Rent Arrears Policy - OPERATING PROCEDURE

This Policy has been drawn up on the understanding that the tenant is responsible for payment of rent on a weekly basis as stipulated in the Tenancy Agreement. It is recognised that the Council, while mindful of the difficulties encountered by tenants due to indebtedness, must manage their rent collection business in an efficient and effective way. Waterford City Council rents are assessed under the Differential Rents Scheme. As such the rent is reassessed on an annual basis and amended accordingly. There are a small number of accounts in the Fixed Rent Scheme, any review if the fixed rents are covered in the annual Rent Scheme. Waterford City Council will aim to inform any new tenant of the rent payable and the service charges that apply.

Current Systems of Payment

Our tenants are offered a range of user-friendly payment options such as

- Banks/Credit Unions - standing orders, direct debit
- On line payments
- Rent payment card system
- Money Advice & Budgeting Service

Waterford City Councils aim is to achieve affordable and equitable rent levels to our tenants while also ensuring that the rental income is sufficient to meet the costs in relation to the management, maintenance of our properties. We intend to minimise loss of rental income by prevention and prompt effective recovery of rent arrears.

Pre Tenancy

Prospective tenants are required to undergo compulsory pre-tenancy courses as part of the Council’s overall estate management practice. At the pre tenancy meeting the SNU officer outlines to the tenant how their rent is calculated.
and how much it is and the systems of payment as above. Currently it is a requirement that the tenant avails of one of the payment systems outlined above. The tenant receives the Tenancy Agreement and has five days to review it.

**Initial arrears problems**

Waterford City Council provides confidential help and advice to any tenant who has a difficulty paying their rent. It is important the tenants contact us at the earliest possible stage. Our Staff Officers can advise, and work out a mutually agreeable arrears repayment plan. We will reinforce our aim to take legal action against those tenants who refuse to pay their rent arrears. Regrettably many tenants ignore warning letters and allow their debt to grow.

In these circumstances Waterford City Council will take legal action to recover the debt or as a last resort seek repossession of the house. A Notice to Quit can be issued which demands possession of the property. This can then be followed by the granting of a Decree for Possession of the property in the District Court.

It is intended to acquaint all tenants with the Policy, plus their obligations under the Tenancy Agreement, so as to encourage those, who need to come forward and deal with their arrears rather than wait for the consequences of nonpayment. It is recognised that some tenants who deal with statutory agencies have a reluctance to make contact with those agencies when difficulties arise. Waterford City Council through early intervention will identify as quickly as possible accounts which are falling in to arrears and will then seek to put in place effective measures to deal with such arrears before they accumulate to significant levels.

**WHO TO CONTACT**

Tenants who are experiencing difficulty in meeting their rent payments should first contact the relevant Staff Officer at 051-849599/849598/849881. Tenants may also contact the Housing Section, Waterford City Council, Baileys New Street, Waterford or telephone number (051) 309900

**A. PROCEDURE FOR DEALING WITH RENT ARREARS**

1. A reminder will be sent after **three consecutive weeks** arrears have accumulated or its equivalent.
The first reminder will state:
- The amount of rent due
- The date of last payment
- The name of the Staff Officer dealing with the account
- Methods of payment available
- The telephone number, at which he/she can be contacted.
- The date by which payment must be made (5 working days to arrange).
- The consequences of failure to keep up rent payments

2. Tenants who fail to pay their arrears before the expiry of the first arrears notice will be contacted (letter, telephone, house call) by the Rent Staff Officer to make arrangements for the payment of the arrears.

The Council will assist the tenant in preventing the account from falling into further arrears by allowing tenants to pay their weekly rent as a minimum arrangement for a period of three weeks, during which time an agreement must be made to pay the arrears within an agreed time scale. The Staff Officer will visit the tenant and will monitor agreements made (week 5).

3. Those tenants who fail to make contact will receive a second reminder (week 6) from the Council. This reminder will outline the seriousness of the situation and the necessity to make immediate contact with the Staff Officer to make an appropriate agreement/settlement.

This second reminder will state:
- The amount of rent due
- The date of last payment
- The name of the Staff Officer dealing with the account
Methods of payment available
The telephone number, at which he/she can be contacted.
The date by which payment must be made (5 working days to arrange).
The consequences of non-payment of arrears.

4. **Week 7** - In the cases where there is no response from the tenant(s) the HWO will visit the property; this appointment will be used to establish the household circumstances. If there is no response the HWO will post a letter to arrange a time to call to the house. Whilst with the tenant(s) the HWO will outline the options available and the consequences for the tenant if this issue is not dealt with.

**Options:**
- The HWO, when involved, will ascertain if payments under the Supplementary Welfare Allowance Scheme would be appropriate to the needs of the tenant.
- As per the Waterford City Council Rents Scheme 2009 there is a Hardship Clause; where payment of rent would, in the opinion of the City Council, give rise to hardship, the City Council may agree to accept a lesser sum from a tenant for a specified period. Such lesser sum shall not be less than 7% of the total household income and in any other circumstances lower than minimum rent of €16.00.
- Upon review of the file and the recommendation of the HWO, the tenant(s) may be recommended to the Tenant Sustainable Services Officer. This is a home visiting service which supports people to settle in and sustain their tenancies in private rented, voluntary housing and public sector accommodation. The TSS Officer provides support to the tenant for up to one year.

**Consequences:**
- Rent Allowance maybe refused as the eviction was as a result of the tenant(s) actions
- Tenants may not be necessarily entitled to avail of the Homeless Unit services provided by Waterford City Council
5. When **two weeks** elapse from when the HWO contacted the tenant(s) a meeting will be arranged between the relevant housing staff to discuss the particular case. If the HWO fails to contact the tenant(s) the Housing Meeting will be held two weeks from the date of the letter sent by the HWO.

If everyone is in agreement that every reasonable attempt has been made to aid the tenant and there is a failure to negotiate an appropriate settlement. A **final letter** is sent to the tenant outlining the fact that the Council will be initiating legal proceedings (7 Day Notice Letter). Namely a Notice to Quit will issue and the legal process will be followed.

B. **Failure to keep to the Agreement**

Where a reasonable agreement made under this Policy is in place, the Council will use its best efforts to intervene at an early stage when there is evidence that the terms of the agreement are not being maintained. All agreements will be monitored by the Council’s Staff Officers; if there are **two weeks** where there is no rent payment the Staff Officer will contact the tenant in person. Where appropriate the HWO will report on the circumstances of the tenant in order to ascertain the reasons for non-adherence to the agreement.

Where a genuine effort has been made to keep an agreement, liaison will take place between the City Council and tenant to reschedule payments. In these instances tenants will be expected to accept all reasonable measures including the Household Budget Scheme/MABS.

Failure to meet the terms of an agreement will result in the Housing Team meeting and deciding to proceed with the legal process. The tenant will be advised of the estimated costs which must be paid if legal action is commenced. Continued failure to meet the terms of the agreement will result in legal proceedings being instituted against the tenant.

**Legal Proceedings**
Immediately after the Housing Staff conference the appropriate Staff Officer will submit an up to date report and recommendation to the Housing SEO prior to the commencement of Legal Proceedings. A Notice to Quit will be issued by the Staff Officer, which will require the tenant to deliver up possession of the property within 4 weeks of the date of the Notice. Failure to vacate the property within this time period will result in the tenant/s being issued with a summons to appear in court. In the event that a decree for possession is issued by the District Court, the tenant/s will be notified of the Court’s decision by the Council’s solicitors. If the tenant/s fails to respond, the decree will be lodged by the Council with the County Registrar for execution. The Council’s solicitors will notify the Community Welfare Officer, Homeless Person’s Unit of the upcoming eviction. The date for the eviction of the tenant/s is set by the County Registrar.

Before the warrant for possession has been lodged for execution, in order to prevent eviction, Waterford City Council will consider acceptance of full payment of all arrears due together with legal costs incurred.

Where full arrears have been paid, the tenant/s will where possible, sign up for Household Budget etc. Failure to pay the rent subsequently for three consecutive weeks will result in immediate service of Notice to Quit. The Housing Welfare Officer will be notified of all such warrants obtained and will arrange a home visit to the tenant/s when the warrant has been lodged for execution. At this stage, the Housing Welfare Officer will reiterate the consequences of an eviction and what the tenant can expect e.g. the availability of emergency accommodation with the tenant/s.

**Debt Collection**
Where a dwelling is vacated by a tenant/s leaving rent arrears and/or possible damage/clean up costs, these costs may be pursued by the Staff Officer of the Rents Office. If the tenant/s refuses to engage with the SO the matter will be brought to the Housing SEO and a Debt Collection Agency will be hired to pursue the matter. The cost of this action will be added to the outstanding rent balance. Furthermore, Waterford City Council may not consider the tenant for housing again until all monies due have been paid to the satisfaction of the Council.

Duty of account manager to pursue bad debts
Rent Account Adjustments
In all cases where a tenant can support their claims to a review of the weekly rent payable, Waterford City Council will adjust accordingly. If after investigation it is found that the true income of the household was not declared Waterford City Council will arrange to backdate the account by no more than three years.
ARREARS PROCEDURE

3 weeks non payment → 1st letter sent → plan implemented by tenant S/O monitors & visits tenant

6 weeks non payment → no response from tenant to 1st letter → 2nd letter sent

7 weeks → no response from tenant - S/O involves HWO → Meets the tenant/s - assesses the circumstances. Outlines the options available & also the consequences

2 weeks from last HWO contact

1. If contact made the HWO prepares a report. Meeting between relevant housing Officials & best course of action decided upon.

2. If there is no contact with the tenant/s & the house is ascertained as not abandoned a meeting of the relevant Housing Staff will meet to decide the next step. If it is decided that a reasonable attempt has been made to contact the tenant a final letter will be sent outlining that the Council will be initiating legal proceedings.
Summary of Arrears Policy

1. First Reminder Letter after 3 weeks non payment
2. Staff Officer contacts tenant/s - agreement to be put in place
3. Second Reminder Letter after 6 weeks non payment - strongly worded
4. Home visit by HWO - options & consequences outlined - report prepared
5. Housing Staff case conference
6. Letter 7 day notice (that NTQ will issue) posted if agreement not reached
7. NTQ - 4 weeks for tenant/s to vacate
8. initiation of legal proceedings if no contact or an agreement still not reached in the 4 week period
9. Summons to court
10. Decree for Possession - tenant/s notified
11. Councils solicitors to notify HSE (CWO) of eviction plus WCC to notify Homeless Officer of this action
12. Before warrant for possession lodged WCC will consider full payment of all arrears with legal costs
13. If full arrears paid; tenant/s sign up for household budget scheme/Direct debits
14. If tenant/s fail to repay the outstanding debt. A debt collection agency will be employed to recover the outstanding amount.