraged, dependent upon circumstances.

• Impact Housing will proceed to the next arrears stage unless the arrears have been cleared or a payment plan is in place and the arrears are reducing. A payment plan may be put in place at any stage in the arrears procedure.

• The timescale between all arrears stages is 1 week, unless otherwise stated.

• Where there is no estate and no means to pay the debt then the debt will be written off, as per the write off procedure.

• The stages outlined below may be committed on the basis of a telephone call being made or e-mail being sent (rather than a letter being issued) where only these methods of communication are possible.

• All arrears over £20 are pursued. Arrears under £20 will be written off in the first instance, unless there are exceptional circumstances.

**WHERE CONTACT DETAILS ARE AVAILABLE AND THE TENANT IS NOT DECEASED**

**Stage 1 (F01)**

Impact Housing will make contact by letter, requesting the arrear to be cleared or a payment plan put in place. The letter explains that the amount payable may increase if a Housing Benefit overpayment is received, or if a charge for rechargeable repairs needs to be applied. It is warned that failure to make payment or to contact Impact regarding making a payment plan may result in the case being referred to a debt collection agency or solicitor. A leaflet detailing the payment options available is sent along with the F01 letter.

**Stage 2 (F02)**
After 3 weeks following issue of the F01, if the arrear has not been cleared or a payment plan put in place then a further letter will be issued. The letter gives the same information as that detailed in F01, with the addition of the date at which the case will be referred to the debt collection or solicitor if either payment is not made or a payment plan put in place by then.

**Stage 3 (F03)**

After 2 weeks following issue of the F02, if the arrear has not been cleared or a payment plan put in place then a further attempt at personal contact will be made via telephone, text or visit.

**Stage 4 (F04)**

After 2 weeks following issue of the F02, if the arrear has not been cleared or a payment plan put in place then a further attempt at personal contact will be made via telephone, text or visit.

**Stage 5 (FN1)**

After 3 weeks following issue of the F02, if the arrear has not been cleared or a payment plan put in place, and the arrears are £200 or higher, then a referral to the debt collection agency or solicitor is made. If arrears are lower than £200 then a recommendation for them to be written off will be made.

**Stage 6 (FN2 or FN4)**

After one year, the account is checked. If payments have been made within the year then the case is set to FN2 to show this. (The account will be then be checked again in a further year and the same assessment made). If no payments have been made then the case is set to FN4 to show that arrears are now classed as ‘out of management’, meaning that they are disregarded from the former tenant arrears figures which are reported organisationally.

**Stage 7 (FN6)**

After a further 2 years at FN4 (out of management) the account is checked again. At this stage a decision may be made to write off the arrears or to re-refer (i.e. refer to solicitor if the previous referral was to a debt collection agency).

**WHERE CONTACT DETAILS ARE AVAILABLE AND THE TENANT IS DECEASED**

**Stage 1 (FD1)**

Impact Housing will make contact by letter to whoever has been named as the person whom we should liaise with regarding the tenancy. The letter explains that the amount payable may increase if a Housing Benefit overpayment is received, or if a charge for
rechargeable repairs needs to be applied. The letter requests that the arrear is cleared upon settlement of the estate, if not before.

**Stage 2 (FD2)**

If the arrear has not been cleared or a payment plan put in place then a further letter will be issued. The letter gives the same information as that detailed in FD1, with the addition of a rent statement also being included and a leaflet giving the rent payment options.

**Stage 3 (FW1/2/3/4 – dependent upon level of arrears)**

If, following the issuing of the FD2, no payment is received or no payment plan put in place, then a recommendation for the arrear to be written off will be made.

**WHERE NO CONTACT DETAILS ARE AVAILABLE AND ARREARS ARE OVER £200**

**Stage 1 (FN1)**

A referral to the debt collection agency is made via their online portal, or a referral to the solicitor is made. A paper copy of the details is also held on file, and a diary note of the referral is made against the tenancy.

**Stage 2 (FN2 or FN4)**

After one year, the account is checked. If payments have been made within the year then the case is set to FN2 to show this. (The account will be then be checked again in a further year and the same assessment made). If no payments have been made then the case is set to FN4 to show that arrears are now classed as ‘out of management’, meaning that they are disregarded from the former tenant arrears figures which are reported organisationally.

**Stage 3 (FN6)**

After a further 2 years at FN4 (out of management) the account is checked again. At this stage a decision may be made to write off the arrears or to re-refer (i.e. refer to solicitor if the previous referral was to a debt collection agency).

**Stage 3 (FW1/2/3/4)**

After a further 2 years, the account is checked again. If no payment has been made within the previous 3 years then a recommendation for arrear to be written off will be made. If payments have been received, then the case is set as FN2 (as above).

**WHERE NO CONTACT DETAILS ARE AVAILABLE AND ARREARS ARE UNDER £200**

**Stage 1 (FW1/2– dependent upon level of arrears)**

If no contact details are available and arrears are under £200, a recommendation for the arrears to be written off will be made. In exceptional cases the case may be referred to the debt collection agency (FN1) instead.
Payments received via debt collection agencies

All payments received via the Debt Collection Agency should be credited to the account on a monthly basis by the Income Management Team and within 10 working days of the schedule of payments being received by the Association.

**Universal Credit Processes**

Where we become aware that a tenant is moving to/claiming universal credit then the Income Management Team should be notified immediately and the following actions taken by the Income Management Team:

1) Give/send a letter confirming rent and service charges and contact details (from IBS)  
   Also, give/send a rent statement if required and DWP leaflet  
2) Give/send a copy of the tenancy agreement  
3) Advise tenant to make a separate claim for council tax reduction  
4) Inform tenant of the arrears procedure and the requirement to progress arrears actions until payments received  
5) Check rent account and make APA request on grounds of rent arrears, or other criteria, as detailed in the Guidance section of this policy  
6) Encourage the tenant to engage with budgeting support and/or advance payment and/or APA on grounds of vulnerability if required  
7) Make referral to Money Matters or instigate ‘Team around the resident’ if deemed necessary following basic investigation  
8) Update the points area field in IBS>Locations>Locations to state ‘Universal Credit’  
9) Verify National Insurance number and update IBS with this  
10) Put details on ‘UC Claimants Details’ spreadsheet

In the following week/s the following actions should be taken:

1) Check if tenant has first expected payment date. If so, update ‘Tenant Attribute’ in Rents>Tenancy>Change with the first payment date  
2) Check on progress of the APA if applicable  
3) Progress in arrears system as required, or set an agreement if this is deemed more appropriate  
4) Update Payment Method in Rents>Tenancy>Change if in receipt of APA  
5) Update APA spreadsheet if applicable

### 5.0 Responsibilities Chart

<table>
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<tr>
<th>Responsibilities</th>
<th>Board/CEO</th>
<th>SM</th>
<th>AP</th>
<th>R.O.’s/Managers</th>
<th>All Staff</th>
<th>Specific teams or roles listed</th>
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<tr>
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<tr>
<td>Affordability Checks</td>
<td>✓ IM Team supported by Housing Options</td>
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<tr>
<td>Rent statements</td>
<td>✓ Finance, N-Gage Team, IM Team</td>
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6.0 Links to other Policies and Regulations

Name: Duncan Tilbe  
Job title: Housing Manager  
Date reviewed: Oct 2016  
Next review due: Oct 2019
2. **Guidance for Rent Arrears**

1.0 **Impact’s Guidance**

**Rent Collection/Payments**

- Rents are due each Monday in the case of weekly tenancies. However, any tenant may make an arrangement to pay the rent in weekly, fortnightly, four weekly or monthly instalments, provided payments are made in advance.

- New tenancies and licences may be started on any day of the week and the rent for the week in which the tenancy has been started will be charged on a pro-rata basis.

- A wide range of methods to make rent payments are available that are intended to meet the diverse needs of customers. These methods include:
  
  - Direct debit which can be paid on any day of the month, on any frequency
  - Standing Order
  - Cheque or cash at any Impact Office/Hub or Furniture Store site
  - Debit or credit card over the telephone or at any Impact Office or Furniture Store site
  - Online, including via Impact’s customer app
  - ‘Jam Jar’ accounts offered by West Cumbria Credit Union
  - Rent payment card at any shop or Post Office displaying the Pay Point sign

- We will continually review the options available in consultation with tenants.

- Direct Debit is the preferred method of payment for the Association and tenants will be encouraged to use this method where possible.

- All tenants claiming housing benefit, or the housing element of universal credit, will be required to agree payments to put their accounts 4 weeks rent due in advance. This sum is additional to the weeks rent payment required at tenancy sign up. The period over which this should be achieved will vary dependent on individual financial circumstances, but should normally be achieved by all tenants over a period of 12 months.

**New Tenants**

- A proactive approach to rent payments for new tenants is required including:
  
  - Clarity on requirements/expectations
  - The provision of support to assist with claims for support with rent payments e.g. housing benefit claims, claims for the housing element of universal credit
  - A clear and appropriate method of payment is agreed.
  - Early interventions where arrears occur.
Rent accounts of new General Needs, Supported Living and Positive Impact tenants (up to 12 weeks) are checked specifically on a weekly basis by the Income Management team to ensure that rent payments are being made as required and that Housing Benefit/Universal Credit claims are being submitted and followed up where applicable. Tenancies which through the Affordability Check process, have been assessed as being high risk will be given higher priority. Responsibility for checking of Housing Benefit claims etc. within Positive Impact tenancies lies jointly with the Income Management team and Independent Living Workers as detailed in the Service Level Agreement. (Appendix 2 – Service Level Agreement: Positive Impact and Income Management).

Rent Arrears Recovery

The Association’s full rent arrears recovery procedures are detailed in the Process section of this policy. The key approach and core principles of these procedures are outlined below:

Approaches/Principles

• Early intervention and quick and regular action are key principles. Tenants will be informed of rent arrears as soon as they accrue or payments are missed. Arrears officers will review their cases at least weekly using the IBS rent arrears module. The system will make recommendations each week on escalating arrears cases. Officers will commit each case to the next recommended stage. The system allows cases to be put on ‘check’, which should only be used where the next stage would not be appropriate. The ‘check’ option must always be explained in a diary note.

• Officers should complete all recommended actions within their extract, each week.

• Actions are a mix of contact by letter, telephone (including text), and in person, with a strong emphasis on personal contact. Telephone and texting should be utilised at the earliest opportunity and continuously throughout the recovery process. The approach taken is firm and matters are escalated quickly if the necessary payments are not made.

• All appropriate support will be offered at each stage of the procedure to assist the tenant to make payments. Support will be offered by Arrears Officers, through the Money Matters Service or by referral to external support agencies, as appropriate.

• Legal action will be taken as soon as appropriate where the tenant is failing to take adequate steps to resolve the situation e.g. not making payments or failing to maintain regular repayments of a debt as per an agreement.

• No procedure can be totally prescriptive. A flexible approach will be taken recognising that different individuals and circumstances require different approaches and solutions.

• In the event of the Association making an error which results in an incorrect balance being shown on the rent account and payments made to the account therefore
being insufficient, we will offer an apology and will seek to investigate and rectify the error promptly. In such cases, rent will still be due; however a reasonable payment plan will be accepted.

- In cases where a credit is accrued on the account due to an incorrect balance being stated, the Association will promptly refund a value which leaves no less than 1 week’s gross rent remaining on the account.

- All tenants will receive a quarterly statement of their rent account to ensure that they are kept up to date with the balance of their rent account. Up to date statements can be requested at any time by customers, or can be viewed on line.

- All tenants will be advised promptly of any changes to the rent payable and the reasons for the changes.

- Annual rent reviews take effect from the first Monday in April. Tenants are notified of their new charge at least 4 weeks prior to this. Housing Benefit departments and Direct Debit administrators are notified of changes at least 8 weeks prior to the new charges becoming effective.

**Universal Credit**

- The Association will take a proactive approach to mitigating the risks posed by Universal Credit and other welfare reforms. An internal Welfare Reform Group co-ordinates the management of welfare reform changes. The group is responsible for creating, implementing and reviewing a Welfare Reform Action Plan built around identified impacts and risks and aimed at mitigating those risks.

- With regard to universal credit the Welfare Reform Plan includes identifying those tenants who would in current circumstances move to Universal Credit, visiting those tenants to raise awareness of the new benefit, outlining expectations relating to claiming and making rent payments and assessing the risks for each individual tenant. Where a risk is identified relating for example to budget management, the ability to claim online or vulnerability, then appropriate support options will be offered.

- The Association will work to a Welfare Reform Communication Plan which details a range of communication methods for informing tenants on the new benefit, expectations for rent payments and support available.

- We will work in partnership with other local agencies including the Department of Works and Pensions, Housing Benefit departments, other RSL’s and local advice agencies to share information and to update, discuss and agree local arrangements for the effective introduction and management of Universal Credit.

- We will work to identify new Universal Credit claims at the earliest stage, including regular (daily) checks of the dedicated e-mail box for DWP notifications of new claims. Where we become aware of a new claim then the Universal Credit process will be followed (see Process section of this policy). Key elements of this process include:
Checking the tenant’s rent account and Universal Credit risk rating data
Contacting the tenant within two working days of becoming aware of the claim to discuss making the claim/progress with the claim, and support requirements both with making the claim and managing payments on an ongoing basis
Co-ordinating any support agreed (e.g. via the Money Matters Service, the Neighbourhood and Communities Team, N-Gage staff or other agencies)
Liaising with the DWP (local Job Centre and Regional Service Centres), as necessary, to aid quick and effective processing of the claim, including verifying rent details promptly in those areas where full service has been introduced (currently most areas in Allerdale, Copeland and Lancaster)

- Where a tenant is in receipt of the housing element of Universal Credit, a request for an Alternative Payment Arrangement (APA) will be made in the following situations:
  - The claimant has rent arrears equivalent to 4 weeks or more rent
  - The claimant has been evicted for rent arrears and/or failed a tenancy within the last 12 months
  - The claimant is subject/threatened with eviction and/or repossession
  - The claimant has an identified vulnerability covered under the DWP’s Tier 1 and Tier 2 indicator as detailed in Appendix 3 – DWP Guidance on Personal Budgeting Support

- An Alternative Payment Arrangement may take one of three forms, or a combination of any of the three:
  - Payment made direct to the landlord
  - A more frequent payment
  - Split payment of an award

- Where appropriate we will encourage the claimant to request an APA during their initial meeting with their Work Coach at the Job Centre. The claimant will also be encouraged to supply any supporting evidence required by the DWP. If a request for an APA has not been made at the initial Job Centre interview with the Work Coach, then where an APA is deemed appropriate we will liaise with the claimant and the Service Centre to try and put this in place.

- Where a tenant moves onto Universal Credit the IBS system will be updated to record this. Specific details of the claim will be recorded on the Customer Relationship Module and within an IBS diary note.

- Universal Credit factors will be continuously under review as the new system is put into place. As the new benefit is rolled out the Association will keep up to date with learning and adjust/develop practice and processes as appropriate. Universal Credit forms a key part of the Organisational Welfare Reform Plan, and this plan and the development of practice will be managed by the Association’s Welfare Reform Group. This policy will be updated to take account of changes.
Further Universal Credit guidance is attached as Appendix 4 – DWP Introduction to Universal Credit.

**Under Occupancy (Bedroom Tax)**

- Details of the charge and its application are given in Appendix 5 – Under-Occupancy Guidance.

- All tenants subject to under-occupancy criteria will be offered the following assistance.
  
  - Where appropriate (i.e. unless known circumstances signify that there are no affordability concerns); an appointment with the Money Matters Service to consider affordability, budget management and income maximisation, including the possibility of an application for Discretionary Housing Payment (DHP). The Money Matters Service will progress actions, including the DHP application, as appropriate.
  
  - The opportunity to downsize to a smaller property where the under-occupancy shortfall would be eliminated or where it would be a lesser and more affordable amount.
  
  - Other potential options to avoid the charge including mutual exchange, home sharing and taking in a lodger.
  
  - Where appropriate; access to services to assist with gaining employment, increasing employed hours etc.

- Where a tenant confirms they wish to downsize then their name will be held on a separate list by the Housing Options Team who will seek to match appropriate properties to individual tenants. Tenants will also be registered to the Cumbria Choice, Choice Based Lettings Scheme, if not already registered.

- Assistance (currently £600.00) will be offered to assist with removal costs and aid downsizing. This payment is subject to the criteria detailed in the Under-Occupancy Policy. Any arrears or other housing debts, within the amounts that would not disqualify a tenant from downsizing, will be deducted from the final payment made.

- All downsizing moves are subject to approval by the Housing Manager. Approval must be sought using the standard form.

- Where a DHP awarded because of the under occupancy shortfall is reduced or ended, the tenant will be offered an appointment with the Money Matters Service to consider future payments and affordability. They will also be contacted by the Housing Options Team and asked if they wish to downsize if they have not previously indicated this.

- The Association will follow the arrears recovery procedure as per the processes detailed when recovering debts as a result of the under occupancy criteria. Subject to following these procedures and the Pre-Action Protocol (Appendix 7 – Pre-Action Protocol for Rent Arrears), and all appropriate support and advice having been offered, court action may be taken for non-payment of the under occupancy shortfall if non-payment is persistent and/or the total debt exceeds £150.00.
• Court action may be deferred at the Association’s discretion if a tenant has applied to downsize and is actively looking for a suitable move.

• Where the charge has been assessed as unaffordable and no other options, including downsizing exist to resolve the matter, then the Association may agree to apply a credit to the tenants rent account, for all or part of the shortfall for a period up to 12 months. Any credit applied will be on the basis of agreeing a pathway plan to resolve the matter over the period of the award. Any credit awarded will normally be removed after 12 months.

**Vulnerable Tenants**

• Some tenants may be particularly vulnerable when rent arrears or other debt problems arise. Examples of those who should be considered vulnerable are:

  ➢ Tenants who are elderly and infirm
  ➢ Tenants with a physical disability
  ➢ Tenants with mental health problems
  ➢ Tenants with learning difficulties
  ➢ Tenants who cannot read or write
  ➢ Tenants whose first language is not English

• The following procedures will be adopted when dealing with tenants with characteristics which make them vulnerable:

  ➢ Considering whether or not any issues arise under the Equality Act 2010
  ➢ Communicating as far as possible in the appropriate and preferred communication method
  ➢ Ensuring that payment arrangements are realistic
  ➢ Not serving a NSP until the person has been seen by the Money Matters Service or a home visit or office interview has been undertaken
  ➢ Notifying the Local Authority Adult Social Care department and the Local Authority Homeless Service and any other support agency working with the tenant, when requesting a warrant to evict the tenant
  ➢ Notifying the Local Authority Homeless Service when confirmation of an eviction date is received
  ➢ Not serving a NSP until both the Local Authority Adult Social Care department and any other known assigned support worker has been notified
  ➢ Considering whether or not the tenant has the mental capacity to defend possession proceedings. The Justification Form ([Appendix 9-Justification Form](#)) should be completed to make this assessment
  ➢ Notifying the Local Authority Adult Social Care department, or any other known assigned support worker, that possession proceedings are being taken so that arrangements can be made for the appointment of a litigation friend
  ➢ Arranging for a translator to assist with the process
Legal Action

- The association will take legal action to recover rent arrears where the tenant responsible is failing to take adequate steps to resolve the situation. We will do this to protect our position in the event of the tenant defaulting on payments for sustained periods of time or failing to maintain regular payments of a debt as per an agreement.

- Most legal actions relating to rent arrears/tenant debt, including attending court, will be managed by staff in the Income Management Team, and training will be provided to ensure that staff have the knowledge and skills to undertake this area of work. Occasionally there will be a requirement for expert legal advice and support, including engaging a solicitor to represent the association in court where there are more complex issues. Currently the association uses Knox/Ellis Solicitors for legal advice relating to housing management issues and sets an annual budget to cover legal costs.

- Initial legal action for Assured tenants involves the service of a Notice of intent to Seek Possession (NSP). This will only be done after the Arrears Officer has attempted to contact the tenant in person in line with the Protocol (Appendix 8), and normally no earlier than when arrears are equivalent to 5 weeks net rent owing. This level may not apply in cases where the action is taken on grounds of persistent arrears. A NSP will be served on a tenant without prior warning should the previous notice have expired, but the agreement is being maintained.

- Where a tenant has a Starter tenancy, including an i-Deal tenancy, or an Assured Shorthold tenancy, a Section 21 Notice will be served in line with the Protocol. A Section 21 Notice equates to mandatory possession with a court order and gives 2 months’ notice before the process of gaining the court order for possession. Provided the property is vacated and keys returned following the expiry of the Section 21 Notice, the tenancy will be terminated and no further debit raised in order to keep arrears to a minimum. No application to court for possession will be made in these cases.

- Where a tenant has a licence agreement, a Notice to Quit will be served in line with the Protocol. A Notice to Quit equates to mandatory possession from the court and gives 28 days’ notice before the process of gaining the court order for possession. Provided the property/room is vacated and keys returned following the expiry of the Notice to Quit, the licence will be terminated and no further debit raised in order to keep arrears to a minimum. No application to court for possession will be made in these cases.

- Tenants have the right to appeal a Section 21 Notice or a Notice to Quit. Tenants are advised of their right to appeal in the letter accompanying any notice served. Full details of the appeal process are given in the Starter Tenancy Policy.

- Impact Housing will serve a NSP, Section 21 or Notice to Quit but not commence legal action against a tenant while a claim for Universal Credit or Housing Benefit is confirmed as in process.
• In all instances where a NSP or Notice to Quit is being served, an e-mail will be sent to other teams (e.g. Neighbourhood teams, Asset Management, relevant Positive Impact team), to check whether any other tenancy/occupancy issues should be included (e.g. anti-social behaviour, non-access for gas servicing etc.).

• Applying to Court for a possession hearing will be done only where a tenant has failed to make or maintain arrangements to repay the debt owed and/or failed to claim Housing Benefit/Universal Credit or provide relevant documentation or evidence of income to support a claim. When an application for a possession order is made, tenants will be advised to seek specialist debt advice such as the Citizen’s Advice Bureau and they will be advised to attend the possession hearing.

• Prior to making an application for a possession hearing, tenants will be warned of the intention to bring proceedings and given a clear time limit in which they should comply with the agreed repayment. For possession sought under a Section 21 notice or Ground 8 NSP, a letter will be sent to the occupant/s before a possession claim is issued, explaining why the association is seeking possession and asking the occupants to notify us in writing and within 10 working days of any personal circumstances or other matters which they want us to take into account. Any response will be considered and if a decision is made to pursue possession, written reasons for doing so will be given.

• Following agreement to submit an application for a possession hearing, the Officer responsible for the preparation of documents to Court will ensure that the Particulars of Claim form is correctly completed with the relevant documentation online.

• Efforts to make a repayment agreement with the tenant must still be made whilst awaiting the possession hearing in the County Court. Arrears Officers will represent the Association at Court in most straightforward possession cases. In more complex cases, we may seek advice or representation from a solicitor.

• In order to present our case in a professional way and to be able to prove the arrears and demonstrate why it is reasonable for the Court to grant a Possession Order, a clear and thorough account of the circumstances leading to the request for a Possession Order should be made and presented to the Judge at the Possession Hearing.

• Impact may request the Court to grant an Outright Possession Order, a Suspended Possession Order or an Adjournment on Terms, dependent upon the particular circumstances and level of arrears. The requested Order must be justified in the information presented, and where possible, Impact must make the tenant aware of the Order which they will be requesting and what implications this has for them.

• Following the Possession Hearing, a letter is sent to the tenant advising of the Order which was granted and the terms which they must comply with where applicable – including the amount payable and date on which the first payment is due.

• Impact Housing will seek to evict tenants where there is a breach of the order set by the Court and offers of support and assistance from the Income Management team.
and the Money Matters service are not taken up by the tenant. Prior to eviction proceedings taking place, the eviction must be signed off by a Director within the Association by using the Eviction Approval form (ARR4) (Appendix 8 – ARR4 Eviction Approval) and in accordance with Impact’s Eviction Policy.

- When an eviction is approved, the tenant will be informed of the date when they must vacate the property by. On this date, Impact will make a decision regarding whether or not the tenant has vacated, and if not, will apply for a Warrant for Possession. A letter will be sent to the tenant’s address informing the tenant of this, and of the consequences of this action.

- Once the date for the Warrant for Possession (the bailiff visit) is received, a further letter must be sent.

- Arrears Officers must comply with any requirements of the Court regarding procedure for the Warrant for Possession. In each case, staff should consider the health and safety aspects of eviction requesting appropriate assistance e.g. notifying the Bailiff of the need for Police attendance or accompaniment by a colleague.

- A joiner will be needed to gain access to the property and change the locks. A member of staff within Asset Management will arrange this and be present at the eviction. Photographs should be taken as well as an inventory of good left.

**Former Tenant Arrears**

- Full details of the processes to manage former tenant arrears are given in the Process section of this policy. Key elements of the approach are:

  - Weekly monitoring of former arrears by a dedicated officer
  - Early contact, both prior to the tenancy ending during the notice period, and immediately after termination.
  - A mix of actions/interventions, including letters, telephone calls, visits and legal action (attachment of earnings judgements).
  - Referrals to debt collection agencies where arrears have not been cleared as a result of actions taken by the association
  - Regular and appropriate write offs of former arrears

- Former arrears balances include rent arrears, rechargeable repairs and other debts owed

**Write-off Procedures**

- Where the Association is unable to establish contact details or forwarding address details for a former tenant, the arrears will be recommended for write-off provided the arrears are no greater than £200.

- Former arrears of deceased tenants without funds in the estate and without a relative to make payment will be written off.
• Where a former tenant arrear has been referred to the debt collection agency and we have not received any payment to the account after 3 years from the date of the end of their tenancy, the Association will recommend that the arrear is written off.

• In any case where the debt collection agency informs us that the arrear is uneconomical to pursue due to bankruptcy, debt relief order, death, or any other reason the Association will recommend that the arrear is written off.

• In all cases where arrears are less than £20, the Association will write-off the arrear, without necessarily pursing the former tenant first.

• All former tenant arrears are reviewed on a weekly basis and recommendations for write-off can be made at any time. Recommendations for write-off are made on a specific form (FW1, FW2, FW3 or FW4, dependent upon the level of the arrear). The form must state the reason for the write-off request and this must also be displayed in a diary note against the rent account.

• Write-off requests must be authorised by the Housing Manager where the arrear is £1,000 or less. For arrears higher than £1,000 authorisation must be granted by a member of the Senior Management Team.

• Once authorised for write-off, arrears may be written off at any time. The account must show that the write-off has been actioned, and it must be possible to identify the existence and level of the arrear before the write-off. Completed authorisation forms should be kept in a file in a locked cabinet.

• On a quarterly basis (March, June, September and December), all former tenant arrears will be reviewed and any further recommendations for write-off will be made. If there are a significant number of further write-off requests, a ‘bulk’ request may be made to the Housing Manager or member of SMT rather than on an individual basis via the FW form as detailed above. In these cases however, an electronic authorisation must be documented, along with a record of all the former tenants’ arrears which the authorisation relates to. The account must display the details of the write-off in same way described in 10.12.

Equality and Diversity

• Impact Housing recognises that it operates in a community in which there is a wide social diversity, and is committed to providing equal opportunities and valuing diversity.

• Full details of our approach are set out in our Equality and Diversity Policy.

Customer Involvement

• Impact Housing recognises the importance of working in partnership with our customers to develop and continually improve our services and raise standards.
• To demonstrate this commitment, this policy:

• Will be reviewed in consultation with service users and customers;

• Involves customers in the monitoring and testing of service delivery standards set out in this policy and relevant procedures;

• Publishes information in relation to performance against the aims and standards set down by this policy;

• Will be developed and reviewed in light of customer feedback, comments and complaints.

**Policy Monitoring and Review**

**Monitoring**

The monitoring of outcomes is essential for Impact Housing to track the impact of our approach to arrears management. Monitoring of the implementation of the arrears management policy and the associated procedures will consider:

How easily customers can access advice and assistance in managing their rent arrears;

• The performance against service standards and targets set out in the procedures;

• The efficiency of delivering the policy/procedure balanced against percentage of rent recovered;

• Customer satisfaction and level of complaints, reviews and appeals.

• Monitoring information will be reported to the Accountable Performance Group, Senior Management Team and the Board and will be publicised to customers on a regular basis.

**Review**

• Monitoring information will be used by the association to inform future policy review in this area. All reviews will take place in accordance with Impact’s corporate guidance and will consider whether:

• The current policy adheres to legislative and regulatory requirements, and reflects current good practice;

• The aims and objectives of the policy are being met;

• The current policy outcomes meet the needs and aspirations of our diverse customer base;
• Service users are aware of and understand the policy and believe it to be consistent and fair;

• The policy provides sufficient choice for customers;

• The service offers value for money;

• Partnership arrangements are working effectively.

• Overall monitoring and review of the policy will be undertaken in consultation with:
  a. Staff groups
  b. Existing service users
  c. Resident and community groups
  d. Relevant partners, local voluntary agencies and statutory services as relevant.

• This policy will be reviewed every two years or in line with legislative or regulatory requirements.

**Responsibility**

• The Housing Manager is responsible for the operational delivery of this policy and the associated procedures. This includes responsibility for monitoring and review, staff awareness and training, policy development and communication to customers.

2.0 **Legal Guidance**

• Rent is recoverable under the following Grounds for Possession:

  Ground 8 is a mandatory possession and is used only for tenants with arrears at 8 weeks or over. Where Notice is served under Ground 8, the timescale from service of Notice to application for possession hearing is reduced. It requires a more rigorous sign-off procedure by a Manager within the Association, and this is completed at an earlier stage.

  Ground 10 is used in all cases where arrears are at a stage to be referred to Court.

  Ground 11 is used where there are tenants who do not pay consistently, frequently leading to arrears occurring. Grounds 10 and 11 are normally used in conjunction. Where Ground 8 is used, Grounds 10 and 11 are also usually incorporated.

  **Ground 8**
  Rent is unpaid at the time of service of Notice Seeking Possession and at the time of the hearing for a Possession Order;

  a) In the case of rent paid weekly or fortnightly at least eight weeks rent is owing
b) In the case of rent paid monthly at least two months’ rent is owing

c) In the case of rent paid quarterly at least one quarters’ rent is more than three months overdue

d) In the case of rent paid yearly at least three months’ rent is more than three months overdue

Two months’ rent arrears will normally give the landlord an automatic right to a Possession Order.

**Ground 10**
Rent which is lawfully due from the tenant has not been paid by the time the possession proceedings are started and was owed at the time the Notice Seeking Possession was served. If a tenant has been offering the landlord rent and the landlord refused to take it, the tenant will have a defence to the possession proceedings but must pay the amount owed in to court.

**Ground 11**
The tenant has repeatedly failed to pay rent on time. There need not be rent arrears at the time the possession proceedings are started.

### 3.0 Links to other guidance

This guidance links to:

- The Eviction Policy
- The Starter Tenancy Policy
- The Under-Occupancy Policy
- The Income Management Strategy

---

Name: Duncan Tilbe
Job title: Housing Manager
Date reviewed: Oct 2016
Next review due: Oct 2019
## PRE-TENANCY AFFORDABILITY CHECK FORM

**Completed by:**

**Pass/Fail:**

**Date:**

**Arrears Officer:**

**Risk:**

**Face or phone?**

**Contact no(s):**

**Tenant 1 name:**

**NI number:**

**Tenant/occupant 2 name:**

**NI number:**

**Prospective Address:**

**No of beds:**

**Household make-up:**

**i-Deal tenancy? Y or N**

**If yes, reason:**

### Risk Assessment

- Single person/single parent under 35?
- First tenancy or first General Needs tenancy?
- Former arrears over £500 with no payment plan in place?
- Out of work or low paid/seasonal work?
- Likelihood of under-occupation or non-dependant deductions?
- Likelihood of LHA cap?
- Likelihood of benefit cap?
- Income/expenditure balance of £0 or less
- Tier 1 factors applicable
- Tier 2 factors applicable

(tick if criteria met - 1 tick or more = High Risk)

- Banks statement checked?
- Benefit Check completed?
- Payment method
- Payment details/agreement
- Payment at sign-up

### Notes

### Net weekly/monthly Household Income

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant wages</td>
<td></td>
</tr>
<tr>
<td>Joint tenant wages</td>
<td></td>
</tr>
<tr>
<td>Other adult wages</td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
</tr>
<tr>
<td>Works pension</td>
<td></td>
</tr>
<tr>
<td>Any other income</td>
<td></td>
</tr>
<tr>
<td><strong>Total 1</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universal Credit</td>
<td></td>
</tr>
<tr>
<td>JSA/JS/ESA/IB</td>
<td></td>
</tr>
<tr>
<td>DLA/PIP</td>
<td></td>
</tr>
<tr>
<td>Pension (state retirement)</td>
<td></td>
</tr>
<tr>
<td>Housing Benefit</td>
<td></td>
</tr>
<tr>
<td>Council Tax reduction</td>
<td></td>
</tr>
<tr>
<td>Child Benefit</td>
<td></td>
</tr>
<tr>
<td>Working Tax Credit</td>
<td></td>
</tr>
<tr>
<td>Child Tax Credit</td>
<td></td>
</tr>
<tr>
<td>Industrial Injuries Ben</td>
<td></td>
</tr>
<tr>
<td>Penion Credit</td>
<td></td>
</tr>
<tr>
<td>Carers Allowance</td>
<td></td>
</tr>
<tr>
<td><strong>Total 2</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings</td>
<td></td>
</tr>
<tr>
<td><strong>Total 3</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Income (A)</strong></td>
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</tr>
</tbody>
</table>

### Net Weekly/monthly Household Expenditure

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td></td>
</tr>
<tr>
<td>Council tax</td>
<td></td>
</tr>
<tr>
<td>Gas * Provide energy advice as necessary</td>
<td></td>
</tr>
<tr>
<td>Electric * Provide energy advice as necessary</td>
<td></td>
</tr>
<tr>
<td>TV Licence</td>
<td></td>
</tr>
<tr>
<td>Magistrates Court Fine</td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
</tr>
<tr>
<td>County Court Judgement</td>
<td></td>
</tr>
<tr>
<td>Water Rates (min £7)</td>
<td></td>
</tr>
<tr>
<td>Life Ins/Contents Insurance/Pension</td>
<td></td>
</tr>
<tr>
<td>Car Insurance/Road Tax</td>
<td></td>
</tr>
<tr>
<td>Travel inc Petrol</td>
<td></td>
</tr>
<tr>
<td>Sky/Internet</td>
<td></td>
</tr>
<tr>
<td>Mobile/Landline</td>
<td></td>
</tr>
<tr>
<td>Housekeeping/Food</td>
<td></td>
</tr>
<tr>
<td>Tobacco/Alcohol</td>
<td></td>
</tr>
<tr>
<td>Clothing/Shoes</td>
<td></td>
</tr>
<tr>
<td>School or Work Meals</td>
<td></td>
</tr>
<tr>
<td>Childcare</td>
<td></td>
</tr>
<tr>
<td>Social Fund</td>
<td></td>
</tr>
<tr>
<td>HB Overpayment</td>
<td></td>
</tr>
<tr>
<td>Credit/Store cards/Catalogue/TV purchases</td>
<td></td>
</tr>
<tr>
<td>Loans eg. Provident/Credit Union/Pay day</td>
<td></td>
</tr>
<tr>
<td>Pet Food/Vets/Insurance</td>
<td></td>
</tr>
<tr>
<td>Leisure/special occasions/online/downloads</td>
<td></td>
</tr>
<tr>
<td>Hire Purchase e.g. Brighthouse, car</td>
<td></td>
</tr>
<tr>
<td>Children’s Activities</td>
<td></td>
</tr>
<tr>
<td>Holidays</td>
<td></td>
</tr>
<tr>
<td>Savings/Donations</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditure (B)</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Excess Income (A-B)</strong></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant(s)</td>
<td></td>
</tr>
<tr>
<td>signature:</td>
<td></td>
</tr>
</tbody>
</table>
Appendix 1

IF SHORTFALL IDENTIFIED FROM INCOME/EXPENDITURE CHECK

If Total Expenditure (B) is more than Total Income (A), after the Benefit Check has been completed to ensure Income has been maximised, then ask the prospective tenant:

Are there any areas where you could *realistically* reduce your outgoings?

Record prospective tenant’s reply in the box below:

If prospective tenant cannot identify any areas for reducing outgoings, the tenancy must be refused.
If so, Do they result in expenditure being less than income?

---

Yes

Can tenant demonstrate ability to *maintain* reduced, achievable outgoings?

Yes (Record how):

Offer tenancy

No

Can tenant demonstrate ability to *maintain* reduced, achievable outgoings?

Yes

Can ability to maintain a clear rent account in similar financial circumstances be demonstrated?

Yes

Can prospective tenant suggest how this tenancy can be made financially sustainable?

Yes (record how):

Offer tenancy

No

Can ability to maintain a clear rent account in similar financial circumstances be demonstrated?

Yes

Can prospective tenant suggest how this tenancy can be made financially sustainable?

Yes (record how):

Offer tenancy

No

Is deficit 10% of rent or less?

No

Refuse tenancy

Yes

Can ability to maintain a clear rent account in similar financial circumstances be demonstrated?

Yes

Can prospective tenant suggest how this tenancy can be made financially sustainable?

Yes (record how):

Offer tenancy

No

Can ability to maintain a clear rent account in similar financial circumstances be demonstrated?

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Yes (record how):

Offer tenancy

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Yes (record how):

Offer tenancy

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Yes (record how):

Offer tenancy

No

Can ability to maintain a clear rent account in similar financial circumstances be demonstrated?
Appendix 1

Affordability Checks- Purpose and procedure

Purpose of the checks

- To ensure that the applicant has the means to pay the rent

- To communicate the ‘rent first message’, stressing the importance of paying the rent and not getting into arrears.

- To risk assess the person. If assessed as high risk this is the trigger for a more intensive approach in the early part of the tenancy. Where more complex issues are identified this might mean not offering a tenancy (if a tenancy is offered a referral will be made to the Money Matters service for further discussion).

- To determine how the rent would be paid including any likely housing benefit entitlement. If the person is likely to qualify for HB, expectations on making a claim should be communicated e.g. to complete a form and return it to HB as soon as possible after acceptance of an offer, to provide all necessary information with the form, to get a receipt and bring this to the office, to answer any queries from HB as soon as possible, to keep in touch with us regarding progress of the claim etc. etc.

- To determine additional benefits or support that the person may be entitled to.

- To introduce the Income Management Service and provide key contact details.

- To explain the support that can be provided, including details of the Money Matters service and the importance of contacting us as soon as possible if any difficulties are being experienced. Explaining that the earlier we are advised of problems the more likely it is that these problems can be resolved but that we are always available to provide support.

Process

- The checks will be undertaken by the Income Management Team prior to any offer of housing being made. The Housing Options team will liaise with Income Management to make an appointment for the check, at the point that an applicant has been selected for an offer. Normally the Affordability Check should take place within two working days of an applicant being shortlisted.

- The Affordability Check should be carried out in person. However where this is not possible the check will be carried out over the telephone.

- The check will be carried out using the appropriate standard Income and Expenditure form. Applicants will be asked to provide proof of income at the meeting (e.g. bank statements, wage slips etc.) to verify income details. Where the check has been conducted by telephone the applicant will be asked to
forward/bring in proof of income as soon as possible (normally two working days).

- Full and accurate details should be recorded on the form, including realistic expenditure details.

- The applicant will be advised of the result of the assessment at the end of the check. If further information is required in order to make a decision then the applicant should be advised to provide this as soon as possible afterwards and in no longer than 2 working days. If the Officer undertaking the check has all necessary information but cannot make a decision, then this should be discussed as soon as possible afterwards with the Income Management Team Leader and if necessary with the Housing Manager, or in their absence, the Assets and Homes Director.

- Income management will advise Housing Options immediately of the outcome of the check. If this is a fail then no offer will be made and Housing Options will contact the applicant to say that an offer cannot be made because the accommodation has been assessed as unaffordable. The implications of the decision in terms of future bidding/rehousing will be discussed with the applicant. The decision will be confirmed to the applicant in writing. This letter will confirm the right to appeal the decision although the letting of the property will not be delayed pending any appeal.

### Decision Criteria

If a person’s income is determined as equal to or greater than their expenditure then Income Management will confirm to Housing Options that an offer can be made.

Factors that would lead to a decision not to offer a property are:

- The person does not have the means to pay the full rent
- The rent can be paid but there is insufficient income to meet basic living costs as determined by the income and expenditure check i.e. there is a greater level of expenditure than income and therefore it is very unlikely that the tenancy could be sustained.

In making a decision on (2) the following checks should be made/factors considered:

- If the budget is negative can it be realistically adjusted to achieve a positive figure (i.e. can expenditure be realistically reduced or income increased, for example by securing additional benefit). If not, then an offer will not normally be made unless the difference is small (within 5%) and the person can provide firm evidence of having managed a recent tenancy in the same financial circumstances/on the same budget.

If the budget can be realistically adjusted to achieve a tenable situation then an offer should be made subject to the following risk factors not applying:
Appendix 1

- Previous tenancies/housing has failed for financial reasons and/or there have been significant arrears on previous tenancies.
- A chaotic lifestyle or other factors are apparent which give serious concern about the person's ability to manage a budget.
Service Level Agreement

Income Management

and

Positive Impact

(for supported accommodation)

UPDATED JUNE 2016
Policy

Impact aims to effectively monitor and collect the rents and charges due on all tenancies, licenses and management agreements.

The main points of the arrears policy are:

- To monitor all arrears weekly.
- To ensure at the start of a tenancy that the resident knows clearly about their responsibility to pay rent. Also, to make sure that they are given help and advice in making the appropriate claims for benefits, particularly Housing Benefit.
- To ensure that staff will continue to give advice and help in relation to welfare benefits to make the most of their possible income. Where appropriate, staff will direct or refer a resident to an expert organisation (Money Matters in the case of non-Supported People funded residents) to help in making the most of benefit entitlement and/or debt management and advice.
- To establish early direct contact with any tenant in arrears.
- To optimise the Association’s income by ensuring that rents and charges are collected promptly, efficiently and effectively.
- To pursue effectively the recovery of former tenant debt.
- To promote continued personal contact.
- To be supportive and sympathetic whilst remaining firm.
- To be clear and flexible.

Impact is committed to providing a fair and supportive Income Management service. It is recognised that we all have a role to play in managing income and a role in moving residents from supported accommodation to independent living.

Roles and responsibilities are as defined in this service level agreement.

Positive Impact managers will work together with the Income Management team to achieve their shared targets and KPI’s for rental income collected.

The Income Management team and the Positive Impact team will keep each other fully informed of key issues and actions taken regarding income management.

Contact for all Positive Impact Income Management queries will be via Rachel Shields (rachels@impacthousing.org.uk)

Actions required by Positive Impact team prior to ‘Meet and Greet’
• Check with Income Management whether the applicant has previous arrears with Impact. If so, agree payment plan with prospective resident, or refuse the applicant on the basis of the arrears.

• Check IBS to obtain the correct rent and service charges for the tenancy.

**Actions required by Positive Impact team at ‘Meet and Greet’**

• Conduct Affordability Check and risk assessment regarding payments.

• Agree with prospective resident the interventions/support that will be provided.

• Inform prospective resident of the requirement for bank account to be in place (prior to sign-up meeting wherever possible).

• Inform prospective resident of the requirement to pay personal charge (and HB shortfall where applicable) to keep the account in credit.

• Complete DD form in preparation for start of tenancy (if possible) and email to Income Management (destroying the form following this).

• Provide prospective resident with a list of all the documentation/information (including Housing Benefit claim form) required for sign-up and stress that the tenancy will not be commenced until this is provided and appropriate paperwork in place (unless this is not practicable).

**Actions required by Positive Impact team at ‘Sign-up’ meeting**

• Ensure all the following information/documentation is provided/completed **before** the keys are handed over (any exceptions will be at the manager’s discretion):
  o details of income
  o payment date of income/salary
  o bank details and statements or proof that account is in process of being opened
  o wage slips
  o ID and proof of right to reside
  o NI number
  o letter from employer or contract if necessary
  o contact telephone number
  o contact email address
  o next of kin details (ensuring this is a relative, with full address details including postcode).

• Start Housing Benefit and other benefit claims i.e. ensure it is completed and submitted, with all supporting documentation.

• If Children’s Service funded, provide appropriate information to Finance for invoicing purposes.

• Provide information leaflets including the PI Agreement.

• Start tenancy on IBS.
• Produce tenancy agreement including a full breakdown of the service charges and ensure this is completed, explained and signed.

• Input the following to IBS: NI number, contact telephone number, contact email address, next of kin details, ILW details.

• Explain requirement for Housing Benefit receipt to be provided within 2 working days of start of tenancy to evidence that they have submitted paperwork.

• Chase up the Housing Benefit receipt and confirm to Income Management when this has been seen.

• Explain to the resident the importance of keeping us informed of any changes in circumstances.

• Refer resident to Income Management for payment of rent as previously discussed and agreed in Meet and Greet.

• Complete diary note within IBS to detail all key points of significance to Income Management team.

Actions required by Positive Impact team following ‘Sign-up’ meeting

• Positive Impact staff will complete and return life of tenancy checklists within 1 week of start of tenancy to the Income Management team.

• Check on progress of benefit claims, particularly Housing Benefit and record on IBS diary note.

• Add resident’s payment dates to Outlook calendar as checking process – this will enable ILWs and Income Management to challenge appropriately.

• Produce individual rent management sheet for each resident. This will calculate outstanding amounts based on rent paid etc.

Actions required by Positive Impact team whilst resident is in service

• Discuss/update individual rent management sheet with resident at PPM.

• Update contact details for the resident on IBS as appropriate.

• Discuss rent account, rechargeable repairs as a standard item at each PPM.

• Use warning system to manage rechargeable repairs issues.

End of tenancy actions required by Positive Impact team

Wherever possible, Positive Impact staff will conduct an exit interview with all residents prior to them leaving the service, and will obtain the following information and record this information in the IBS system:

• Current contact telephone number and email address
• Forwarding address
• Next of kin details (if these have changed since the start of tenancy)
• Details of employment (if applicable)

**End of tenancy actions required by Positive Impact team and Income Management team**

If Housing Benefit is suspended; the ILW and Income Management will work with residents to ensure that it is put back into payment before leaving the service.

If the Income Management Team serves a notice for rent arrears, they will communicate this to the Positive Impact Team and the Voids Team. Income Management will ask the Voids Team that they liaise with the appropriate (named) member of staff from Positive Impact regarding the (potential) void.

The Income Management Team and Positive Impact Team will liaise regarding the termination of any resident where the tenancy is being terminated due to rent arrears.

When it is known that the resident has left the service and there is no possibility of an appeal or a further opportunity to make payment or continue the tenancy, then the Income Management Team and the Positive Impact Team will liaise to ensure that the ILW terminates the tenancy on IBS.

**Information sharing**

Income Management and Positive Impact staff will update each other on any changes in circumstances, Housing Benefit information, or any other issues which may affect the residents rent account via IBS diary notes. Diary notes should be flagged as either Income Management or Positive Impact so that they can be easily identified, and diary notes **must be** backed up by e-mail and phone messages.

All staff will use outlook out of office assistant and up to date telephone messages to ensure that important details about income management actions or change of circumstances do not get missed.

Examples of information which needs to be shared include:

- Not attending job seekers appointments
- HB claim or appeal submitted
- Started work or training
- Failure to provide information as required
- Any other information linked to HB suspensions, sanctions or reviews
- Not engaging in support
- Notice being issued

**Contact with customers**
Positive Impact and Income Management teams will consider the use of social media such as Whatsapp, Facebook and Messenger to contact customers. This will be in addition to other methods of communication including: phone calls, emails, text, letters, face-to-face.

**Actions relating to any of the above should be agreed between staff teams.**

**Positive Impact** staff must check rent accounts/IBS diary notes on a weekly basis **as a minimum**, and have a clear understanding of the position regarding payments before going into **Positive Planning Meetings** and one-to-ones with clients. For more complex accounts they should allow enough time to make contact with the Income Management team to clarify any ambiguities. Staff should liaise with the Income Management team over any concerns or queries. The Income Management Team will provide a response via email or phone as swiftly as possible, and within **3 days** as a maximum.

**Positive Impact** staff should emphasise the importance of payment of rent at the start of tenancy, and this message should be re-enforced throughout the tenancy. If ILWs are made or become aware that payments are insufficient then this should be followed up with the client and payments requested accordingly.

**Positive Impact** managers should reinforce the message to ILWs that the arrears performance figures (for both current and former tenants) is monitored and their performance reported.

**Income Management** staff must send a weekly update (via e-mail) to all relevant scheme managers and ILWs to flag up any urgent issues.

**Income Management** will send an updated Arrears Report (detailing primary arrears and current status in the arrears process) for all current residents to ILWs and managers on a fortnightly basis.

**Income Management** Team Leader should attend Young People's Services meetings to highlight any issues, check in on adherence with Service Level Agreement and discuss any required amendments to the policy.

**Housing Benefit**

Positive Impact staff must assist all residents with Housing Benefit claims at start of tenancy (where applicable), and throughout their tenancy. They must also ensure that the resident provides all information as required to HB to get the claim in payment, and if there are any problems with this, Positive Impact staff **must** inform the Income Management Team as soon as possible.

Housing Benefit notification letters will go to the Income Management Team. Any issues or changes to HB will be IBS diary noted by the Income Management team **within the working week**.

Wherever possible, Income Management staff must make checks with Housing Benefit **each week** where claims are not in payment.

If Housing Benefit is not awarded, and it is felt that this decision is incorrect, then the decision should be challenged or appealed by the ILW in liaison with Income Management. In these cases, the Income Management Team must inform the appropriate ILW of the current situation regarding HB as a matter of urgency in order for the appeal/challenge to be submitted.

**Updated June 2016**
Universal Credit

Guidance on personal budgeting support

What is personal budgeting support?

Personal budgeting support is about helping claimants adapt to three key changes that Universal Credit brings:

- a single household payment;
- paid monthly; and
- rent paid directly to the claimant - so the claimant will pay their rent to the landlord themselves.

Personal budgeting support will support claimants who need help managing their money and paying their bills on time as they transition onto UC.

What are the elements of personal budgeting support?

There are two elements to personal budgeting support:

- Money advice to help claimants cope with managing their money on a monthly basis and paying their bills on time.
- Alternative payment arrangements for some claimants who genuinely cannot manage the standard monthly payment and where there is a risk of financial harm to the claimant or their family. This might include rent paid directly to the landlord, a more frequent than monthly payment, or a split payment between partners.

How does money advice affect Universal Credit claimants?

- Money advice will be offered to all Universal Credit claimants when they make a claim and will be given to those who have a clear need.
- There will be different levels and types of money advice based on need; some claimants will be signposted to online services, some may be offered a single session over the phone, others an intensive face to face session with follow up call(s).
- Money advice will be offered online, by phone, or face to face.
- External organisations with relevant expertise are expected to deliver money advice.
- Money advice services will be tailored to the claimant’s ability to handle each of the main Universal Credit financial changes – paid monthly, as a single payment to the household, with rent paid directly to the claimant.

11 February 2013
• Some claimants will need money advice for a short period of time, others for much longer.

**What type of money advice will be available?**
There will be a comprehensive set of money advice products and services offered at the point of claim or migration.

**Money advice** will include:

- Online budgeting tools for claimants who can help themselves - such as those offered by Money Advice Service and Citizens Advice.
- Advice services offered by external organisations for those who need more support with, for example, getting a bank account or doing a monthly budget plan.

The vast majority of claimants needing alternative payment arrangements will be referred for money advice so that they become more financially independent with a view to the payments arrangements ending when they are no longer needed.

**What is the money advice process?**
The money advice process filters claimants to the most suitable service and channel in the most efficient way. This means that:

- Claimants who have no need for money advice or can help themselves (by using an online or phone service) are signposted quickly to the right place.
- Claimants who need an alternative payment arrangement are identified quickly and a decision made so that payments are set up quickly.
- Claimants needing an intervention to help them manage their money will be referred to a local advice organisation; they will determine how often to see the claimant and the channel, based on the claimant’s needs at that time.

**What are alternative payment arrangements?**
The move to a single monthly household payment will be a significant change to the way most benefits are currently paid so the following alternative payment arrangements will be available to help claimants who need additional support:

- Paying housing costs (rent) directly to landlords.
- Making more frequent than monthly payments.
- Splitting payment of an award between partners.

**What are the key elements to consider?**
Alternative payment arrangements will be ‘claimant centric,’ in other words something that is done ‘with the claimant’ rather than ‘to the claimant’. Applications will be considered on a case by case basis using existing business knowledge i.e. information we hold about the claimant.

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A claimant can be considered for one or more alternative payment arrangements based on individual circumstances and characteristics. The Universal Credit adviser acting on behalf of the Secretary of State makes the decision taking account of the claimant’s ability to:

- Pay their bills on time, particularly their rent
- Budget income and outgoings over a calendar month
- Manage a single payment to the household.

In what priority order should they be considered?

Alternative payment arrangements will be considered in the following order of priority:

1. In order to safeguard the claimant’s home, paying rent direct to the landlord will be the first priority where rent is part of the Universal Credit award.

2. Secondly and where appropriate we should consider if a more frequent payment is needed. A bi-monthly payment (two payments every month) is recommended for those who will struggle to manage monthly - although exceptionally a different frequency may be considered.

3. The split payment of an award between partners should only be considered in certain specific situations e.g. financial abuse where one partner mismanages the Universal Credit award or in some domestic violence situations where the couple decide to remain together in the same household and a separate claim to Universal Credit is not made. In these situations we should first consider paying the rent element directly to the landlord (where appropriate), before deciding on the proportion to be split between the couple.

In summary a claimant could therefore have any of the following combinations:

- Housing only.
- Frequency only (for non householders).
- Housing and frequency.
- Housing and split.
- Frequency and split (for non householder couples where appropriate).
- Housing, frequency and split.

The above approach aims to support those claimants over time in developing their budgeting capability and at the same time safeguarding their home.

When can an alternative payment be considered?

Alternative payment arrangements can be considered at any point during the Universal Credit claim. They may be identified at the outset when the personal budgeting support is decided, or during the claim e.g. because the claimant is struggling with the standard monthly payment, or moves house which could affect the housing or split payment.
They can also be triggered by: business knowledge, the claimant, their representative, their caseworker, and/or their landlord as a result of the build up of rent arrears. To safeguard the claimant’s home, a landlord can notify Universal Credit asking for the housing cost element to be paid direct to them when a rent arrears ‘trigger’ has been reached. The Direct Payment Demonstration Project (DPDP) is testing different rent arrears trigger points that will inform the final trigger to be used in Universal Credit.

**When should alternative payments not be offered?**

The Government is keen that Universal Credit reflects the world of work where 75 per cent of people receive wages monthly. The majority of claimants should be paid the single monthly payment, enabling them to make a smooth transition into monthly paid work, encouraging personal responsibility for finances and learning how to budget on a monthly basis. Alternative payment arrangements should only be considered for those claimants who genuinely cannot manage the single monthly payment and as a result there is a risk of financial harm to the claimant or their family. These arrangements are not available through choice and this guidance aims to set out the approach to provide support where appropriate, considering a combination of financial and other challenging factors e.g. addiction, homeless, learning difficulties etc. It is important that claimants are able to make the same sorts of decisions as those in work and develop the financial capability to do so.

**When will alternative payments be reviewed?**

Alternative payment arrangements will be subject to a review. The Universal Credit adviser will decide the review period taking into account the claimant’s particular circumstances. At the review, they will decide if the claimant is now capable of managing the standard monthly payment.

If a claimant has two or more alternative payments in place, it may be appropriate to consider a gradual move to the single monthly payment e.g. managing on a monthly basis first, followed at some point by paying their rent. This ‘stepping stone’ approach aims to help them make the transition to standard monthly payments over time.

**What are the key factors to consider when deciding if alternative payment arrangements are appropriate?**

When considering alternative payment arrangements, the Tier 1 and Tier 2 factors set out at Annex A should be used to help to decide if these arrangements are appropriate to an individual. All cases must be assessed on an individual basis and information will need to be gathered with sensitivity and in a non judgemental way. It will be important to gain confidence and build trust and rapport with individuals, listening to their needs, probing and questioning to identify the issues. Details from a third party i.e. the claimants’ representative, their caseworker and / or their landlord can be used to inform a decision.

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Appendix 3

The PBS High Level Design (Pathfinder)

Claims UC

Agrees Claimant Commitment

UC claim continues

UC paid

To identify those most likely to need APA

Signpost to MAS

PBS initial filter

No PBS action

Yes to any APA data gather

PBS filter 1

No to all

PBS filter 2

PBS provision

To quickly filter out those who need no support or can self serve

To confirm money advice is needed

Implement APA

Complete the APA data gather

AP decision & review set

Notify APA decision

Glossary:
• APA – alternative payment arrangement
• MAS – Money Advice Service
• PBS – personal budgeting support
• UC – Universal Credit

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## Annex A

### Factors to consider for alternative payment arrangements

<table>
<thead>
<tr>
<th>Tier One factors – Highly likely / probable need for alternative payment arrangements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drug / alcohol and / or other addiction problems e.g. gambling</td>
</tr>
<tr>
<td>Learning difficulties including problems with literacy and/or numeracy</td>
</tr>
<tr>
<td>Severe / multiple debt problems</td>
</tr>
<tr>
<td>In Temporary and / or Supported accommodation</td>
</tr>
<tr>
<td>Homeless</td>
</tr>
<tr>
<td>Domestic violence / abuse</td>
</tr>
<tr>
<td>Mental Health Condition</td>
</tr>
<tr>
<td>Currently in rent arrears / threat of eviction / repossession</td>
</tr>
<tr>
<td>Claimant is young either a 16/17 year old and / or a Care leaver</td>
</tr>
<tr>
<td>Families with multiple and complex needs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tier Two factors - Less likely / possible need for alternative payment arrangements</th>
</tr>
</thead>
<tbody>
<tr>
<td>No bank account</td>
</tr>
<tr>
<td>Third party deductions in place (e.g. for fines, utility arrears etc)</td>
</tr>
<tr>
<td>Claimant is a Refugees / asylum seeker</td>
</tr>
<tr>
<td>History of rent arrears</td>
</tr>
<tr>
<td>Previously homeless and / or in supported accommodation</td>
</tr>
<tr>
<td>Other disability (e.g. physical disability, sensory impairment etc)</td>
</tr>
<tr>
<td>Claimant has just left prison</td>
</tr>
<tr>
<td>Claimant has just left hospital</td>
</tr>
<tr>
<td>Recently bereaved</td>
</tr>
<tr>
<td>Language skills (e.g. English not spoken as the ‘first language’).</td>
</tr>
<tr>
<td>Ex Service personnel</td>
</tr>
<tr>
<td>NEETs - Not in Education, Employment or Training</td>
</tr>
</tbody>
</table>

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The following provides more detailed guidance around each of the factors:

<table>
<thead>
<tr>
<th>Factors to consider for alternative payment arrangements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tier One factors – Highly likely / probable need for alternative payment arrangements</strong></td>
</tr>
<tr>
<td><strong>Drug / alcohol and / or other addiction problems e.g. gambling</strong></td>
</tr>
<tr>
<td>- Claimant declares/ has declared on a previous claim a problem with substance abuse</td>
</tr>
<tr>
<td>- Claimant considers themselves to be addicted/ a regular user</td>
</tr>
<tr>
<td>- Substance misuse includes problems with alcohol, any type of illegal drug or improper use of non illegal substances e.g. glue</td>
</tr>
<tr>
<td>- Feedback from third parties about the individual’s addiction should also be taken into account e.g. support agency staff.</td>
</tr>
<tr>
<td><strong>Learning difficulties including problems with literacy and/or numeracy</strong></td>
</tr>
<tr>
<td>- Claimant has difficulty reading, writing and/or performing simple mathematical tasks,</td>
</tr>
<tr>
<td>- May be evidenced by low/no educational achievement</td>
</tr>
<tr>
<td>- May also be linked to a medical condition (e.g. Autism, Downs Syndrome etc)</td>
</tr>
<tr>
<td><strong>Severe / multiple debt problems</strong></td>
</tr>
<tr>
<td>- Claimants are unable to meet credit commitments from available income, taking account of minimal necessary expenditure. This may include personal loans, mortgage repayments, utility arrears, social fund debt up to the max amount etc.</td>
</tr>
<tr>
<td>- Severe debt problems could be evidenced by multiple debts and/or non payment of multiple debts over a period of 2 months or more and possibly heavy use of the new localised welfare assistance schemes.</td>
</tr>
<tr>
<td>- The key factor is that the claimant has not made a repayment plan or is not sticking to the terms of a repayment plan and is a very disorganised and chaotic money manager.</td>
</tr>
<tr>
<td><strong>In Temporary and / or Supported accommodation</strong></td>
</tr>
<tr>
<td>- This includes both temporary accommodation (such as B&amp;Bs) and supported accommodation (e.g. homeless hostels, domestic violence refuges, specialist accommodation for disabled people)</td>
</tr>
<tr>
<td>- This could also include independent accommodation with housing related support (previously Supporting People) provision attached, such as floating support.</td>
</tr>
</tbody>
</table>

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Appendix 3

- Consider only if the claimants status in this accommodation impedes their ability to manage their financial affairs effectively as some types of accommodation will be short stay, but others will have longer tenancies of two years of more and many claimants will be able to manage the UC single monthly payment. The focus should be more around the type of 'support' provided rather than the accommodation type when considering if alternative payment arrangements are appropriate.

<table>
<thead>
<tr>
<th>Homeless</th>
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<tbody>
<tr>
<td>- As per the Housing Act 1996, a claimant is homeless if they have no accommodation that it is safe or reasonable for them to occupy, or if they are expected to have no access to accommodation within 28 days.</td>
</tr>
<tr>
<td>- In practice, this includes people who are rough sleeping, people who are sofa surfing with friends or relatives, people in hostels, people who are about to be evicted and people in unsafe and unsuitable accommodation such as squats.</td>
</tr>
<tr>
<td>- Should have been homeless for more than 2 weeks or not at the same address for no more than 1 month.</td>
</tr>
<tr>
<td>- But do consider that some claimants who are homeless may still be financially capable.</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Domestic violence and abuse</th>
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</thead>
<tbody>
<tr>
<td>- Claimants who are currently suffering domestic abuse, or have had domestic abuse inflicted on them.</td>
</tr>
<tr>
<td>- This includes any incident of threatening behaviour, violence or abuse (psychological, physical, sexual, financial or emotional) between adults who are or have been intimate partners or family members regardless of gender or sexuality. This can also include forced marriage and so-called “honour crimes”</td>
</tr>
<tr>
<td>- Abuse that forms a pattern of coercive and controlling behaviour e.g. controlling the other person by using a variety of financial means</td>
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<table>
<thead>
<tr>
<th>Mental Health Condition</th>
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</thead>
<tbody>
<tr>
<td>- Claimant has a mental health condition (e.g. phobia, bi-polar disorder, severe depression) which impairs their ability to manage their own affairs effectively</td>
</tr>
<tr>
<td>- Feedback from a third party about the symptoms that the individual has should be taken into account, including any evidence from legacy information held.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Currently in rent arrears / threat of eviction / repossession</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Claimant is currently in arrears for their rent of 2 or more months (DPDP learning to inform the arrears ‘trigger’ level)</td>
</tr>
<tr>
<td>- Claimant has been evicted for rent arrears and/or failed a tenancy within the last 12 months.</td>
</tr>
<tr>
<td>- Claimant is subject / threatened with eviction and / or repossession.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Claimant is young either a 16/17 year old and / or a Care leave</th>
</tr>
</thead>
<tbody>
<tr>
<td>- 16/17 year olds – many will have limited if no financial capability and in order to claim UC will have to be in some form of hardship already (i.e. estranged from parents, have a child, be sick/disabled etc.)</td>
</tr>
</tbody>
</table>

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- **Care Leavers** – Claimants who have recently been in local authority care and includes those over 17, most claimants leave care at 18, but some leave as early as 16 or as late as 25.

### Families with multiple and complex needs
- Claimant is part of a family that is part of the Troubled Families Programme
- Other families with multiple and complex needs could include a combination of persistent offending behaviour, persistent anti-social behaviour, mental health issues, drugs and alcohol issues, domestic violence, safeguarding issues and debt
- Feedback from third parties e.g. family intervention case worker about the complex and overlapping nature of problems in the claimant's family should be taken into account

### Tier Two factors – Less likely / possible need for alternative payment arrangements

#### No bank account
- Claimant has no bank account or no usable account (including accounts which are open but which are overdrawn and which the claimant may be reluctant to use).

#### Third party deductions in place (e.g. for fines, utility arrears etc)
- Claimant is currently making payments from benefit to repay utility arrears (e.g. gas, water, electricity)
- Or will be considered for rent arrears deductions as they are more than 2 months in arrears with their rent

#### Claimant is a Refugee / asylum seeker
- This definition applies to those claimants who have been granted refugee status, with indefinite leave to remain and with recourse to public funds within the last 12 months.
- Claimant is an asylum seeker who is eligible to claim DWP benefits while their application is being processed
- Their status impedes their ability to manage their own financial affairs effectively

#### History of rent arrears
- Claimant is not in arrears but may have been within the last 12 months and was subject / threatened with eviction and / or possession.
- Consider the fact that the claimant may now be financially capable and able to manage their own financial affairs effectively.

#### Previously homeless and / or in supported accommodation
- Claimant was homeless (as per definition above) within the last 12 months but is now in suitable accommodation.
- Claimant has moved from supported housing into independent accommodation within the last 12 months.
- Consider the fact that the claimant may now be financially capable and able to manage their own financial affairs effectively.

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<table>
<thead>
<tr>
<th><strong>Other disability (e.g. physical disability, sensory impairment etc)</strong>.</th>
</tr>
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<tbody>
<tr>
<td>- Claimant has a disability/impairment not covered by the ‘mental health section that impairs their ability to manage their own financial affairs effectively</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Claimant has just left prison</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Claimant has left prison within 3 months of making their claim to UC.</td>
</tr>
<tr>
<td>- Consider only if their status impedes their ability to manage their UC financial affairs effectively, budgeting support may be the answer rather than an alternative payment arrangement.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Claimant has just left hospital</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Claimant has just left hospital within 3 months of making their claim to UC.</td>
</tr>
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<td>- Consider only if their status impedes their ability to manage their UC financial affairs effectively, budgeting support may be the answer rather than an alternative payment arrangement.</td>
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</table>

<table>
<thead>
<tr>
<th><strong>Recently bereaved</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Claimant has suffered the loss of close family member (as described in social fund guidance) within the last 3 months.</td>
</tr>
<tr>
<td>- Consider only if their status impedes their ability to manage their UC financial affairs effectively, budgeting support may be the answer rather than an alternative payment arrangement.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Language skills (e.g. English not spoken as the ‘first language’)</strong>.</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Claimant does not speak/understand English or does not speak/understand English as their first language.</td>
</tr>
<tr>
<td>- Consider only if their status impedes their ability to manage their UC financial affairs effectively, budgeting support may be the answer rather than an alternative payment arrangement.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Ex Service personnel</strong></th>
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<tbody>
<tr>
<td>- Claimant was a member of HM forces and was discharged within the last 18 months. (This does not include civilian posts with HM forces or any reserve organisations e.g. Territorial Army).</td>
</tr>
<tr>
<td>- Consider only if their status impedes their ability to manage their UC financial affairs effectively, budgeting support may be the answer rather than an alternative payment arrangement.</td>
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</table>

<table>
<thead>
<tr>
<th><strong>NEETs</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Claimant is aged 18-24 and not in education, employment or training. Consider only if their status impedes their ability to manage their UC financial affairs effectively, budgeting support may be the answer rather than an alternative payment arrangement.</td>
</tr>
</tbody>
</table>

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Case study examples

The following case study examples are an indication of how several of the above factors can come into play when considering alternative payment arrangements.

Example 1
Pete claims Universal Credit. He has severe learning difficulties and lives in supported accommodation. He is referred for alternative payment arrangements. However it transpires that Pete’s brother, Joe, acts as his appointee and fully manages his brother’s financial affairs. Joe has been looking after his brothers financial affairs for many years, ever since their parents passed away. He works part time and sees his brother regularly and is deemed capable of managing Pete’s Universal Credit. As a result an alternative payment arrangement is not considered appropriate in this case.

Example 2
Gary is 22 and not in education, employment or training and claims Universal Credit. Following questioning, it comes to light that he has dyslexia, and struggles to read; he does not understand basic written documents and finds it difficult to manage his finances. He is referred for alternative payment arrangements and during the conversation with him and the local support agency, we discover that he also has other debts and although he does have a repayment plan in place he is not sticking to the terms and therefore risks further action if he continues to fail to pay. He is also in debt to family members and is paying small amounts in erratic ways and well below the agreed repayment plan. He continues to borrow more money from friends to cover debt payments. This is causing him a lot of anxiety. It is agreed to pay his rent direct to his landlord and he is referred for budgeting support services including the set up of a budgeting (or ‘jam jar’) account. His circumstances will be reviewed in six months time.

Example 3
Naveed claims Universal Credit following his discharge from a long spell in hospital, although his health condition is poor he is now in recovery. During his spell in hospital he accumulated some debt and his English is not very good. Following questioning he is considered for alternative payment arrangements. During the interview with Naveed and his health worker, it transpires that he considers himself financially capable, he explains that he has an active bank account with direct debit facilities, but would welcome some support to get the debts he has accumulated in order. Alternative payment arrangements are therefore not considered appropriate and he receives his Universal Credit via the standard monthly payment. He is referred for budgeting support services to help him set up a repayment plan to help him clear his debts.

Example 4
Lucy is 26 years old and makes a claim to Universal Credit and following ‘Personal Budgeting Support’ data gather questioning, it comes to light that she has a drug addiction problem and has no bank account plus a history of debt. She is currently a regular user of cannabis and is not receiving treatment (she says her local support service can only treat
Appendix 3

class A users at present), she wants treatment and says without it she cannot stop ‘using’. She is therefore considered for alternative payment arrangements as risks spending a large proportion of her Universal Credit income on drugs. A decision is made to pay her pay her rent direct to her landlord and to pay her more frequently than monthly. She is referred for treatment and budgeting support services which include the set up of a budgeting (or ‘jam jar’) account. Her circumstances will be reviewed in eight months time.

Example 5

Jane is a 29 year old woman, with a 1 year old son. Her husband was violent and, with the help of the police, she and her son fled to a refuge. She took with her only the clothes she and her son were wearing, with no other items and no money. She claims Universal Credit and with the help of the refuge support staff she requests alternative payment arrangements. She is now facing upfront expenses as she fled without any money / credit cards etc. A decision is made to pay her more frequently than monthly and to pay her housing costs direct to the refuge as well as a Universal Credit advance. Money advice is also put in place as well as the support she gets from the refuge to rebuild her life. It is decided that her circs will be reviewed once she leaves the refuge.

After staying in the refuge for seven months, she has moved into her own tenancy, she continues to receive support and counselling from staff in the refuge. She now has an active bank account with direct debit facilities and feels capable of managing her own financial affairs. Alternative payment arrangements are no longer considered appropriate and she moves to the standard monthly payment.

More Information

For more information on any of the above please contact the UC PERSONAL BUDGETING SUPPORT team: universalcredit.pbs@dwp.gsi.gov.uk

11 February 2013
An introduction to Universal Credit

What is Universal Credit?

Universal Credit is a new benefit that supports people who are on a low income or out of work, and helps ensure that you are better off in work than on benefits.

Universal Credit will give you the support you need to prepare for work, move into work, or earn more. In return for this support, it is your responsibility to do everything you can to find work or increase your earnings.

Universal Credit is being introduced in stages. It is available to single people, couples and families in some areas of the country. It is being rolled out to single claimants nationally from February 2015.

Universal Credit will replace:

- Income-based Jobseeker’s Allowance
- Income-related Employment and Support Allowance
- Income Support
- Working Tax Credit
- Child Tax Credit
- Housing Benefit

Whether you can claim it will depend on where you live and your personal circumstances.

To find out more information see the list of jobcentre areas where Universal Credit is available and the local authorities and jobcentre areas that will begin delivering Universal Credit over the coming months.

To find out if you can make a claim, and for the latest information, visit www.gov.uk/universalcredit.

How does Universal Credit make work pay?

We have changed the rules to help make sure work pays. Universal Credit can top up your earnings so you are better off in work than on benefits.

The amount of Universal Credit you get will gradually reduce as you earn more, but unlike Jobseeker’s Allowance your payment won’t stop when you work more than 16 hours a week. The more you earn, the higher your total income from earnings and Universal Credit will be. Most Universal Credit claimants agree that it does more to
An introduction to Universal Credit

support them financially when they start work than Jobseeker’s Allowance does.

Your Universal Credit claim continues when you start work, so you don’t have to go through the hassle of making a brand new claim if that work comes to an end. There won’t be a gap between your last payday and your next Universal Credit payment, so you can take temporary jobs without worrying what it will mean for your benefits.

If you need to come back onto Universal Credit within six months of your previous claim ending we will make it easy for you to do so.

Claiming Universal Credit

Universal Credit is usually claimed online, which means you can make a claim at a time that is convenient for you. You can make your claim online at www.gov.uk/universalcredit.

Support is available to help you get online. Your jobcentre can provide access to the internet or tell you about local places where you can use the internet for free. If you cannot claim online, face to face and telephone support will be available until you can get access to the internet.

A new relationship with Jobcentre Plus

With Universal Credit, you will experience a different type of relationship with your work coach than you may have expected.

They will support and challenge you to fulfil your potential and help you to raise your expectations of what you can achieve. They will focus on mentoring and coaching you and will set you targets to make sure you are doing everything you can to find a job.

In return you will need to take personal responsibility for finding work. It is up to you to do everything you can to support yourself and your family. If you are working part time and able to work more, you will be required to look for additional work or work more hours.

Your Claimant Commitment

To receive Universal Credit you will need to accept a Claimant Commitment.

In most cases your Claimant Commitment will be drawn up during a conversation with your work coach at your jobcentre.

Your Claimant Commitment will set out what you have agreed to do to prepare for and look for work, or to increase your earnings if you are already working. It will be based on your personal circumstances and will be reviewed and updated on an ongoing basis.

If you do what you’ve agreed in your Claimant Commitment, Jobcentre Plus will give
Appendix 4

**An introduction to Universal Credit**

you all the support you need to prepare for work, move into work, or to earn more.

However, if you don’t do what you’ve agreed and can’t give a good reason why, you could lose some of your benefit.

If you’re unable to work, Universal Credit will continue to support you.

If you are able to work and available for work you will need to do everything you reasonably can to give yourself the best chance of finding a job. Preparing for and getting a job must be your full time focus.

You will be expected to look or prepare for work for 35 hours a week, depending on your circumstances. Job-related activities that count towards your 35 hours can include:

• searching for jobs
• visiting potential employers
• doing training courses

If you claim Universal Credit as a couple, both of you will need to accept a Claimant Commitment. You will each have your own Claimant Commitment, and yours may be affected if your partner starts work or their circumstances change.

**Universal Credit payments**

Universal Credit is paid monthly directly into the account you have chosen. If you are part of a couple, living in the same household, and both of you are claiming Universal Credit you will receive one monthly payment. This will be paid into a suitable account of your choice, which could be a joint account or a single account in either your name or your partner’s name. Other adults living in the same household who are claiming Universal Credit will be paid separately.

Monthly payments match the way most salaries are paid. This will help you to move into work, as you will be used to managing a monthly budget.

If you’re not used to managing your money in this way, a range of support services are available to help you budget successfully. Your work coach will talk to you about the types of help you might find useful.

In exceptional circumstances different arrangements can be made such as twice-monthly payments or splitting payments between two people. Wherever possible, these alternative arrangements will be time-limited and support will be offered to help you move successfully to normal payment arrangements.

For more information about claiming as a couple see the guide to **Universal Credit and couples**.
Appendix 4

An introduction to Universal Credit

Getting ready for Universal Credit
The Universal Credit Personal Planner can help you prepare for the changes the new service brings, such as paying rent to your landlord yourself. You provide the answers to some basic questions and it will tell you how ready you are for Universal Credit. It provides advice on what you need to do and the best sources of help. It will not tell you how much Universal Credit you will get as this will depend on your circumstances when you claim.

You can prepare for Universal Credit by doing things such as:
- opening a bank account if you don’t already have one
- finding out where you can access the internet
- improving your internet skills

For more information see Universal Credit frequently asked questions and the short film What is Universal Credit? which explains how Universal Credit works.

For more information visit www.gov.uk/universalcredit or the Universal Credit toolkit.
The ‘Bedroom Tax’

If you are in receipt of Housing Benefit, of working age and are under-occupying your home then you will not receive Housing Benefit for your full rent and you will have to make up the shortfall yourself.

The amount you will have to pay yourself will be **14%** of the overall rent if you are under-occupying by 1 bedroom and **25%** of the overall rent if you are under-occupying by 2 bedrooms or more.

**The ‘Bedroom Tax’**

**Housing Benefit Bedroom Entitlement**

- **Single Adult (16+)**
  - = 1 Bedroom

- **Couple (16+)**
  - = 1 Bedroom

- **2 children aged 10 years & under (regardless of sex)**
  - = 1 Bedroom

- **2 children aged up to 16 years (same sex)**
  - = 1 Bedroom

**You will NOT receive full Housing Benefit if:**

- You live alone in a 2 bedroom property.
- You live as a couple, in a 2 bedroom property.
- You have one child and live in a 3 bedroom property.
- You have 2 girls or 2 boys, both below the age of 16, living in a 3 bedroom property.
- You have a boy and a girl, both under 10, living in a 3 bedroom property.

**MoneyMatters**

We can help you with budgeting, identifying and assisting with claims for benefits which you may be entitled to but are not currently receiving, help you to set up a basic bank account and also help you with debt issues.

Please contact us on **01228 633632** or **01946 939921** or text **moneyhelp** to **07585968466** or **07739325265**.

**Housing Benefit shortfalls for under-occupancy:**

<table>
<thead>
<tr>
<th>Level of Under-Occupation</th>
<th>Level of reduction in Housing Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td><strong>14% of your rent</strong></td>
</tr>
<tr>
<td>2 or more bedrooms</td>
<td><strong>25% of your rent</strong></td>
</tr>
</tbody>
</table>

Please phone **03448 736290 (option 3)** for advice.
Appendix 6

"PRE-ACTION PROTOCOL FOR POSSESSION CLAIMS BY SOCIAL LANDLORDS"

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<td>Mandatory grounds for possession</td>
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PART I AIMS AND SCOPE OF THE PROTOCOL

1.1. This Protocol applies to residential possession claims by social landlords (such as local authorities, Registered Social Landlords and Housing Action Trusts) and private registered providers of social housing. Part 2 relates to claims which are based solely on claims for rent arrears. Part 3 relates to claims where the Court’s discretion to postpone possession is limited by s89(1) Housing Act 1980. The protocol does not apply to claims in respect of long leases or to claims for possession where there is no security of tenure.

1.2. Part 3 of the protocol does not apply to cases brought by social landlords solely on grounds where if the case is proved, there is a restriction on the Court’s discretion on making an order for possession and/or to which s89 Housing Act 1980 applies.

1.3. Part 2 of the protocol reflects the guidance on good practice given to social landlords and private registered providers in the collection of rent arrears. It recognises that it is in the interests of both landlords and tenants to ensure that rent is paid promptly and to ensure that difficulties are resolved wherever possible without court proceedings.

1.4. Part 3 seeks to ensure that in cases where Article 8 of the European Convention on Human Rights is raised the necessary information is before the Court
Appendix 6

at the first hearing so that issues of proportionality may be dealt with summarily, if appropriate, or that appropriate directions for trial may be given.

1.5. The aims of the protocol are:

(a) to encourage more pre-action contact and exchange of information between landlords and tenants;
(b) to enable the parties to avoid litigation by settling the matter if possible; and
(c) to enable court time to be used more effectively if proceedings are necessary.

1.6. Courts should take into account whether this protocol has been followed when considering what orders to make. Social Landlords and private registered providers of social housing should also comply with guidance issued from time to time by the Homes and Communities Agency, the Department for Communities and Local Government and the Welsh Ministers.

(a) If the landlord is aware that the tenant has difficulty in reading or understanding information given, the landlord should take reasonable steps to ensure that the tenant understands any information given. The landlord should be able to demonstrate that reasonable steps have been taken to ensure that the information has been appropriately communicated in ways that the tenant can understand.

(b) If the landlord is aware that the tenant is under 18 or is particularly vulnerable, the landlord should consider at an early stage—

i. whether or not the tenant has the mental capacity to defend possession proceedings and, if not, make an application for the appointment of a litigation friend in accordance with CPR 21;
ii. whether or not any issues arise under Equality Act 2010; and
iii. in the case of a local authority landlord, whether or not there is a need for a community care assessment in accordance with National Health Service and Community Care Act 1990.

PART 2 POSSESSION CLAIMS BASED UPON RENT ARREARS

Initial contact

2.1 The landlord should contact the tenant as soon as reasonably possible if the tenant falls into arrears to discuss the cause of the arrears, the tenant's financial circumstances, the tenant's entitlement to benefits and repayment of the arrears. Where contact is by letter, the landlord should write separately to each named tenant.
Appendix 6

2.2 The landlord and tenant should try to agree affordable sums for the tenant to pay towards arrears, based upon the tenant's income and expenditure (where such information has been supplied in response to the landlord's enquiries). The landlord should clearly set out in pre-action correspondence any time limits with which the tenant should comply.

2.3 The landlord should provide, on a quarterly basis, rent statements in a comprehensible format showing rent due and sums received for the past 13 weeks. The landlord should, upon request, provide the tenant with copies of rent statements in a comprehensible format from the date when arrears first arose showing all amounts of rent due, the dates and amounts of all payments made, whether through housing benefit, discretionary housing payments or by the tenant, and a running total of the arrears.

2.4 If the tenant meets the appropriate criteria, the landlord should arrange for arrears to be paid by the Department for Work and Pensions from the tenant’s benefit.

2.5 The landlord should offer to assist the tenant in any claim the tenant may have for housing benefit, discretionary housing benefit or universal credit (housing element).

2.6 Possession proceedings for rent arrears should not be started against a tenant who can demonstrate that –

(a) the local authority or Department for Work and Pensions have been provided with all the evidence required to process a housing benefit or universal credit (housing element) claim;
(b) a reasonable expectation of eligibility for housing benefit or universal credit (housing element); and
(c) paid other sums due not covered by housing benefit or universal credit (housing element).

The landlord should make every effort to establish effective ongoing liaison with housing benefit departments and DWP and, with the tenant’s consent, make direct contact with the relevant housing benefit department or DWP office before taking enforcement action.

The landlord and tenant should work together to resolve any housing benefit or universal credit (housing element) problems.
Appendix 6

2.7 Bearing in mind that rent arrears may be part of a general debt problem, the landlord should advise the tenant to seek assistance from CAB, debt advice agencies or other appropriate agencies as soon as possible. Information on debt advice is available on the Money Advice Service website https://www.moneyadviseservice.org.uk/en/articles/whereto-go-to-get-free-advice-debt-advice.

After service of statutory notices

2.8 After service of a statutory notice but before the issue of proceedings, the landlord should make reasonable attempts to contact the tenant, to discuss the amount of the arrears, the cause of the arrears, repayment of the arrears and the housing benefit or universal credit (housing element) position and send a copy of this protocol.

2.9 If the tenant complies with an agreement to pay the current rent and a reasonable amount towards arrears, the landlord should agree to postpone issuing court proceedings so long as the tenant keeps to such agreement. If the tenant ceases to comply with such agreement, the landlord should warn the tenant of the intention to bring proceedings and give the tenant clear time limits within which to comply.

Alternative dispute resolution

2.10 The parties should consider whether it is possible to resolve the issues between them by discussion and negotiation without recourse to litigation. The parties may be required by the court to provide evidence that alternative means of resolving the dispute were considered. Courts take the view that litigation should be a last resort, and that claims should not be issued prematurely when a settlement is still actively being explored.

Appendix 6

Court proceedings

2.11 Not later than ten days before the date set for the hearing, the landlord should–

(a) provide the tenant with up to date rent statements; and
(b) disclose what knowledge it possesses of the tenant's housing benefit or universal credit (housing element) position to the tenant.

2.12

(a) The landlord should inform the tenant of the date and time of any court hearing and provide an up to date rent statement and the order applied for. The landlord should advise the tenant to attend the hearing as the tenant's home is at risk. Records of such advice should be kept.
(b) If the tenant complies with an agreement made after the issue of proceedings to pay the current rent and a reasonable amount towards arrears, the landlord should agree to postpone court proceedings so long as the tenant keeps to such agreement.
(c) If the tenant ceases to comply with such agreement, the landlord should warn the tenant of the intention to restore the proceedings and give the tenant clear time limits within which to comply.

2.13 If the landlord unreasonably fails to comply with the terms of the protocol, the court may impose one or more of the following sanctions–

(a) an order for costs; and
(b) in cases other than those brought solely on mandatory grounds, adjourn, strike out or dismiss claims.

2.14 If the tenant unreasonably fails to comply with the terms of the protocol, the court may take such failure into account when considering whether it is reasonable to make possession orders.

PART 3 MANDATORY GROUNDS FOR POSSESSION

3.1 This part applies in cases where if a social landlord proves its case, there is a restriction on the Court's discretion on making an order for possession and/or to which s. 89 Housing Act 1980 applies (e.g. non-secure tenancies, unlawful occupiers, succession claims, and severing of joint tenancies).
Appendix 6

3.2 In cases where the court must grant possession if the landlord proves its case then before issuing any possession claim social landlords—

(a) should write to occupants explaining why they currently intend to seek possession and requiring the occupants within a specified time to notify the landlord in writing of any personal circumstances or other matters which they wish to take into account. In many cases such a letter could accompany any notice to quit and so would not necessarily delay the issue of proceedings; and

(b) should consider any representations received, and if they decide to proceed with a claim for possession give brief written reasons for doing so.

3.3. In these cases the social landlord should include in its particulars of claim, or in any witness statement filed under CPR 55.8(3), a schedule giving a summary—

(a) of whether it has (by statutory review procedure or otherwise) invited the defendant to make representations of any personal circumstances or other matters which they wish to be taken into account before the social landlord issues proceedings;

(b) if representations were made, that they were considered;

(c) of brief reasons for bringing proceedings; and

(d) copies of any relevant documents which the social landlord wishes the Court to consider in relation to the proportionality of the landlord’s decision to bring proceedings.”
Possession checklist and Senior Manager approval for eviction

This form must be completed for all cases when applying to the court for a bailiff to enforce possession or in the Positive Impact Service when a license needs brought to an end.

Name of tenant:

Age and date of birth:

Address:

1. Please outline below a summary of the circumstances of the case and actions. Include a brief overview of any written correspondence, telephone and face-to-face discussions.

2. Are there any special circumstances in respect of the tenant(s) or any household member’s vulnerability or are there any safeguarding issues? (If yes give details of action taken)

   e.g.: If there are vulnerable children or adults involved have Children/Adult Services or other support services been informed?

3. Is there any C.A.B., Law Centre or other legal involvement?

4. Has the Local Authority Homelessness Department been contacted regarding the impending homelessness situation?

Arrears Officer:

Signed by (Requesting Officer):

Date:
## Senior Managers Checklist

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
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</tbody>
</table>

All Circumstances reviewed

Details of discussion and any comments

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Possession Approved

Signed by Senior Manager

Date
Appendix 8  
Our Ref: Termination  
Date:

(Title Initial Surname)  
(Address 1)  
(Address 2)  
(Address 3)  
(Address 4)  
(Post code)

Dear (Title Surname)

**Termination of Tenancy at (Address)**

Thank you for letting us know that you intend leaving the above property. Please note that your Tenancy Agreement requires you to give (2 or 4) weeks’ notice of terminating your tenancy. I can confirm that your tenancy will end on **(Tenancy end date)**, this being a Sunday.

We require you to read, sign and return the enclosed **Termination of Tenancy Form** as soon as possible please. Without this, we are not able to terminate your tenancy and therefore you will remain liable for the rent which is due every week. Please return the form to us in the freepost envelope provided to you or Neighbourhood & Communities Co-ordinator, **(Estate Officer)**.

A member of our Voids Team will contact you within the next two weeks to arrange an inspection of your property. At this inspection, you will be required to give a member of the team a spare key for your property; this will ensure we are able to access the property as quick as possible after your tenancy ends.

In order that we are able to let the property to the next tenants, you are also required to allow viewings of the property prior to moving out; I will be in touch to arrange suitable times for this.

I also enclose a leaflet called **Ending Your Tenancy** which gives details of the things which you need to know about and the things that you need to do before your tenancy ends. Please read this carefully as not taking certain actions may result in you being liable for charges which you may not otherwise be aware of.

Please note that your current account balance (including any rechargeable repairs if applicable) is **(Current Balance)**. Please contact the Income Management team as soon as possible on 03448 736290 to discuss clearing this balance.

If you have any questions or concerns regarding ending your tenancy then please contact me on the number below.

**(Estate Officer)**

Neighbourhood & Communities Coordinator  
Direct Line: 03448 736 290

E-Mail: (Email address)

Yours sincerely
Appendix 8

TERMINATION OF TENANCY FORM

I/we (Name)

wish to terminate my/our tenancy of (Address)

on Sunday (Tenancy end date)

Please give us the reason for terminating your tenancy with Impact Housing. (Tick just one box).

<table>
<thead>
<tr>
<th>Reason for Termination</th>
<th>Reason for Termination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property too small</td>
<td>Area too isolated</td>
</tr>
<tr>
<td>Property not affordable-rent/service charge</td>
<td>Property too large/difficult to manage</td>
</tr>
<tr>
<td>Property doesn’t meet needs</td>
<td>Property not affordable-fuel costs</td>
</tr>
<tr>
<td>Property difficult to heat</td>
<td>Condition of property</td>
</tr>
<tr>
<td>Moving to provide support</td>
<td>Moving to be near support networks</td>
</tr>
<tr>
<td>Need accommodation based care/support</td>
<td>Moving for educational reasons</td>
</tr>
<tr>
<td>Moving for work reasons</td>
<td>Dislike of existing area/environment</td>
</tr>
<tr>
<td>Problems with anti-social behaviour</td>
<td>Buying a property</td>
</tr>
</tbody>
</table>

I understand that I am required to enable Impact’s Void Team to inspect the property in advance of the termination date, and at that inspection, give a member of the team a spare set of keys.

I understand that I am required to allow prospective tenants to view the property in advance of the termination date. The Impact Co-ordinator will arrange mutually convenient times.

On the tenancy termination day, I will ensure an additional full set of keys will be properly labelled, and delivered by hand or post to any Impact office.

Please hand in your keys before 12 noon on the day after your termination date. If the keys are handed in later, full rent will be charged for each week they are late.

If my property has pre-payment cards for utilities such as gas and electricity, I will ensure the appropriate keys are left in one of the kitchen drawers in the property.

I understand that I will be charged if Impact has to dispose of any items, carry out cleaning work, bring the decorations up to an acceptable standard, repair any damages or rectify any unauthorised or defective alterations made to the property.

I understand that I am responsible for making rent payments up to and including the final day of my tenancy. This responsibility applies regardless of whether or not I am still living in the property.
My future contact details are as follows:

<table>
<thead>
<tr>
<th>Full name(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forwarding Address</td>
</tr>
<tr>
<td>Post Code</td>
</tr>
<tr>
<td>Telephone Number</td>
</tr>
<tr>
<td>E-mail address</td>
</tr>
</tbody>
</table>

Signed: ........................................ Date: .................. 

Please read, sign and return this form in the freepost envelope provided.
Ending your tenancy

How to terminate your tenancy
I have decided to leave my home and end my tenancy with Impact.

What do I need to do?

The first thing to do is to make sure that you’ve made the correct decision!

There are many things to consider when moving out of a property and one factor to take into account if you are currently claiming or might one day wish to claim Housing Benefit or Universal Credit, is the potential loss of benefit if you begin a new tenancy from April 2016 (or April 2017 if it is a supported tenancy).

If you do begin a new tenancy from this date, then from April 2018 your housing payments will be capped at a specific level (depending on where you live and the size of your property), and this may mean that you’ll need to pay a substantial amount from your own pocket towards your rent from April 2018.

So please consider what a move from an Impact property could mean if you go ahead.

The tenancy agreement that you signed when you were given the keys to the property is a legal contract and all customers must give at least four weeks written notice (two weeks in a small number of cases) to terminate their tenancy. You can provide notice by filling in a Tenancy Termination Form which is available from our reception areas, from our website, or which we can post to you. On your tenancy termination form you must provide your forwarding address, contact telephone number, email address, and the reason for moving. The notice period will only begin from the date on which we receive your notice.

What happens once I have given written notice?

When we have received your notice your Neighbourhood Co-ordinator will contact you to confirm when the last day of your tenancy with Impact will be (your end of tenancy date), and to obtain any details from your form which are outstanding. Our Voids Team will also be in touch to arrange a convenient time to carry out an inspection of the property. Our Income Management team will also be in touch to let you know how much rent will need to be paid up until the end of your tenancy.

Impact is serious about asbestos in our homes and although the risk may be low we will always carry out a specialist asbestos survey on properties which are becoming empty. It might be that our contractor carries this out during your notice period, so we would appreciate it if you could allow access for the inspection.

When your home becomes empty, Impact will transfer the gas and electric supplies to British Gas from the day after your tenancy ends. This should
not affect you unless you either need to extend your tenancy or you decide not to end your tenancy at all. If this is the case, please let us know as soon as possible so we can hold off the transfer of the supplies to British Gas.

What should I do after I have terminated my tenancy?

- **Pay the rent which is due up until the end of the tenancy.** You are responsible for paying the rent right up until the final day of your tenancy. This is the case regardless of whether or not you are still living there. You must pay off any arrears, including any rechargeable repairs, and all the rent which is due before you go. If you have any questions about this please contact the Income Management Team on 03448 736290 (option 3).

- **Apply for a dual award of Housing Benefit.** If you receive Housing Benefit and you do not intend to live in the property right up until the last day of your tenancy then you will need to apply for a dual award of Housing Benefit so that they make payments on your Impact property and your new one. This kind of award may not be granted in all cases. Please contact the Housing Benefit department of the council regarding this and if you have any problems please contact the Income Management Team on 03448 736290 (option 3).

- **Arrange with Royal Mail for your mail to be redirected to your new address.**

- **Disconnect any gas cooker, washing machine, dishwasher or other appliance.** A qualified person should disconnect these appliances.

- **Read your meters and inform your energy and water suppliers of the readings and the date of the last day of your tenancy.**

- **Label one copy of each of your keys and return them to your local Impact office – either in person or by post.** Any spare keys should be left in a drawer in the kitchen along with any Utility payment keys or cards. You need to return the keys no later than 12 noon on the Monday after your tenancy ends. Failure to do this will result in you being charged an extra week’s rent for each week you retain the keys.
Appendix 8

How should I leave the property?

Empty. All your belongings must be removed from the property, loft, gardens, outhouses and sheds. This includes all furniture and rubbish. If you leave behind any belongings or rubbish we will charge you for the disposal of it. The cost of this can be very high as it involves contractor time, vehicle costs and dumping charges.

Carpets and curtains may only be left in the prior permission has been given by our voids team.

If you have any good quality furniture or other items you would like to donate to our Furniture Services project please contact us about this on 03448 736290 (option 3) as soon as possible. Items left without prior agreement will not be able to be donated.

Clean, tidy and in good decorative order. If we are required to carry out any cleaning or decorative works to your property after you have left, we will need to recharge these works to you. Lawns and hedges must be cut and overgrown gardens cleared. Unauthorised or incomplete improvement works to the property or garden must be completed and agreed in writing before you leave. Alternatively, you must put the property back to its original condition.

All fixtures and fittings, including kitchen units, heating systems, doors, handles and so on must be left in good condition. You will be charged for any damage to the property that is not due to ‘fair wear and tear’, i.e. normal day to day use. If you are aware of any repairs that might be needed to your home that are not due to ‘fair wear and tear’ please get these things fixed before you leave.

Safe and secure. You must ensure all windows and doors are locked.
**FREQUENTLY ASKED QUESTIONS**

**I want to leave the property during the notice period. Can I do this?**
If you do this, or if you leave without giving notice, you will still be responsible for paying the rent. You will also be responsible for looking after the property and should any damage occur you may be charged.
If you have to leave the property then you must inform us that you have done so and hand the keys in to us. We will ask your permission to enter the property and commence any necessary repairs. This way we can make sure the property is secure and it will help us to let the property quickly to somebody waiting for housing.

**Can I extend or withdraw my notice period?**
You can withdraw your notice at any time during the notice period. Similarly you can extend your notice period for certain circumstances such as buying a house when the completion date is delayed. In both cases however you will need to agree this with us in advance of your tenancy end date. If you are extending your tenancy then you will be responsible for paying the rent until the end of the extended notice.

**Advertising your home**
Once you have told us that you are leaving we will start the process of finding a new tenant for the property. This will involve advertising your home via Cumbria Choice. We may ask that viewings for prospective new tenants are held whilst you are still living there. If this is the case we would appreciate it if you could make sure your home is clean, tidy and welcoming for any viewings.

**How do I end the tenancy for a tenant who has died?**
You will need to let us know that your relative has died, the date of the death and the date that you expect to hand the keys in. You will also need to provide us with a copy of the death certificate and evidence that you are authorised to deal with the deceased person’s affairs.
We will grant a period of 2 weeks ‘rent free’ after you notify us of the death to allow you to make any necessary arrangements and to clear the property.
If a longer period is needed so that the property can be emptied the full rent will continue to be charged until the keys are returned. It is important therefore that the keys are returned as soon as possible after any possessions are removed to avoid any unnecessary rent charges.
If the deceased was in receipt of Housing Benefit you will need to notify the local authority of the death of your relative. The Housing Benefit payments will then normally stop from the end of the week in which they died.
We will deal with all notifications of a death sensitively. Please contact us if you need any help or advice and we will work with you in order to end the tenancy with as little distress as possible.

**How do I end the tenancy for a relative that is moving into residential care?**
You need to let us know that the tenant might be moving into residential care as soon as you can. If the tenant will be moving into residential care before the 4 week notice period expires please bear in mind that the rent is still due up until the last day of the tenancy. This may mean that it will be necessary to apply for a dual award of Housing Benefit. If you require any assistance with this then please contact the Income Management Team on 03448 736 290.
Checklist

Although this is not intended as a full checklist of things that you need to do before you leave your home, we recommend that you:

- Make sure you provide us with a forwarding address and contact number.
- Apply for a dual award of Housing Benefit if necessary (if you are going to have two tenancies running at the same time for a number of weeks).
- Get at least two removals quotes, including clearing away any unwanted items (ask if they provide free packing boxes and get these before your moving day to give you plenty of time to pack).
- Remove all belongings from your home (including the loft), garden, outbuildings and shed.
- Ensure the property is clean, tidy and in good condition.
- Complete any repairs that you are responsible for and put back any fixtures and fittings.
- Tell your energy and water suppliers that you are moving and provide them with a final meter reading and confirmation of your forwarding address before you leave.
- If you have a gas cooker then arrange for it to be removed and the supply capped off at the connection point by a GAS SAFE registered engineer.
- Contact Royal Mail about re-directing your mail to your new address.
- Tell other companies such as the TV Licensing Authority and your cable or satellite provider that you are moving.
- Check that all of the windows and doors are locked and that the property is secure.
- Make sure your rent account is clear.
- Ensure your keys are returned, clearly labelled, by no later than 12 noon on the day after the last day of your tenancy.

If you have any queries please contact us on 03448 736 290
We will collect free of charge!

SOFAS, ARMCHAIRS, BEDS, BEDROOM FURNITURE, TABLES, CHAIRS,

Donate furniture that you no longer require and we will recycle it and help people across Cumbria furnish their homes.

We save around 740 tonnes of furniture a year from landfill and use it to create training and volunteering opportunities.

Call us on:

Allerdale: 01900 68648
Carlisle: 01228 633655
Eden: 01768 210555
Furness: 01229 311002
Appendix 9

JUSTIFICATION EXERCISE

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Name and address of individual:</td>
</tr>
<tr>
<td>2.</td>
<td>D.O.B of individual:</td>
</tr>
<tr>
<td>3.</td>
<td>Tenancy commencement date (if relevant) or link to your organisation</td>
</tr>
<tr>
<td>4.</td>
<td>Brief details of arrears issues or anti-social behaviour including date the ASB first started and its frequency (e.g. daily weekly etc.)</td>
</tr>
<tr>
<td>5.</td>
<td>What legislation is being considered? (e.g. serving a Notice Seeking Possession, issuing a claim for possession, making an application for an injunction)</td>
</tr>
<tr>
<td>6.</td>
<td>Does (or could) the individual have a disability? (whether physical or mental) (Obviously, it won’t always be possible for your organisation to say with certainty the exact nature of the mental disability of the individual at this stage, therefore just write down what your organisation is aware of.)</td>
</tr>
<tr>
<td>YES (Go to Q.7) /</td>
<td>NO (Go to Q.8) /</td>
</tr>
</tbody>
</table>

7. Why does your organisation hold the view that the individual is or could be disabled?

(once completed move to Q8)

**NB** Make all reasonable enquiries and take all reasonable steps to collect evidence. Remember each case will be different. However, the stronger the indication of a mental disability then the more stringent the enquiries should be.
<table>
<thead>
<tr>
<th>Appendix 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Medical evidence</td>
</tr>
<tr>
<td>(Give brief details, i.e. where is the evidence from, how old is the evidence etc.)</td>
</tr>
<tr>
<td>(ii) Information obtained from family and/or friends.</td>
</tr>
<tr>
<td>(Give brief details)</td>
</tr>
<tr>
<td>(iii) Information obtained from other agencies.</td>
</tr>
<tr>
<td>(e.g. Social Services, GP, Community Mental Health Team)</td>
</tr>
<tr>
<td>(cont.)</td>
</tr>
<tr>
<td>(Will you think about calling a multi-agency meeting?)</td>
</tr>
<tr>
<td>(iv) Due to the individual's behaviour (e.g. ranting, talking to themselves etc.)</td>
</tr>
<tr>
<td>(v) Are there references to mental health issues in the house file or in correspondence from the individual's solicitor?</td>
</tr>
<tr>
<td>(vi) Other (give brief details)</td>
</tr>
</tbody>
</table>
8. Why does your organisation hold the view that the individual is NOT disabled?

(Once answered stop here but note that should information come within the knowledge of your organisation that the individual may be disabled you should return to Q5)

(i) Your organisation does not hold any information stating or suggesting that the individual suffers from a disability (i.e. one relating to mental health)

(ii) Your organisation has made appropriate enquiries with other agencies who have confirmed that the individual is not known to them OR that they are not aware that the individual suffers from a disability.

(iii) Other (give brief details)

9. Is, or could, the individual’s accrual of arrears or their anti-social behaviour be a consequence of their disability? (i.e. does their disability cause them to disengage or act in an anti-social manner?)

(once complete go to Q10)
### Appendix 9

<table>
<thead>
<tr>
<th>(i)</th>
<th>If NO, why does your organisation hold this view? (give brief details)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(ii)</td>
<td>If YES, why does your organisation hold this view? (give brief details; e.g. comments made by other agencies, the individual themselves etc.)</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>In any event, why is the treatment of the individual (i.e. legal action) a proportionate means of achieving a legitimate aim? (i.e. Why is the action being considered necessary/proportionate/reasonable in the circumstances?)</td>
<td></td>
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<tr>
<td></td>
<td>N.B Below is a non-exhaustive list.</td>
<td></td>
</tr>
<tr>
<td>(i)</td>
<td>The behaviour of the individual is extremely serious and/or persistent and/or involves the use or threatened use of violence or damage to property? (give brief details)</td>
<td></td>
</tr>
<tr>
<td>(iii)</td>
<td>The behaviour of the individual is having a detrimental impact on the health and/or well-being of local residents? (E.g. sleep deprivation, impact on employment, prescribed medication for stress related illnesses etc.) (give brief details, do you have medical evidence to support this?)</td>
<td></td>
</tr>
</tbody>
</table>
**Appendix 9**

| (iii) | All other reasonable alternatives to the current legal action being considered have been ruled out or exhausted?  
|       | (give brief details) |
| (iv)  | Other  
|       | (give brief details) |

Name of Officer completing justification exercise..................................................
Signed.................................................................................................................................
Dated.................................................................................................................................
Signed off by (include name of senior manager)............................................................
Dated.................................................................................................................................