

Subject:	Hardship Interventions to Supporting Tenants in Rent Arrears
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1 Introduction

Income Management are responsible for the management, recovery and enforcement of housing related debt. The principle of ‘collecting with care’ underpins the recovery processes and enforcement action is taken only when all other avenues have been exhausted.

- 1.1 This briefing note summarises the key areas of support provided by the service to enable a tenant to sustain their tenancy as illustrated in the diagram below.



2 Early Help

- 2.1 A key element of sustaining a tenancy from an income perspective is to provide a preventative and early help service. Income Management achieve this through providing proactive advice/support before a tenant falls into arrears and in early notification/intervention when arrears do accrue as outlined below.
- 2.2 A tenancy sustainment risk assessment is completed with all new tenants to enable Income Management to assess what support/advice a new tenant may need to have a successful tenancy. The advice and support will include (not exhaustive):
- Referral to Floating Support
 - Referral to Welfare Rights for income maximisation and budgeting
 - Referral to Citizens Advice for money management and debt advice
 - Assistance to apply for local welfare provision
 - Assistance to claim a discretionary housing payment
 - Help to apply for a grant/financial assistance to purchase white goods, furniture and essential clothing from several different charities and Trusts¹
 - Referral to and or liaison with children's/adult service
 - Applying for housing costs from a tenant's Universal Credit claim to be paid direct to the council
- 2.3 As soon as a tenant falls into rent arrears they are notified of the outstanding balance via an SMS message. The message includes a link to the council's pay your bills webpage and MyHousing. In a typical week seven hundred SMS messages are sent to tenants who have a low-level arrears balance of below £140.
- 2.4 As part of the arrears recovery process, tenants will receive a letter at key stages outlining the position with their rent account, the action they

¹ Glasspool – essential living fund, The George and Thomas Henry Trust, Provision House (formerly loaves & fishes)



need to take, and the next steps should the balance remain outstanding. The letter is written in way to encourage a tenant to contact the council and uses the strapline 'we want to help'. The letter provides the contact details for agencies that can help a tenant to manage their tenancy and how a tenant can pay their rent by direct debit.

- 2.5 To ensure that Income Management can reach tenants who do not engage with the service and or respond to contact, the service undertakes regular marketing campaigns which aims to highlight the support and advice available to tenants, the benefits of paying rent via direct debit and how a tenant can use their MyHousing account to manager their rent account.
- 2.6 The campaigns utilise a variety of different communication channels, including posts on social media (face book), e-mail (govdelivery), SMS text messaging, flyers and articles in the Sandwell Herald. The campaigns are created by Income Management and are delivered by the council's Marketing and Communication Team. Recent campaigns have included:
- 'Let Us Help You' – a colourful piece of artwork produced as a flyer/social media post outlining the support the Income Management Team can provide
 - 'It's as easy as 1, 2, 3' – encouraging tenants to pay their rent by direct debit, outlining the benefits and how simple the process is

3 Collecting with Care

- 3.1 When contact is made with a tenant in rent arrears, Income Management will undertake an assessment of the tenant's household circumstances including whether there are any medical or vulnerability issues that impact the tenant's ability to manage their tenancy and or rent payments. The assessment enables the service to provide advice and support based on the household's individual circumstances as well as to make referrals to supporting agencies including those within the voluntary sector.



- 3.2 As part of the above assessment, tenants are encouraged to complete an income and expenditure form. This assists Income Management in making an affordable and sustainable arrangement to pay based on the fair repayment chart and highlights if a tenant would benefit from budgeting, benefit advice and or debt/money management advice.
- 3.3 Tenants who are in receipt of means tested benefits are required to make a payment in line with the minimum deduction from benefit rate. For tenants who are working the fair repayment chart is utilised, this is based on a tenant's disposable income and takes into account that rent arrears may be part of a much wider debt issue as such not all a tenant's disposable income will be taken, only a portion.
- 3.4 Income Management recognise that many tenants will have advice and support needs at differing times throughout their tenancy and that it is important that tenants have easy access to where they can seek support. In addition to the information available to tenants on the council's internet page, the service has also created several bespoke SMS messages that can be sent to a tenant at any time. The messages contain details on where and how to access advice and support. The suite of SMS messages includes:
- Mental health
 - Crisis/suicide support
 - Benefit and Debt advice
 - Universal Credit
 - Energy advice
 - MySandwell and MyHousing portal
- 3.5 It is necessary at times for Income Management to take tenants to court to seek possession of their home due to rent arrears. When this course of action is being considered tenants are advised of their right to obtain independent legal advice and where this can be obtained from. The courts used by Sandwell Council all have duty advisors who can advise the tenant and, in some cases, represent the tenant in court. The court will only ever grant a possession order if they believe it is reasonable and proportionate to do so.



- 3.6 In cases where a tenant contacts Income Management and makes a realistic offer of payment, even if this is the day before the court hearing, the council will obtain a suspended possession order rather than an outright order. This means that the tenant will be able to remain in their home if the terms of the order are maintained. The court will not make an order on payment terms for an amount the tenant cannot afford.
- 3.7 Similar to obtaining a possession order, when it is necessary to apply to the court to evict a tenant, the tenant is advised to seek independent legal advice and that they can make an application to the court to suspend the warrant of eviction. The courts will suspend the warrant where a tenant can demonstrate that they are able to pay their contractual rent and an amount towards the arrears.

4 Rent on Time

4.1 The new tenancy conditions include a requirement for tenants to pay their 'rent in advance', this will however be promoted as 'rent on time' and means that tenants will need to build up a credit on their rent account to meet the new condition. Some of the key benefits of rent on time are outlined below:

- Reduces/prevents tenants from falling into arrears
- Acts as a safety blanket for when tenants have a change in circumstances, allowing for more time to resolve issues
- Reduces the negative impact of being in debt, leading to better health and wellbeing for tenants
- Supports tenants who are migrating onto Universal Credit
- Reduces overall debt levels on both current and former accounts
- Reduces bad debt provision
- Promotes a rent first culture
- Maximises income into the housing revenue account (HRA), given that both the Welfare Rights Service and Income Management Service are funded from the HRA any reduction in income poses a risk to their continuation.



4.2 Prior to the new tenancy conditions coming into effect, tenants were encouraged to pay their rent on time and not fall into arrears by ensuring that their payments aligned to their payment frequency. The table below shows the current number of tenants who have built up a credit on their rent account.

Credit Bracket £	Number of tenants in credit	Credit value £
£10.00 - £100	1492	£71,362
£100 - £200	790	£115,904
£200 - £300	413	£102,013
£300 - £400	259	£89,608
£400 - £500	164	£73,731
£500 - £1000	315	£213,258
> £1000	169	£336,996
Total	3602	£1,002,872

4.3 To support rent on time tenants can manage their rent account online via their MyHousing account. The service went live with MyHousing in January 2021. Tenants who sign up for an account have 24/7 access to their rent account. This enables tenants to make payments, set up a direct debit, view and download their rent statement and access advice and support agencies to help them manage and sustain their tenancy.

4.4 To date 4407 tenants have signed up for a MyHousing account. The table below shows the number of new accounts set up since January 2021, broken down across the six towns

Town	Number of New MyHousing Accounts
Oldbury	691
Rowley Regis	849
Smethwick	546
Tipton	777
Wednesbury	736
West Bromwich	808
Total	4407



5 Preventing Homelessness

- 5.1 Taking eviction action is a last resort and Income Management work closely with internal teams to prevent tenants from becoming homeless. The service developed the 'Families with rent arrears protocol' which ensures that at every key stage of the arrears process information is shared with Children's Services and operates on three common principles:
- Information sharing
 - Joint decision making
 - Coordinated intervention
- 5.2 The aims of the 'Families with rent arrears protocol' are:
- To safeguard children and families
 - To support employees to take a proactive, preventative approach and identify potential safeguarding issues
 - To ensure the best outcomes for children and families
 - To embed information sharing/partnership working
 - To improve tenancy sustainment and prevent evictions
 - To identify clear expectations/responsibilities of officers within Income Management, Local Housing Teams and Children and Families Service
- 5.3 The service continues to make automated referrals to Housing Solutions and the Welfare Rights Service at key stages within the arrears recovery process as part of the services early help and prevention strategy. The referrals enable both services to engage with the tenant with a view to providing advice and support that would enable the tenant to maintain their rent payments and prevent the tenant from becoming homeless.
- 5.4 Prior to Income Management making an application to court to evict a tenant the case is discussed by a pre-warrant panel. The panel consists of a senior manager, an officer from Income Management, Housing Solutions (homelessness) and the Welfare Rights Service. The purpose of the panel is to review the conduct of the tenant, the support/advice



provided to determine whether it is reasonable and proportionate to apply for an eviction warrant. The panel can make recommendations for additional actions to be undertaken by Income Management or approve the warrant of eviction request.

5.5 The decision to evict a tenant is a last resort and is not taken lightly. The below table shows the number of evictions carried out by Sandwell Council each year since 2020 and how the council compares to other landlords. The evictions for all landlords will be low during 2020 due to the COVID eviction restrictions that were placed on landlords.

Landlord	Stock Size	Evictions in 2020	Evictions in 2021	Evictions in 2022 (at Qtr2)
Sandwell Council	27,000	0	12	3*
Dudley Council	21,500	0	5	3
Birmingham Council	56,828	0	25	43
Stoke Council	18,200	0	25	14
Walsall Housing Group	21,466	1	No data	2
Solihull Housing Group	9,843	1	4	5

* Includes an eviction due to both abandonment and arrears.

6 Third Party Advice

6.1 Income Management work closely with internal and external partners to ensure that tenants have access to free, independent advice on all matters that may impact on their ability to maintain their tenancy. The main agencies that tenants are referred to are:

- Welfare Rights Service
- Sandwell Citizens Advice
- Floating Support Service
- Cranstoun – for support with drug and alcohol addiction
- Community Mental Health Team – for mental health assessment and support
- Sandwell Advice Providers Network – for advice on debt, welfare benefits, housing, immigration, consumer and employment matters
- Brushstrokes Community Project – supporting asylum seekers, refugees and newcomers to settle in the community



- Think Sandwell and Sandwell Consortium – employment support
- Confederation of Bangladeshi Organisations – skills and employment support
- Sandwell Women’s Aid

6.2 The service has made 535 referrals to the Welfare Rights Service between April and 10 October this year. The referrals have realised £869, 594.14 in monetary gains and £228,437.21 in backdated/lump sum payments.

7 Next Steps

- 7.1 Income Management are in the initial stages of developing a hardship fund to provide additional financial support to tenants who are experiencing financial hardship. The intention is to have the fund operational by January 2023 with an initial investment of £100k from the HRA.
- 7.2 The fund aims to contribute to the council’s obligations as a responsible social landlord by supporting tenants in sustaining their tenancy. The fund due to being financed by the HRA would be used exclusively for the benefit of council tenants who are in financial difficulty, facing immediate crisis or who would benefit from short-term assistance. It is envisaged that the solution will be provided as part of an overall package of support to enable a tenant to achieve financial independence and therefore continue to live in their home.
- 7.3 The fund will not be a replacement for discretionary housing payments, local welfare provision or the household support fund but another tool available to meet the financial support requirements of a tenant to maintain their tenancy and resolve the immediate financial hardship being faced. It is envisaged that the fund will be utilised primarily by tenants who are working, on a low income but do not have access to the suite of financial support being made available to tenants in receipt of benefits.



- 7.4 The eligibility criteria for the fund which is currently being developed will take into consideration several factors including but not limited to:
- Whether all avenues of support available to a tenant have been exhausted
 - Whether the financial support will alleviate immediately the exceptional pressure being faced by the tenant
 - Whether the tenant is engaging with the council in cases where the tenant has rent arrears or other housing related debts
- 7.5 Income Management are currently developing a pre-tenancy workshop that is due to be rolled out in January 2023 to applicants. The aim of the workshop is to get applicants tenancy ready and resolve any issues that may impact on tenancy sustainment before an applicant becomes a tenant, reducing both rent arrears and homelessness.

For information.

