



Rent Arrears and Write Off Policy

Last reviewed July 2017 - updated December 2021

1.0

This policy is managed and adhered to by the housing service. This policy will be reviewed regularly to ensure alignment with government legislation.

1.1 Introduction

This policy sets out the council's position on managing tenant debt. It applies to current tenant arrears, rechargeable works debts, former tenant arrears, service charge debts and any other debt due to the Housing Service. It seeks to assist the council in meeting its financial objectives and ensuring the effective use of resources.

For the purpose of this policy, the term 'tenant' includes sole and any joint tenants. If two or more people have signed the tenancy agreement (joint tenants), they are jointly liable for the payment of rent and any arrears of rent.

1.2 Aim(s) of the policy

The aims of this policy are to:

- Outline the principles which underlie the council's policy on the collection of rent arrears and other tenant debts;
- Explain the factors to be taken into consideration when writing off debts owed to Dacorum Borough Council's Housing Service; and
- Endeavour to prevent homelessness and assist in the council's wider strategic objectives.

1.3 Links to the Council's corporate aims

This policy supports the council's corporate priorities, which are set out in ['Delivering for Dacorum' – Corporate Plan 2020 - 2025](#).

- Providing good quality affordable homes, in particular for those most in need.
- Delivering an efficient modern council.

1.4 Equality and Diversity

Dacorum Borough Council is committed to promoting equality of opportunity in our housing services and has procedures in place to ensure that all Applicants and Tenants are treated fairly and without unlawful discrimination.

1.5 Policy Statements

We will monitor levels of rent arrears and have early intervention mechanisms in place to prevent rent arrears accumulating. (see 2.1).

Tenants are required to pay their rent in full and on time, (either on a weekly basis or by monthly Direct Debit in advance) and notify us of any complications they face in doing so (see 2.2).

We will pursue all debts owed to the council by former tenants where it is determined as economical to do so (see 2.3).

We will manage garage rent accounts, repossessing garages and pursuing repayments where arrears are persistent (see 2.4).

We will pursue the collection of all money owed to the housing service under rechargeable works and service charges (see 2.5 and 2.6).

In the case of persistent arrears, we may begin legal proceedings against the tenant to enforce repayments or to repossess the property (see 2.7).

In some circumstances, we may agree to set aside part of a tenant's arrears debt, as long as certain requirements are adhered to (see 2.8 and 2.9).

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2.0 Rent Arrears and Write Off Policy detail

2.1) Rent arrears

We recognise tenants may sometimes experience financial problems, which affect their ability to pay their rent. We are committed to working with tenants so they can access a range of support and avoid the build-up of arrears.

Housing staff will offer to meet with tenants as soon as the problem arises to offer support and advice, including benefit advice and referrals to debt advice agencies. Housing staff will arrange with tenants to pay their arrears over a reasonable period, taking into account the tenant's financial situation.

We also recognise that issues with paying rent can be a sign of other challenges in a tenant's life. Where tenants are experiencing multiple issues that are causing them to build up arrears, a referral could be made to the tenancy sustainment team, who will help the tenant to develop a support plan based on their needs.

Through regular communications with all our tenants, we will ensure they have access to all relevant information on how to pay their rent and how to avoid getting into arrears. Part of our communications plan includes encouraging tenants to recognise the

importance of paying their rent on time, and the consequences of falling into arrears, such as the loss of their home.

Whilst we maintain a commitment to ensuring all our tenants have the right support to sustain their tenancy, tenants who build up rent arrears and do not demonstrate an intention to clear these arrears will face action (see 2.7).

2.2) Tenants' responsibilities

Under the Terms and Conditions of their Tenancy Agreements, tenants must pay rent due every week, either in advance or before the end of that specific rental period (for example by monthly Direct Debit). Tenants are encouraged to regularly check their rent balance either through [My Housing Account](#) or by texting BAL to 07860 024350.

It is the tenant's responsibility to notify the council of any changes in their circumstances that may affect their ability to pay their rent and/or service charges in full and on time.

Tenants can opt to pay by monthly [Direct Debit](#), with dates and amounts agreed by the council.

Where a tenant does fall into arrears, it is their responsibility to access all support options offered to them. This may include a referral to Citizens Advice. The Rent and Income team can also advise tenants of the following:

- Their responsibilities with regard to ensuring rent is paid on time;
- Available methods of rent payment;
- Possible entitlement to Housing Benefit, including offering assistance in making a claim;
- Possible entitlement to other welfare benefits; and

- Details of other resources for tenants experiencing problems with paying their rent, for example the 'Breathing Space' scheme.

All new tenants will receive information as part of their start of tenancy so that they can take control of their household budget and avoid arrears building up.

2.3) Former tenant arrears

Former tenants' arrears are any outstanding rent payments on a tenant's rent account following the termination of their Tenancy Agreement. The former tenant is still required to clear this balance and any former arrears will need to be paid in full or through a payment plan agreed on an individual basis.

If a former tenant is not contactable or a repayment plan is refused and we are certain of their whereabouts, we will take formal action through the County Courts.

In some cases, it may be uneconomical to pursue former tenant arrears through the County Courts. This is only in cases where the cost of retrieving the sum outweighs the value collected should the arrears be recovered. In these cases, we will consider writing off the arrears.

Under the terms of our [Housing Allocations Policy](#), any former tenants who have not cleared their former arrears may be restricted from accessing social housing within Dacorum in the future.

2.4) Garage arrears

In addition to the 10,200 tenancies as a housing service, we are responsible for the rental of all council-owned garages.

Should an individual fall into arrears on their garage rental, we will ask for the arrears to be cleared in full or by an agreed instalment plan.

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2.0 Rent Arrears and Write Off Policy Detail

If garage arrears persist, then the Council will give one weeks' notice to repossess the garage and the outstanding garage arrears will be collected using the same process as former tenant arrears.

2.5) Rechargeable works

Wherever possible, payment for rechargeable works will be collected in advance. Where this is not possible, we will pursue the debt in line with our recharges process. There is more information about works and other items that we will charge for in our [Recharges fact sheet](#). In some cases, rechargeable works may be paid using a repayment plan. Any default will be treated as arrears and referred to the small claims court.

2.6) Service charge arrears

Tenants and leaseholders who live in properties with shared communal areas (e.g. landings, drying areas) will pay service charges to cover the cleaning and maintenance of these areas as well as their rent.

Tenants must pay their service charges in full following issue of the invoice. Where this is not possible, an instalment plan may be agreed. If a tenant is concerned about paying their service charges,

they should contact their income officer immediately.

Any debt owed under service charges will be pursued in the same way as former tenant arrears. There is more information on the [Service Charges](#) page of our website.

2.7) Legal proceedings and court costs

In cases of persistent rent arrears where a tenant has failed to fulfil their responsibilities and/or refused support, we will be required to begin legal proceedings against the tenant.

If legal proceedings reach court stage, the tenant in question will be responsible for any costs incurred to the council as part of this process, as well as the outstanding rent arrears. In these cases, it is likely that we will serve notice for eviction.

2.8) Setting aside arrears

Where a tenant has substantial current or former rent arrears and has maintained an agreed payment plan put in place either through a Court Order or directly with the housing service for a minimum of six months, we will consider setting aside a proportion of the overall arrears owed.

This will be calculated by reviewing the amount that will be collected through the agreement over the course of five years. Any amount outstanding after the first five years would be set aside under the council's provision for bad and doubtful debts, and removed from the tenant's rent account.

Any default to the repayment plan within these five years may result in the full sum being reinstated. If the individual is a current tenant, they may also face eviction.

If a tenant clears the amount of arrears not set aside and maintains a clear rent account for 18 months, the council will write off the amount set aside in full.

2.9) Hardship cases

The council recognises that tenants may sometimes experience genuine hardship, which may cause them difficulty in paying their rent.

In cases of genuine hardship, we will write off the arrears in full. The internal housing panel will review these cases on an individual basis.

To qualify the council will set aside the arrears for a period of 18 months. The tenant will be expected to maintain a clear rent account during this period. Following this, arrears will be written off in full. Examples of circumstances considered eligible for hardship support include, but are not limited to:

- Where the household income is just above the applicable amounts for housing benefit;
- Medical problems requiring additional expenditure (e.g. food for special diet or travel expenses for frequent trips to hospital) have led to the build up of arrears;
- Where a member of the household is in multiple debt resulting in the household struggling to pay the rent but the individual can demonstrate a genuine intent to clear these debts
- A breakdown of a relationship in the household where one partner was the main earner and has now left.

3.0

Links to other corporate documents

This policy links to and should be read in conjunction with the following policies and strategies:

- Tenancy Agreement
- Housing Strategy
- Income Management Strategy
- Rents and Other Charges Policy
- Housing Allocations Policy

4.0

Legislation

The legislation listed below will be taken into consideration when implementing this policy:

- Housing Act 1996
- Homelessness Act 2002
- Equality Act 2010
- Localism Act 2011
- Welfare Reform and Work Act 2016
- Housing and Planning Act 2016

The Council is required to respond to any local or national restrictions imposed by central government. The administration of this and other Council policies could, therefore, be impacted by a pandemic or other emergency for the period that such restrictions are in operation.