

HOUSING COMMITTEE
THURSDAY, 24TH MARCH, 2022 AT 7.30 PM

Supplementary Agenda

To all members of Housing Committee: The following papers, which were not available for dispatch with the agenda, are attached. Please bring them with you to the meeting:-

Agenda No Item

5. **Housing Committee - 2022/23 Budget – Tranche 2 Pressure and Savings Distribution** (Pages 3 - 12)

7. **Income Management Policy Review** (Pages 13 - 30)

Yours faithfully,

David Ford

Chief Executive

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2022/23 Tranche 2 budget (Housing General Fund)

Housing General Fund Committee – 24th March 2022

Report of: Anna D’Alessandro – Chief Finance Officer (Section 151)
Purpose: To approve the Tranche 2 Budget Report for 2022/23
Publication status: Unrestricted
Wards affected: All

Executive Summary:

On 10th February 2022, Council approved the 2022/23 Final Budget Report and Medium-Term Financial Strategy (MTFS) to 2023/24 which sets out the Council’s strategy for financial recovery and the development of sustainable medium-term financial plans. This report set out that savings and pressures were going to be allocated in 3 Tranches. Tranche 1 was allocated as part of the January cycle of reports and approved by Full Council.

This report sets out the allocation of Tranche 2 pressures for the Housing General Fund Committee.

This report supports the Council’s priority of: Building a better Council.

Contact officer: Anna D’Alessandro – Chief Finance Officer (Section 151)
adalessandro@tandridge.gov.uk

Recommendations to Committee:

That:

- A. subject to further consideration by the Strategy & Resources Committee on the 7th April 2022 regarding the overall allocation of Tranche 2 pressures and savings, the revised 2022/23 net budget for the Housing General Fund Committee at **Appendix A** be approved; and
- B. the uplifted Fees & Charges for the Housing General Fund Committee (**Appendix B**) be approved.

Reason for recommendation:

This report builds on the papers presented Council on 10th February 2022, where it was outlined that committees would, in March and April, approve the distribution of the Tranche 2 pressures and the subsequent committee budgets for 2022/23.

1. Introduction

- 1.1. On 10th February 2022, Council approved the 2022/23 Final Budget Report and Medium-Term Financial Strategy (MTFS) to 2023/24, which set out the Council's strategy for financial recovery and the development of sustainable medium-term financial plans.
- 1.2. The Council adopted a 'Twin Track' approach to developing its financial plans in response to these challenges. Track 1 focussed on delivering a balanced budget for 2022/23, whilst Track 2 simultaneously sought to address pressures over the medium-term.
- 1.3. Given capacity constraints in Finance and across the Council at the time, we took a pragmatic approach to the distribution of pressures and savings for January committees and February Council, meaning that some pressures and savings were held in Corporate Items pending distribution. These amounts are referred to as Tranche 2 and Tranche 3. This budget paper presents the distribution of Tranche 2, which includes savings and pressures for Housing General Fund, as set out in section 3 below.

2. General Fund - Revenue Budget Process to Date

- 2.1. **The 2022/23 Revenue budget is balanced without the use of Reserves.**
- 2.2. As detailed within the January and February budget papers, the distribution of budgets to Committees is being undertaken in tranches:
 - **February 2022 Council - Tranche 1:** The pressures set out in detail in the January Committee reports. These are the pressures which were straightforward and simple to allocate.
 - **March / April 2022 Committee cycle - Tranche 2:** The distribution of these pressures is brought to this Committee for approval:
 - **£367k of pressures** comprising £193k of staffing increments, and £174k of contract inflation; and
 - **£200k of vacancy factor savings**
 - **June 2022 committee cycle - Tranche 3:** The more complex **cross-cutting savings totalling £450k**, which will require Service Reviews and business cases to be undertaken to ensure accurate distribution to Committees. These savings include £200k enabling services/back-office review, £150k of Twin Track accelerated savings in 2022/23, £25k of review of staffing increments, pay award and terms and conditions and £75k of ensuring best value for external spend.

2.3. As part of proposed Financial Regulations (Strategy & Resources to recommend to Council in April 2022), budget accountability statements will be produced. Budget Accountability Statements:

- are addressed to the Budget Accountable Officer (Senior Officers), from the Chief Finance Officer;
- request that the Budget Accountable Officer acknowledges the statement by a defined date (usually three weeks from distribution); acknowledgement returns are monitored by Corporate Finance. The Management Team is regularly updated on progress;
- summarise the financial strategy and direction;
- recap the roles and responsibilities of the Budget Accountable Officer (Senior Officers) that is within the Internal Business and Finance Agreement; and
- outline in financial terms the revenue and capital budgets for each Budget Accountable Officer for 2022/23.

3. **Tranche 2 Budget Distribution**

3.1. Tranche 2 distributes the inflation, salary increment and National Insurance (Social Care Levy) pressures. Corporately, these total **£367k of pressures** comprising £193k of staffing increments, and £174k of inflation. Community Service's share is set out below. Further budget details in **Appendix A**

Table 1: Budget distribution reflecting Tranche 2

	Housing General Fund £k
Budgets as at 10/2/2022	468
Virements	0
Tranche 2 - Pressures	28
Tranche 2 - Savings	(20)
Movement	8
Tranche 2 Revenue Budget	476

4. Fees & Charges

- 4.1. Charges for services for a key part of the mechanism for financing local services. In simple terms income from fees and charges offsets the cost of the service. If income from charging does not fully offset costs, then the Council Taxpayer must pay for the difference.
- 4.2. It is therefore important that charges are regularly reviewed and assessed to reflect the Council's corporate priorities and are increased annually to take account of inflation, demand and any other appropriate factors particular to individual charges. 2022/23 will be a challenging year with ongoing uncertainty relating to the pandemic. This is all exacerbated by the significant uncertainty with funding from Central Government over the medium-term. The Spending Review and the provisional settlement has only provided us with surety for one year.
- 4.3. There are a number of charges that are set externally over which the Council has no control to alter. This restricts the Council's ability to raise additional income and therefore the fees and charges set by statute are not required to be approved by this Committee.
- 4.4. Housing General Fund fees & charges that are discretionary have been reviewed and where appropriate have been uplifted by inflation. Where we believe the fees & charges have been historically charged below the market rate we have uplifted by more than inflation.
- 4.5. **Appendix B** outlines the uplifted fees and charges.

5. Comments of the Chief Finance Officer (s151)

- 5.1. Further to the approval of the 2022/23 Budget by Full Council on 10th February (including the approval of Tranche 1 pressures) this report sets out the allocation of Tranche 2 pressures to the Housing General Fund Committee which is directly due to the increments of Housing General Fund staff. It is important to note that Tranche 2 savings have not been applied to this Committee and neither will Tranche 3 savings. Given the difficulty facing the service over the last couple of years, and the transformation journey on which it has embarked, it felt prudent to not set savings targets for this Committee in 2022/23. Transformation is expected to be undertaken over the course of the next 18 months, at which point the service should be in a better position to start to realise the benefits of the investment.
- 5.2. As stated in this report, it is imperative that the budget is delivered as stated for 2022/23 and Budget Accountability Statements are signed in acknowledgement. Training will be provided to all budget holders over the coming months to ensure they are familiar with and can undertake their roles as accountable budget managers and live within their budget envelope.

6. Comments of the Head of Legal Services

- 6.1. It is essential, as a matter of prudence, that the financial position of services continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.
- 6.2. Under S28 of the Local Government Act 2003, a local authority must review its budget calculations from time to time during the financial year and take appropriate action if there is any deterioration in its budget. This report satisfies this statutory requirement.

7. Equality

- 7.1. The Council has specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Part of this is to ensure that the potential effects of decisions on those protected by the equalities legislation are considered prior to any decision being made.
- 7.2. Section 149 of the Equality Act 2010, provides that a public authority must, in the exercise of its functions, have due regard to the need to:
 - eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
 - advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.3. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 7.4. Members should have due regard to the public-sector equality duty when making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome.
- 7.5. The Officers have reviewed their budget changes against the initial equalities screening tool. This has highlighted and concluded that all of savings within the 2022/23 budget will not have any direct effect on residents or service delivery (such as removal of vacant posts, renegotiation of contracts and Reserve adjustments).
- 7.6. The outcome of this is that the budgetary changes have no negative or positive impact on protected characteristics and residents. However, the Council will continually monitor the effect of the budget-setting process and decision-making by using equality impact assessments.

8. Climate Change implications

- 8.1. There are no direct impacts on environmental aspects in this budget report. Climate change implications will be assessed as part of any changes to Service provision through a business case process.

9. Appendices

Appendix A – Overall & Committee Revenue Budget 2022/23

Appendix B – Fees & Charges 2022/23

Appendix C – Glossary of Terms

10. Background papers

2nd Dec Strategy & Resources – 2022/23 Draft Budget & MTFS to 2023/24

24th Jan Housing General Fund – Outline Final Budget

1st Feb Strategy & Resources - Outline Final Budget

10th Feb Council – Final Budget

Appendix A - Revenue Budget 2022/23

Housing General Fund Budget

	2021/22 Updated Annual Budget £k	2022/23 Tranche 1 Budget £k	Movement £k	2022/23 Tranche 2 Budget £k
Meadowside Mobile Homes	(117)	(127)	(4)	(131)
Westway	100	50	0	50
Private Sector Enabling	111	111	10	121
Housing of the Homeless	110	110	4	114
Other Housing Renewal Functions	65	65	0	65
Syrian Refugees	15	15	0	15
Afghan Refugees	0	10	0	10
Redstone House	(49)	0	0	0
Housing Benefits	233	233	(2)	231
Care In The Community	1	1	0	1
Other Variances less than £10k	0	0	0	0
Alarm Systems	0	0	0	0
Housing General Fund	469	468	8	476

	Tranche 2:			
	Pay £k	Non Pay £k	Income £k	Net Budget £k
Organisational:				
Meadowside Mobile Homes	3	44	(178)	(131)
Westway		50		50
Private Sector Enabling	37	215	(131)	121
Housing of the Homeless	174	201	(261)	114
Other Housing Renewal Functions	13	55	(3)	65
Syrian Refugees		15		15
Afghan Refugees		10		10
Redstone House				0
Housing Benefits	300	18,041	(18,110)	231
Care In The Community		1		1
Other Variances less than £10k				0
Alarm Systems				0
Housing General Fund	527	18,632	(18,683)	476

Appendix B: Fees & Charges

Housing Services - Fees & Charges	Gross Charges (incl VAT if applicable) Current Charges 2021-22 £	Proposed Gross Charges (incl VAT if applicable) 2022-23 £	Percentage Increase 2022-23 %	Budgeted Income 2021-22 £	Proposed Budget 2022-23 £	Statutory /Discretionary Service
Meadowside Plot Fees (per week)	32.43	33.76	4.1%	120,600	125,500	D
Meadowside Garages (per week)	7.53	7.84	4.1%	11,000	11,500	D
Total Budgeted Income Meadowside				131,600	137,000	
HMO Licence Fee (Private Sector Housing)	450.00	700.00	55.6%	0	0	D
Caravan Site Licensing Fees	386.00			0	0	D
Change of charge Method						
New Site Licence Application		486.75	n/a	n/a		
New Site Licence Application - Additional Fee per unit		2.87	n/a	n/a		
Annual Licence Fee		294.42	n/a	n/a		
Annual Licence Fee - Additional Fee per unit		2.15	n/a	n/a		
Variation of the Licence Conditions		264.92	n/a	n/a		
Variation of the Licence Conditions - Additional Fee per Unit		1.08	n/a	n/a		
Transfer of Licence to a New Owner		150.00	n/a	n/a		
Deposit of Site Rules		34.00	n/a	n/a		
Total Housing Services Fees and Charges				131,600	137,000	

Appendix C – Glossary of Terms

Term	Definition
Balanced Budget	Budget pressures fully offset by budget savings and funding changes.
Pressure	<p>Known budgeted expenditure increases and income reductions due to the following:</p> <ul style="list-style-type: none"> • Growth factors – e.g. demographic, inflation and/or increased demand for services; • Full year effects – to take account of changes to expenditure or income which have taken effect in-year and need to be accounted for in future years as they are of an ongoing nature, e.g. ongoing changes to car parking income due to the pandemic; and/or • Other increases in expenditure or reduction in income as a result of strategic, governance, funding or policy changes e.g. additions to the organisational structure or additional service activities undertaken and not budgeted for as they occur after the budget is set and have ongoing implications.
Saving	<p>Known budgeted expenditure reductions and income increases which result due to the following:</p> <ul style="list-style-type: none"> • Containing additional costs of Inflationary increases in contracts or pay; • Driving forward efficiencies in the provision of existing services i.e. providing services in an improved way to deliver better value for money; • The delivery of new or additional services; and/or • Optimising sources of income.
Reserves: General Fund balance	A contingency fund - money set aside for emergencies or to cover any unexpected costs that may occur during the year, such as unexpected repairs.
Reserves: Earmarked Reserves	Funds set aside by Council for a particular purpose, such as buying or repairing equipment or the maintenance of public parks or buildings or equalising over time a particular income stream.

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Income Management Policy Review

Housing Committee 24 March 2022

Report of: Alison Boote – Executive Head of Communities

Purpose: For decision

Publication status: Unrestricted

Wards affected: All

Executive summary:

A recent review of the income management policy has recently taken place as it was due for its regular review. This report, supported by **Appendix A**, highlights the areas that were reviewed, and recommendations made, to maximise income to the Housing Revenue Account.

This report supports the Council's priority of: Building a better Council and Creating the homes, infrastructure and environment we need

Contact officer James Devonshire Specialist Services Manager
JDevonshire@tandridge.gov.uk –

Recommendations to Committee:

That:

- A. the contents of the report be noted; and
 - B. the updates to the income management policy be agreed.
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Reason for recommendation:

This review incorporates recent legislative changes and updates due to the recent COVID pandemic.

Introduction and background

1. The Housing Revenue Account is a landlord account which is a ring-fenced set of transactions relating to local housing within the general fund. Its main source of income is from tenants in the form of rents and service charges and cannot budget for a deficit.
2. This review, undertook a full assessment of current processes and legislation to ensure they were fit for purpose and adequate to maximise income collection. The main changes that have been recommended to the policy are below:

Notice for Fixed Term Flexible Tenancies

3. New legislation has been brought in for fixed term tenancies which requires the Council to issue a different notice when seeking possession of a property for flexible tenancies. This notice has the same effect as the current notice the Council issues for Secure Tenancies but requires reference to different legislation.

Breathing Space - The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020

4. This legislation was adopted on 4 May 2021 and allows temporary protection from most types of debt whilst the tenant works with a debt advisor. A breathing space lasts for 60 days and whilst the tenant is in this space, most enforcement action and interest is suspended. Ongoing rent still needs to be paid but rent arrears cannot be collected.

Financial assessment

5. As part of the pre-tenancy sign up process, the Council now includes a financial assessment to ensure that the property is affordable to the tenant and that they can maintain their on-going rent payments.

Home Visits

6. Resident support carries out a home visit within four weeks of the commencement of the tenancy to check on any difficulties including to assess vulnerabilities and whether any further support is needed. Within this visit, any issues with paying the rent are identified and assistance is offered.

Landlord Portal

7. Since the last review, the Department for Work and Pension (DWP) have introduced a portal where the Council can apply for direct rent payments and a deduction towards rent arrears from an individual tenants Universal Credit claim. This enables us to secure continuous payment and prevent and minimise arrears, reducing the number of claims made to the County Court.

Tenants' possessions after eviction

8. If an eviction takes place and the tenant still wants belongings from the property after eviction, access will be provided, with supervision, up to two weeks after the end of the tenancy. If belongings remain, the Council will attempt to contact the tenant to seek permission to remove the belongings. A Tort Notice will be secured to the front of the property when such a situation occurs.
9. Any goods left, are still the property of the tenant and therefore reasonable efforts to trace the tenant will occur. If this fails, possessions may be sold or destroyed.

Key implications

Comments of the Chief Finance Officer

The new legislation and the Council's own policy changes will potentially lead to less rent arrears being built up over many years. This will in turn will reduce officer time being utilised in pursuing and chasing rent arrears, allowing officer to focus their time on value added tasks.

Comments of the Head of Legal Services

The review of the policy reflects changes in good practice and legislative changes that have been updated accordingly. The updated policy will provide a framework for Officers to enable them to be consistent in their approach and ensure that no tenant is treated any more fairly or unfairly than any other.

There are many different reasons for non-payment of rent. The Council needs to be aware of the requirements for the Pre-Action Protocol for Possession Claims based on rent arrears. This protocol sets out the steps a Court expects both parties to take before starting proceedings. For example, where a tenant is in rent arrears, the government wants landlords and tenants to have tried to resolve the rent arrears outside of Court before the landlord can evict them.

Once the revised policy has been approved it must be adhered to ensure that any court action (which should be a last resort) is successful.

Climate Change implications

This report contains no proposals that would impact on the Council's commitment to climate change.

Equality implications

This report contains no proposals that would disadvantage any minority groups.

Appendices

Appendix A: statement of policy on income management

Background papers

None

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TANDRIDGE DISTRICT COUNCIL

STATEMENT OF POLICY ON INCOME MANAGEMENT

Revised March 2022

1. INTRODUCTION

1.1 This policy statement outlines Tandridge District Council's (the 'Council') approach to the management of the collection of rent, service charges and other charges in respect of Council housing, garages and mobile home pitches.

1.2 Through this policy we aim to create a culture where tenants pay their rent and charges when due. We will encourage tenants to address any arrears and avoid unnecessary eviction and with good advice and help, arrears can be managed and overcome.

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

2. SCOPE & DEFINITIONS

2.1 This policy applies to current and former secure tenants (fixed term and periodic), introductory tenants, licensees of council-owned mobile home pitches or caravan sites, licensees in the hostel and households living in Council accommodation on a temporary basis; all will be referred to as 'tenants' for the purpose of the policy.

2.2 This policy applies to all charges including rent, service charges (including water and heating charges), recharges and court costs. For the purpose of this policy all references to 'rent and charges' include all amounts that a current or former tenant or licensee is liable to pay in return for the right to occupy or use a dwelling, garage or plot.

2.3 Rent arrears are rent and charges which are overdue.

3. AIMS

This policy aims to:

- Maximise collection of on-going rent and charges and rent arrears in a sensitive but effective manner
- Minimise the level of rent arrears through early intervention mechanisms eg to monitor levels of arrears and prevent arrears from escalating
- Support vulnerable tenants to maintain their rent account
- Ensure possession and eviction action is taken as a last resort
- Providing training to ensure that Officers are competent and able to carry out the roles expected of them

4. RENT ARREARS

4.1 Tenants should recognise that their obligation to pay rent and charges fully and promptly is of primary importance; failing to do so could put their home at risk. We will be proactive in the prevention and reduction of arrears by taking early action with tenants to minimise and avoid the accumulation of arrears. We will be firm but fair in our approach to recovering arrears, ensuring that we act in a reasonable and appropriate manner and are sensitive to equality considerations including vulnerability, language, age and literacy. .

4.2 We will treat joint tenants as individually and collectively liable for payment of rent and charges and may pursue one or both for the full sum of arrears depending on circumstances. We will pursue all joint tenants living together in a property.

4.3 Payment of rent and charges is due in advance on the first Monday of each week for weekly tenancies and licences, or as specified otherwise in the agreement. A weekly account is formally in arrears where this rent and charges have not been received by midnight on Monday; however, we will normally consider an account to be in arrears where the rent and charges due has not been paid by midnight the following Sunday. We will encourage tenants to build a credit on their account in order to maintain a nil or credit balance at all times.

4.4 Static arrears are rent and charges arrears which are neither increasing nor decreasing. These are usually caused by missed payments which are not settled.

4.5 Cyclical arrears are rent and charges arrears which both accrue and are cleared on a regular cycle.

5. TENANTS RESPONSIBILITIES

5.1 Rent is due on the Monday of each week and must be paid in advance. If paying fortnightly, four weekly, monthly or any other frequency and by any method, payments should be made in advance. To comply with the Conditions of Tenancy, tenants must pay the rent as determined by the Council, together with any other charges due, when due.5.2 Tenants must also keep the Housing Benefit section and the designated Officer informed of any changes in circumstances and respond to reviews.

6. PRE-TENANCY ASSISTANCE

6.1 The Council will:

- Prior to the allocation of a tenancy, a financial assessment will be carried out to assess whether the property rent is affordable.
- Ensure that new tenants understand they are responsible for paying rent and other charges;
- Explain how the rent charge is made up, e.g. service charges, heating charges etc.
- Be clear about which elements of the service charge may be covered by housing benefit or universal credit housing element.

- Advise on the likely running costs of running and establishing a home e.g. furniture, council tax, fuel bills, insurance, moving costs.
- Advise on how much rent to pay, how, where and when.
- Advise on whom to contact if they have difficulty in paying, including the Management Officer, the CAB and the National Debt Agency.
- Carry out an income check and advise on benefits. If unlikely to receive benefit, the tenant will be asked for at least one week's rent in advance.
- Help the tenant complete a housing benefit form and explain the verification framework and how it works.
- Outline the importance of keeping the housing benefit section and the Management Officer informed of any changes in circumstances and responding to reviews.
- Explain how housing benefit overpayments are recovered.
- Check for former tenant's arrears with the Council and agree a repayment plan.
- Obtain the tenant's National Insurance number as a means of chasing former tenants' arrears.
- Agree to carry out a home visit within four weeks of the commencement of the tenancy to check on any difficulties including to assess vulnerabilities and whether any further support is needed.

7. RENT COLLECTION

7.1 Tenants are offered a variety of payment methods to choose from, but with an emphasis on Direct Debit as the preferred method in all cases. It guarantees that tenants will pay, and pay on time, therefore, minimising the risk of arrears. It is also the most cost effective method of payment for the Council in terms of resource spent processing payments.

7.2 Direct Debit payments are currently taken on the first day of each month.

7.3 Tenants wishing to pay by other methods will be advised of the options available to them, which currently includes:

- Post Office Giro via swipe cards
- Standing Order
- *Via the Council's website with a credit or debit card (available 24 hours a day)*
- By credit or debit card over the telephone during office hours
- By post - by cheque or postal order to the Council Offices
- In person by cash, cheque, credit or debit card at the Council Offices

7.3 It is the responsibility of the tenant to claim any benefits that they may be entitled to help them pay their housing costs. Housing Benefit will be paid directly into rent accounts to avoid any arrears.

7.4 We will request direct or more frequent payment of Universal Credit's housing component via an alternative payment arrangement, where appropriate. This may be appropriate when rent arrears on an account are not being paid by the tenant following receipt of their monthly payments.

7.5 We will advise tenants of any change to the rent and charges due promptly and in accordance with statutory notice periods. We will ensure that we advise tenants of any actions required. We will notify the Housing Benefit or Universal Credit authority of the change where an alternative payment arrangement is in place; it remains the tenant's responsibility to ensure that the change is actioned.

7.6 We will send statements by post to all tenants on a quarterly basis and will also provide them upon request through our website or direct contact. We will make our rent and charges statements and letters available in a wide range of formats upon request, such as Braille or large format, and will arrange for translations of rent letters when appropriate. We will ensure that all letters are clear, simple and unambiguous. We will arrange for an interpreter where required to ensure that we are able to communicate effectively with all tenants, this may be a family member, associate or other individual.

7.7 Rent and charges remain payable following the death of a tenant until the required 28 days' notice is provided and the tenancy legally terminated. Housing Benefit or Universal Credit will cease payment following the death of the tenant, and the tenant's estate will be liable for meeting the rent and charges and clearing any arrears and other debts.

8. INFORMATION

8.1 Effective communication is essential to ensuring that tenants are made aware of their responsibility for rent payment, and the action that the Council will take to recover arrears.

8.2 The Council will at all times, ensure that our bills include the following information;

- What the bill or invoice is for;
- The total amount or the instalments due and the date payment is required by;
- How to make payment and where payments can be made;
- Contact telephone numbers for all customer related enquiries;
- Correspondence will be clearly written in plain English and without the use of jargon.

9. ADVICE AND SUPPORT

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

9.2 A referral may be made to external partner agencies such as Parashoot, Ethos Project and Citizen Advice.

9.3 We recognise that many of our tenants may need and benefit from help and support. We will engage with tenants to identify vulnerabilities at the earliest opportunity and will assist in identifying and securing appropriate support from external partners where support cannot be provided by Council staff. This will further assist tenants to manage their rent and charges and sustain their tenancy.

9.4 For the purposes of this policy statement vulnerable means those that are 'financially vulnerable' either due to low income or incapacity to manage their individual finances as a result of a care need.

10. WELFARE REFORM

10.1 The Council recognises that the government's programme of welfare reform impacts upon many of our tenants. We will proactively review our resource allocation to best respond to welfare reform as it continues to evolve and emerge.

10.2 We will strive to support tenants through the transition and to sustain their tenancies. We will communicate to tenants the implications of welfare reform. We will offer referrals, comprehensive and specialist welfare benefit and debt advice and support to promote financial inclusion, maximise income and minimise the adverse impact of welfare reform.

11. ARREARS PREVENTION

11.1 The Council recognise the significance of early and effective action to ensure that arrears are minimised, and tenants do not accrue serious levels of debt. Tenants are encouraged to contact us to discuss any difficulties paying their rent and charges, and to jointly explore ways of addressing, preventing and reducing arrears before these debts escalate to an unmanageable level. We will clearly communicate with tenants the implications of failing to engage with us or reducing and clearing arrears.

11.2 We will work closely with the Department for Work and Pensions (DWP) if a tenant is in receipt of Universal Credit where appropriate. As a 'trusted landlord', we will apply through the online Landlord Portal for managed payment of rent or direct payment of arrears to prevent any further action. We will request tenant's consent to share relevant information with the DWP in order to secure continuous payment and prevent and minimise arrears. Staff will treat all information about Tenants with the utmost confidentiality and comply with the requirement of the Data Protection Act 1998 (and subsequent amendments).

12. ARREARS RECOVERY

12.1 The Council will monitor rent accounts regularly to ensure early intervention. We will strive to make personal contact with tenants throughout the arrears recovery process to ensure they are fully aware of the implications of non-payment, the actions which we intend to take in response to non-payment, and to provide maximum opportunity and encouragement to engage with us and reduce and ultimately clear their debt. We will ensure that we are accessible to tenants and will offer and use appropriate methods of contact, including phone calls, e-mails, text messages, letters, home visits, and office appointments. We will favour face-to-face communication with our tenants throughout the arrears recovery process wherever practical.

12.2 We will follow an established arrears recovery procedure, intended to maximise the opportunity for tenants to engage, address their arrears and avoid legal action:

12.3 Initial:

12.3.1 All new tenancy's will have a visit within the first 4 weeks of moving into their home and the Council will use this meeting to discuss any housing or repairs issues as well as ensuring that the rent information provided at sign up is understood.

12.3.2 For all tenancies, we will attempt to contact the tenant initially to informally advise of emerging arrears on account, and to ask the tenant to promptly clear the arrears.

12.3.3 We will seek to gain a greater understanding of tenant's circumstances and discuss any difficulties they are having paying, and any support or advice they may require.

Stage 1:

We will formally write to the tenant where they have not decreased or cleared the arrears to request immediate contact or payment.

Stage 2:

We will formally write to the tenant to advise of our intention to commence legal action if the arrears continue to increase or are not reduced to a manageable level in a satisfactory timeframe.

We will ask tenants to reach a repayment agreement with us at this stage.

Stage 3:

We will formally write to the tenant with an appointment for them to attend an office interview / home visit where arrears will be discussed, and a payment agreement made. Tenants will be made aware that should they not attend this meeting, or a payment agreement made, it will be our intention to commence possession action in Court.

Stage 4:

We will usually serve a formal Notice of Seeking Possession on secure tenants, a formal Notice of Proceedings for Possession if a flexible introductory tenancy and a formal Notice of Seeking Termination for Tenancy and Recovery of Possession for flexible tenancy is held at this stage. Tenants occupying Temporary Accommodation or who hold a licence agreement for a garage will be served with a formal Notice to Quit.

Stage 5:

The case officer will attempt a door knock to encourage the tenant to engage with the council before proceeding with court action. If there is no response, then we will formally write to advise the tenant that we are commencing Court action and ask for immediate contact in order to discuss and explore the actions required for the tenant to avoid eviction. Refer to the Seeking Possession section below for further information.

We will make personal contact with tenants throughout the process, and sustain contact between stages, using the most appropriate methods according to circumstances. We will involve and engage external agencies we know to be supporting tenants when appropriate.

We will consider alternatives to possession where these represent a viable alternative and have the ability to address and reduce the arrears in an acceptable timeframe.

13. REPAYMENT AGREEMENTS

13.1 If a tenant is unable to repay their arrears in full, the Council will, wherever possible, seek to reach a realistic repayment agreement with tenants to clear their arrears promptly and successfully. Agreements should be mutual, affordable and realistic, and should reflect consideration of the tenant's financial circumstances and the anticipated time within which the agreement will clear the arrears. Agreements will be confirmed in writing and the consequences of not reaching and maintaining a repayment agreement will be explained.

14. BENEFIT OVERPAYMENTS AND DEDUCTIONS

14.1 Where the overpayment is not debited to the rent account the two main methods of recovery are:

- 1) Deductions from future housing benefit entitlement

This means that the amount of benefit credited to the tenant's rent account is reduced by a certain amount each week, and this amount is then used to repay the overpayment held on a separate sundry debtor account. The Council recognises that this partial withdrawal of housing benefit may be the cause of some tenants falling into, or further into, rent arrears. In this circumstance, any rent arrears that occur may be pursued by way of possession proceedings.

- 2) Billing the tenant for the overpayment via a sundry debtor's account.

In this approach, recovery is sought through agreement in the first instance or by way of a money judgement in the courts if there is a failure to respond

14.2 We will seek to recover arrears via an Alternative Payment Arrangement (APA) where a tenant is in receipt of Universal Credit, where possible tenants will be made aware that an application for an APA has been made.

15. MONEY JUDGMENTS

15.1 The Council will consider the use of Money Judgements, also known as CCJs, for static or low-level arrears, and may pursue an attachment of earnings or other enforcement action. We may still pursue eviction where this fails to result in the reduction and elimination of arrears.

16. SEEKING POSSESSION

16.1 The Council will only act to repossess a property due to rent and charges arrears as a last resort, and where arrears are significant or persistent. Such action is necessary where tenants consistently refuse help; fail to engage or address their arrears, or to give appropriate priority to the payment of their rent and charges.

16.2 All possession action must be proportionate to the debt owed to prevent tenants from being unnecessarily drawn further into debt with the addition of court costs.

17. MANDATORY POSSESSION INTRODUCTORY TENANCIES

17.1 The Council will consider use of mandatory grounds for possession, such as a Notice of Proceedings for Possession for an introductory flexible tenancy, in extenuating circumstances.

17.2 Such circumstances include where the tenant has consistently failed to engage with the Council, where there is no realistic prospect of the tenant clearing or reducing the arrears to a satisfactory level, or where the property has been abandoned and arrears are accruing.

17.3 We will offer appropriate support to the tenant in all cases before considering the use of mandatory grounds. We will ensure that any use of mandatory grounds is approved by a Case Services Team Leader and full consideration will be given to the appropriateness and proportionality of mandatory possession.

17.4 We will ensure that the tenant has the opportunity to request an internal review of the decision to use mandatory grounds, see Right to Review Procedure for further details.

18. COURT HEARING

18.1 The Council will encourage tenants to attend Court hearings and will arrange for a 'Litigation Friend' to assist vulnerable tenants when appropriate. We will advise tenants to seek impartial legal advice and support.

18.2 We will seek to recover court costs from tenants, except in extenuating circumstances. If the tenant clears the arrears and court fee before the date of the hearing, then the application will be withdrawn.

18.3 We will normally request either a suspended or outright possession order from the Court, based on the circumstances of the case. We will seek to obtain a money judgement in respect of the arrears to ensure we can pursue future recovery of the debt in the event that the tenant is evicted.

We will seek an order against the tenant for recovery of costs. We will consider adjourning the case if the tenant reduces their arrears significantly and reaches and maintains a suitable repayment agreement in advance of the hearing, we will restore the case if the repayment agreement is not then maintained. Court fees will be requested at the hearing and included in any judgement if granted.

19. EVICTION

19.1 Our primary aim is to recover the debt rather than taking possession action, and evictions are to be considered a failure rather than a success. However, it is recognised that there will be instances where possession action or evictions are unavoidable

19.2 Where possession action is unavoidable, and eviction becomes necessary, each case will be referred to the Chair and Vice-Chair of the Housing Committee for their approval to proceed.

19.3 Once authority to evict has been given, an application will be made to the court for a warrant of eviction. This can be done via Possession Claim on-line (PCOL) or on a N325a form. The tenant has an opportunity to appeal to the court, which can and frequently lead to a stay of execution on terms determined by the judge.

19.4 The Council will ensure that it fully complies with the Pre-Action Protocol for Possession Claims by Social Landlords before processing any court applications.

19.5 Authority to evict will be valid for a period of twelve months from the point of approval unless there has been a significant change of circumstances.

19.6 If the eviction takes place and furniture is left in the property, access will be provided, with supervision, up to two weeks after the end of the tenancy. After that period, the ex-tenant should be contacted and permission should be sought to remove the rest of the belongings. A tort notice will be secured to the front of the property when such a situation occurs. In addition, if any contact details or email addresses for the tenant or relatives are known, a copy of the notice must be sent to them.

19.7 If the eviction takes place and the tenant is not contactable, any goods left behind by the tenant are still the property of the tenant. The Council is covered by the general provisions of Torts (Interference With Goods Act 1977). This requires reasonable efforts to be made by Officers to trace the tenant but, if these fail, the possessions may be sold or destroyed.

19.8 The belongings should be stored for one month after the date the tenancy has ended. Once this date has passed the property may be disposed of or, if they are considered to hold any value, they can be sold and the proceeds used to cover any costs or arrears.

20. USE AND OCCUPATION ACCOUNTS

20.1 A use and occupation account can only be created once the original tenancy has been terminated either by a Notice to Quit or, in cases where the tenant is deceased, a signed termination form from the Next of Kin.

20.2 Mesne Profits is the term used for the property charge which the person left in occupation is expected to pay. This is not and must not be referred to as rent.

20.3 The use and occupation account does not constitute any legal rights to the person left in occupation and they have no legal right to remain the property.

20.4 The Council will take legal action to commence proceedings to recover possession of the property should the person left in occupation fail to pay the mesne profit due or fail to find alternative accommodation. The Council will seek any costs for doing so.

21. FORMER TENANT ARREARS

21.1 When a tenant gives notice of their intention to terminate their tenancy, Officers will make contact with the tenant prior to the tenancy ending to advise of any amounts that need to be paid prior to termination. If it is not possible for the tenant to pay the balance in full a repayment plan that is affordable and sustainable will be agreed.

21.2 If there is an outstanding debt relating to a deceased tenant, the next of kin, administrator or executor will be notified and a claim will be made against the estate.

22.3 The Council will attempt to recover former tenant and licensee arrears where these occur. We will consider all cost-effective means of recovery, including court action, and may employ external debt collection agencies to recover these debts where we consider this to be viable and appropriate.

22.4 Tenants who have previously been evicted by us for rent and charges arrears or who have a former tenant debt may not be eligible to join the Housing Needs Register or their application may be given reduced priority as set out in the Council's Allocation Scheme.

22.5 Former tenant debt which is deemed to be irrecoverable may be written off in accordance with the Council's Financial Regulations.

23. DEBT RESCHEDULING

23.1 The Council will attempt to recover sundry debts and will consider all cost-effective means of recovery. We may employ external debt collection agencies to recover these debts where we consider this to be appropriate, including for current tenants where reasonable efforts have not succeeded.

23.2 We will act in accordance with the terms of any Debt Relief Orders ('DRO') received. We will consider each case on its merits and may proceed to secure possession of the property where we consider this to be appropriate and proportionate.

23.3 Rent arrears accrued prior to a DRO being granted will be dealt with differently. If there is a DRO, creditors are prevented from pursuing debts for a period of 12 months. Tenants with a DRO are still liable to pay rent, and rent arrears incurred after the DRO has been made are not covered by the moratorium. Repayment of these arrears will be dealt with in accordance with the Rent Arrears Management Procedures.

23.4 Where a tenant has insolvency arrangement or a breathing space they remain liable to pay current rent as usual. Written confirmation of any arrangements will be required and once received, Officers will update the rent account with details and hold the account if necessary. This is because people subject to such arrangements are advised not to contact their creditors; instead, TDC should be working with the Receiver or debt advisor who can provide all relevant information.

Where a tenant is bankrupt, rent arrears are not written off. Any repayment of rent arrears which are not kept to will be dealt with in accordance with the Rent Arrears Management Procedures.

24. REFUNDS

24.1 The Council will regularly and proactively monitor credit balances on accounts and advise tenants that they may request a refund where appropriate. We will consider all requests for refund of surplus credit on account. Requests must be made in writing and signed by tenants, including all joint tenants. Alternatively, requests may be considered following contact by email or on-line form via the Council website.

24.2 All refunds will be awarded at our discretion; we will take into consideration the payment method, payment patterns and relevant circumstances in calculating any surplus credit to refund in order to prevent the tenant from falling into arrears in the near future. We may, in exceptional circumstances, agree to a refund which would cause the account to fall into cyclical arrears, such as where this would help alleviate financial hardship.

24.3 We will offset recoverable debt from a credit balance before issuing a refund, such as former tenant arrears, court costs, rechargeable repairs, Housing Benefit and Council Tax overpayments. Where there is no reasonable prospect of returning credit balances we will usually deal with these as a write-on to our financial accounts. We will not normally refund credits which are statute barred and have been written-on to our financial accounts.

25. WRITING OFF CURRENT ARREARS

25.1 The Council recognises that, in certain exceptional circumstances writing off arrears of current tenants may be appropriate in order to alleviate financial hardship and/or deal with irrecoverable debts. Debts may be written off in accordance with the following criteria:

- Where a tenant is on full benefit but direct payments are not available, or is in receipt of a small pension / maintenance allowance then, if the rent and charges has been paid regularly over the last 12 months, all but, say, £100 of debt may be written off to avoid undue hardship;
- Where a tenant's circumstances make recovery action inappropriate, e.g., as a result of learning difficulties, senile dementia, or psychological problems, the Council will accept that collection will not be achieved and write off the debt;
- Where the arrears accrued in a crisis which has since been overcome (e.g. following a relationship breakdown where regular rent and charges payment has resumed for at least 6 months) the outstanding arrears may be written off if their continued repayment would cause financial hardship;

- Where tenants who pay their rent and charges regularly have previously accrued small arrears which are not cost effective to pursue and/or it would cause upset if they were pursued e.g., misunderstandings over benefit adjustments or rent and charges increases, the outstanding arrears may be written off
- Statute barred. If the debt is six or more years old and circumstances are such that it is inappropriate to seek leave of the court to enforce the debt.

25.2 The sum outstanding will be written off as a bad debt in accordance with the scheme of delegation set out in Financial Regulations. Should the tenant's circumstances subsequently change such that he/she has the means to pay, the debt may be reinstated.

26. EQUALITY AND DIVERSITY

26.1 The Council will ensure that this policy is applied fairly and consistently. We will not directly or indirectly discriminate against any person or group of people in line with our Equality and Diversity Scheme. We will act sensitively towards the diverse needs of individuals and communities and will take positive action where appropriate.

27. TRAINING

27.1 The Council will provide all staff responsible for implementing this policy with comprehensive training as required.

28. MONITORING

28.1 The Specialist Services Manager is responsible for the implementation of this policy. All Officers involved in income collection activities have responsibility for delivering this policy. Referrals for enforcement action will be signed off by the Specialist Services Manager and/or the Executive Head of Communities.

23.2 Officers will report on the Council's performance to the Housing Committee on an annual basis.

29. REVIEW

29.1 The Specialist Services Manager will review this policy every three years, unless changes in legislation or regulation require an earlier review.

29.2 The Council will continue to develop and evolve our advice and support offerings, processes, procedures and practices in response to the changing external operating environment.

30. STATUTORY AND REGULATORY FRAMEWORK

30.1 This policy is informed by the following legislation and regulation:

- Housing Act 1985
- Housing Act 1988
- Housing Act 1996

- Protection from Eviction Act 1977
- Limitation Act 1980
- Welfare Reform Act 2012
- Housing Benefit Regulations 2006
- Universal Credit Regulations 2013
- Pre-Action Protocol
- Data Protection Act 2018
- Coronavirus Act 2020
- The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020

31. ASSOCIATED DOCUMENTS

31.1 This policy is implemented by the following procedures:

- Rent Arrears Procedure
- Rent Refund Procedure
- Right to Review Procedure
- This policy is supported by the following documents:
- Rent Setting Policy
- Terminating Tenancies Policy
- Tenancy Agreement
- Garage Licence Agreement
- Mobile Home Agreement
- Pre-action Protocol for Possession claims by social landlords
- Equality & Diversity Scheme & Statement
- Housing Allocation Scheme

32. COMPLAINTS AND ERRORS

32.1 If an error or mistake is made in the process of recovering debt the account will be reviewed and appropriate action taken.

32.2 If a Tenant is unhappy with the service provided or disagrees with the decisions made they are able to complain through the Councils standard complaints procedure. Details of this can be found on the Council website – <https://www.tandridge.gov.uk/Report/Compliments-complaints-and-feedback>