

Rent Collection Including Actions, Support and Outcomes

Purpose of this Information Sheet

To provide Members with a summary update of the approach to income collection, support and engagement with tenants and further actions as appropriate.

Introduction

Maximising income collection is vital to ensure the HRA is able to continue delivery of the capital works and repairs programmes. If we don't collect it, we can't spend it to ensure our homes are maintained to a minimum of the decent homes standard. We are also at risk of not meeting loan repayments and borrowing becomes difficult with the organisational reputation suffering as a result.

Rent Collection

Our collection rate for the last 3 years is stated below:

2014/15 – 98.81%
2015/16 – 98.56%
2016/17 – 98.69%

In monetary terms we collect around £22,735,922.27 per annum and our arrears levels are currently £322,568.67 (as at 30 October 2017).

Rent in advance

Since 2017 we have been operating payments in advance for new tenants to ensure arrears do not accrue quickly if they have a change in circumstances (e.g. loss of or change of job). In cases where new tenants are in receipt of benefits we will negotiate a reasonable rate for them to pay over a longer period to ensure they have the same support should their circumstances change.

Other Factors

The roll out of Universal Credit (UC) shows 58 of all claimants under the new system to be in arrears – equating to 7.15% of accounts in rent debt (as at 30 October 2017). It is too early to tell if there are implications of increased referrals to the food bank, however, we are monitoring this to ensure we support tenants appropriately.

Debt Management and Housing Support Agencies

We directly refer or signpost tenants, as well as engaging (ourselves), with the following debt management and housing support agencies

- Citizens Advice (CA)
- Stroud CAP Debt Centre (Christians Against Poverty)
- GL Communities
- Wotton Debt Advice Centre
- Gloucester Law Centre
- P3

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This financial year to date, the Income Management team has directly referred 107 tenants to CA, 20 to P3 and 10 to GL Communities.

What is a NoPP?

Introductory tenancies are a form of probationary tenancy introduced by the Housing Act 1996 and used by Stroud District Council (SDC) for all new tenancies. During the 12 month probationary period (which can be extended to 18 months) we can recover possession by serving a Notice of possession proceedings (NoPP).

By serving a NoPP, we have taken the first step towards ending an introductory tenancy. The tenant can appeal against our decision to seek possession and an independent Review Panel will look at their case. The NoPP can then be cancelled or will stand.

If the Notice stands, after it has expired (28 days), we will ask the Court for a Possession Order which they must grant as they do not have the power to give the tenant more time by suspending the Order. If the tenant does not leave the property by the date of the Order, we will apply for a warrant and will then be able to evict them. Possession is usually in 14 days but can sometimes be granted outright.

What is a NoSP?

A Notice Seeking Possession (NoSP) is the first stage of legal action against a secure tenancy which allows a landlord to apply for the possession of their home. A NoSP is usually served when a tenant is more than 4 weeks in rent arrears and legal action is being considered to recover the debt. Every tenant served with a NoSP is directly referred to Citizens Advice. If, after 28 days, of a NoSP being served, the arrears have not cleared or any agreement reached is not being maintained to satisfactorily reduce the arrears the next stage would be to ensure that we have complied with the Pre-Action Protocol before applying to the Court for a Possession Order.

What is the Pre-Action Protocol for Possession Claims?

Prior to any case progressing to Court, SDC and our tenants are required to meet the expectations of the Pre-Action Protocol. This includes us understanding each other's position by contact and exchanging information, making decisions about how to proceed, trying to settle the issue without proceeding to Court, supporting the efficient management of the proceedings to benefit the tenant, landlord and Court and reducing the costs of resolving the dispute for landlord and tenant.

What is a Possession Order?

The County Court awards SDC possession of the property on a fixed date. However, possession can be suspended on terms (SPO) that have been agreed between SDC and the tenant or those which the Court deems to be reasonable. Any Court costs incurred are payable by the tenant. We cannot seek possession of the property unless the terms stated in the Order have not been adhered to.

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What is a Warrant of Eviction?

If the tenant fails to adhere to the terms of their Court Order and does not engage with officers or support networks to resolve matters, we can seek possession of the property by applying for a Warrant of eviction from the County Court. Any Court costs incurred are payable by the tenant. Bailiffs serve the notice directly to the tenant's home.

The tenant can apply to the County Court to stay (stop) the warrant of eviction from being executed. If the eviction is upheld at the Stay hearing, a new SPO is granted on agreed terms; however, if a further Warrant is then required any previous Court action is considered by the Judge.

Number of Suspended Possession Orders, Stay Applications and Evictions

	Financial Year		
	2015/16	2016/17	2017/18
Evictions*	12	22	4
SPOs	45	34	12
Stay Applications	11	21	13

*rent arrears only

Summary

Tenancy sustainment is always the main objective as opposed to enforcement wherever possible. This does, however, rely on engagement by tenants with us as the landlord and or with any other support networks.

Every eviction carried out for rent arrears has followed a long and protracted process prior to reaching any legal action; it is not uncommon for this to go on for several months whilst officers attempt to have a proper and productive dialogue with tenants who are in rent arrears.