

Sheffield City Council – Rent Arrears Recovery Policy

Sheffield City Council aim to collect rent and other service charges due from tenants in order to help sustain tenancies and protect the income that provides key services.

The key aims therefore are to support tenants to manage their money and maximise income, prevent arrears, but to also collect any arrears that do accrue in a firm but fair way.

The policy covers secure Council tenancies and describes:

- What is expected from tenants
- What we will do to help prevent rent arrears, and
- What actions we will take if the rent is not paid

Principles

- We will support tenants to prevent rent arrears wherever possible
- We will recover rent arrears in a firm but fair way
- We will ensure that wherever possible housing and welfare benefits, and Universal Credit, including but not limited to those paid in respect of housing costs, are maximised
AMENDED - reference made to welfare reforms and Universal Credit, and support to tenants to maximise income
- We will give tenants detailed and accurate information on their accounts, in plain language
- We will take early action in order to both prevent and minimise arrears wherever possible
- We will work with other services to identify and consider other debts owed to the Council, to improve affordability for the tenant, as well as improve collection rates for all teams collecting this debt
AMENDED - emphasis on working with other services
- When recovering arrears, we will tell tenants the consequences of not paying, and also put into writing details of action we are taking
- If tenants do not pay their rent or keep to an agreement to reduce arrears they owe, we will take action through the Courts to take possession of a property, and recover any debts outstanding
- We will adhere to Civil Procedure Rules (CPR) when taking legal action to collect arrears
AMENDED - CPR referenced

- We will work with other agencies to support vulnerable tenants at each stage of the recovery process

Sheffield City Council Priorities

AMENDED - priorities and reference to One Year plan are new

The policy also plays a part in helping the Housing and Neighbourhood Service meet its commitments in the Council's wider One Year Plan -

Communities and neighbourhoods.

Every community in Sheffield should be a great place to live, with excellent local services, access to high quality green spaces, and a great local centre; where everyone has a home they are proud of, that suits their needs, and that supports their health; where everyone feels safe and is able to live without fear of prejudice or discrimination; where people get along and everyone can play a full part in the life of their local area, and have an expectation of health, wellbeing and happiness.

Preventing Rent Arrears

The rent is due weekly for a secure Council tenancy. It is a requirement of the tenancy contract. These are outlined in "You and Your Home" and the tenancy agreement.

- We will encourage tenants to pay every week and avoid getting into rent arrears
- We will promote tenants paying their rent by Direct Debit, as this is a condition of tenancy
AMENDED - direct debit promoted
- For those unable to pay by Direct Debit we will provide a wide range of alternative payment methods. We will widely publicise the arrangements to help tenants pay their rent. Information will be available in the City's main languages, large print, audio and Braille
- We will make basic housing and welfare benefits advice available at all our public access points, as well as on-line, and give advice on entitlement to these benefits. This will be taken into account when discussing the amount of rent to be paid
- A full comprehensive housing benefit advice service is available through the Council's Benefits Service, which will be widely publicised
- We will provide all new Council tenants detailed information on:

What the rent is for their home
The amount payable and
Setting up a Direct Debit to pay their rent

- We will make sure tenants know the Council's policy on rent arrears. We will tell them they need to make early contact with us and maintain it if they have difficulty paying the rent, and how legal action can be avoided
- We will attempt to contact all new tenants within 2 weeks of the start of their tenancy. (AMENDED - previous policy stated 6 weeks). This is to ensure the rent is being paid and that any housing and welfare benefit claim and relevant details have been provided
- Tenants can contact the Council Housing Service and arrange to pay their rent at different intervals, i.e., monthly, as long as it is paid in advance
- We will send tenants an annual Rent Statement. (AMENDED - previously stated would send every 13 weeks, but this changed as tenants can now access this online). It will show:

The rent charged
The payments made and
The balance of the account

We will provide this information more often if tenants request this, or direct them to our on-line services

- We will outline to tenants the help available in the city to deal with debt problems, and refer them to other agencies where appropriate

Recovering Rent Arrears

- We will contact tenants about any outstanding balance on their account. This could be by letter, telephone, text or similar messaging service, visit to the property or any other means, at any time. We will use whichever is the most effective
- We will send letters at each stage to tell tenants of their position and any actions being taken
- We may use payments due to tenants, including Home-loss Payments, to offset arrears
AMENDED - removed reference to charging Housing benefit overpayment to rent accounts.

The First Stage

- We will monitor rent accounts weekly. (AMENDED - added this stage)
- We will attempt to make early contact with any tenant who is not paying their rent as agreed, i.e., owes 2 weeks rent
- We will make further attempts to contact tenants if rent arrears continue to increase, i.e., if then owe 3 weeks rent. We will include a warning that we can take legal action when 4 weeks net rent is owed
- We expect the balance outstanding to be paid in full
- If an account is in arrears and the tenant cannot pay the balance in full, the Council Housing Service may agree a realistic agreement to clear the arrears. We will take the tenant's circumstances into account

Legal action

The legal action taken to recover possession of a secure Council tenancy is taken under Ground 1, Schedule 2 of the 1985 Housing Act. This says:

“Rent lawfully due from the tenant has not been paid or an obligation of the tenancy has been broken or not performed”

A tenant who does not pay the rent breaks both parts of this, because payment of rent is also an obligation of the tenancy. The legal action, including eviction, is taken on this basis.

Any action taken in respect of rent arrears recovery will also consider the context of any national legislation that may impact, including but not limited to:

- Equality Act 2010
- Welfare Reform Act 2012
- Coronavirus Act 2020

AMENDED – Relevant legislation added for clarity

4.1 Notice Seeking Possession

- (1) We may serve a Notice Seeking Possession, the first legal step to eviction, on any tenant who owes 4 weeks net rent
- (2) If a Notice Seeking Possession is in force and the tenant does not pay the rent and begin to pay off the arrears, or if he/she makes an agreement to pay the rent and amount off the arrears but it is broken, an application for a Possession Order may be made

- (3) A tenant who is served with a Notice Seeking Possession for their home and is renting a garage or garage site from the Council will also be served a Notice to Quit, terminating the tenancy of the garage or garage site. A tenant who is served with a Notice Seeking Possession, and who has household insurance via the Council's scheme, will have their insurance cancelled
- (4) Further contact and recovery work will continue after the Notice Seeking Possession is served

4.2 Court Order for Possession

- (1) We may apply for a Possession Order for any tenant who owes 8 weeks rent
- (2) We will attempt to make three contacts with the tenant warning of Court action, before we apply for a Possession Order
- (3) We may ask for the costs of taking legal action to be awarded against the tenant at the Court hearing. If granted, the costs will be charged to the tenant
- (4) Further contact will continue after the Possession Order application, to try to clear accounts, in order to avoid a Possession Order being granted against the tenant
- (5) If the tenant does not comply with the Possession Order, then we will consider repossession of the tenant's home. We may also consider other means of recovering any outstanding arrears, including further legal action

4.3 Application for Eviction

- (1) We may apply for a warrant of eviction if the arrears increase or an agreement to pay the rent plus an amount off the arrears is broken. But before this, as a minimum, we will attempt to make three contacts with the tenant, warning of eviction and telling them that unless the Possession Order is brought up to date, we will apply to evict them
- (2) We will ask for the costs of any eviction application to be awarded against the tenant. If the Court agrees, the costs would be charged to the tenant
- (3) If we make an application for eviction, we will not agree to suspend the warrant, and the tenant will have to make an application to the Court to request this
- (4) If the eviction is suspended but any subsequent order made in Court is broken at any time, we will make a further eviction application

5.0 Exercise of discretion

In special circumstances the Director of Housing and Neighbourhoods (**AMENDED – job title of Director to reflect current structure**) may decide that this rent arrears recovery policy shall not be applied in whole or part and may take any other action considered appropriate to the case

6.0 Rehousing tenants with arrears

The Council's policy on rehousing tenants with rent arrears is set out in its statutory allocations scheme made in accordance with Part 6 of the Housing Act 1996. The exercise of discretion in relation to rehousing tenants with rent arrears will be made by duly authorised officers under the terms of that scheme

AMENDED - to reflect position of current Lettings policy

7.0 Former Tenants Arrears

Former tenant's arrears arise following tenants leaving their Council tenancies, for a variety of reasons.

- (1) If a forwarding address has been given, we will contact the former tenant asking for an arrangement to pay the balance outstanding. Where no forwarding address is given, we will try to trace the forwarding address
- (2) We will contact former tenants by letter, phone and visits to their new address, or by any other means, in order to make arrangements, check their circumstances and follow up on previous agreements
- (3) If an agreement is not kept or there is no contact, the account may be referred to a Debt Collection Agency
- (4) If a former tenant is rehoused, usually as part of the Council's statutory duties, the former tenancy arrears will be linked to the rent account for their new home and an agreement made to repay the debt

8.0 Vulnerable tenants

We will make every effort to identify vulnerable tenants and highlight how this may impact on their ability to manage their money and sustain a successful rent account. We will treat vulnerable tenants sensitively, and adapt our working practices where appropriate, to ensure they do not face any additional barriers when accessing our service. We will record vulnerable tenants on our systems, and use this information to ensure we tailor our service to their needs

AMENDED - to reflect support for vulnerable tenants

9.0 Review and Consultation

This policy will be reviewed every 3 years (or sooner) and customers will be involved in the process. We will ensure the policy is available on the Council's website and in hard copies if customers request this

AMENDED to confirm ongoing review will take place