**WATERFORD CITY & COUNTY COUNCIL**

**RENT ARREARS POLICY**

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 & County Council rents are assessed under the Differential Rents Schemes. 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 of the fixed rents are covered in the annual Rent Schemes. Waterford City & County Council will aim to inform any new tenant of the rent payable.

**Current Systems of Payment**

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

* Banks/Credit Unions – standing orders
* On line payments
* Household Budget Scheme – Dept. Social Welfare (An Post Bill Pay)
* Rent payment card system
* Money Advice & Budgeting Service

Waterford City & County Council’s 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 a compulsory pre-tenancy meeting as part of the Council’s overall estate management. At the meeting the amount of rent payable and how same is calculated along with the methods of payment are outlined to tenants. Currently it is a requirement that tenants avail of one of the payment methods outlined above. The tenant receives the Tenancy Agreement and has five days to review it.

**Initial arrears problems**

Waterford City & County Council provides confidential help and advice to any tenant who has a difficulty paying their rent. It is important that 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 & County Council will take legal action to recover the debt or as a last resort seek repossession of the house. A Tenancy Warning may issue and Waterford City & County Council may proceed to apply for a possession order in respect of the dwelling.

It is intended to familiarize 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 & County 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 0761 10 2881, 0761 10 2598 or 0761 10 2863.

**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
* 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. 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
* The telephone number, at which he/she can be contacted
* Methods of payment available
* The date by which payment must be made (5 working days to arrange).
* The consequences of non-payment of arrears

3. Tenants who fail to make contact will be contacted (letter, telephone, house call) by the Staff Officer to make arrangements for the payment of the arrears.

4. **Week 7 -** In those cases where there is no response from the tenant letter 3 is issued. Where there is no response from the tenant to letter 3 a meeting is arranged between relevant housing staff and the Housing Welfare Officer to discuss. 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. While with the tenant the HWO will outline the options available and the consequences for the tenant if this issue is not dealt with.

**Options:**

* As per the Waterford City & County Council Rents Schemes there is a Hardship Clause; where payment of rent would, in the opinion of the City & County Council, give rise to hardship, the 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.
* Upon review of the file and the recommendation of the HWO, the tenant may be referred 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 tenants’ actions
* Tenants may not be necessarily entitled to avail of the Homeless Unit services provided by Waterford City & County Council

5. If the HWO fails to contact the tenant and if relevant housing staff are in agreement that every reasonable attempt has been made to aid the tenant and there is a failure to negotiate an appropriate settlement the HWO will prepare a report and a recommendation for the next course of action. A **Tenancy Warning** will issue and where the rent arrears are not paid or rescheduling arrangements have not been entered into within two months of the Tenancy Warning coming into effect, legal proceedings will been initiated to recover possession of the dwelling.

**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 four weeks where there is no rent payment the Staff Officer will contact the tenant. 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 Staff Officer 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.

**Legal Proceedings**

Immediately after the Housing Welfare Officer’s report is received recommending the issue of a Tenancy Warning, a Tenancy Warning will be issued by the Staff Officer, which will require the tenant to pay the rent arrears immediately or, where such payment would cause undue hardship for the household, to contact the Staff Officer with a view to entering into rescheduling arrangements in respect of the rent arrears involved. If the rent arrears are not paid or rescheduling arrangements have not been entered into within 2 months of the Tenancy Warning coming into effect, WC& CC will apply under Section 12 of the Housing (Miscellaneous Provisions) Act 2014 to recover possession of the dwelling. The Tenancy Warning will advise the tenant of his or her right to request a review of the Tenancy Warning. On receipt of a review request the reviewer will review the issue of the Tenancy Warning. The reviewer will decide to confirm, vary or annul the Tenancy Warning and the tenant will be notified accordingly. Waterford City & County Council will apply to the District Court for an order for possession. The tenant will be given at least 10 working days’ notice of the Court hearing of the possession application. Where granted a possession order will state the commencement date for the period that WC&CC has the right to recover the dwelling. The period for recovery of the dwelling will be no shorter than two months or longer than 9 months. Recovery of possession of the dwelling under the possession order will have the effect of terminating the tenancy on the recovery date. In the event that a possession order is granted by the District Court, the tenant will be notified by the Council’s solicitors. If the tenant fails to respond, the possession order will be lodged with the Sheriff 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 is set by the Sheriff.

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

Where full arrears have been paid, the tenant will, where possible, sign up for Household Budget etc. Failure to pay the rent subsequently for three consecutive weeks will result in the possession order being lodged with the Sheriff immediately. The Housing Welfare Officer will be notified of all possession orders obtained and will arrange a home visit to the tenant when the possession order 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.

**Debt Collection**

Where a dwelling is vacated by a tenant leaving rent arrears and/or possible damage/clean up costs, these costs will be pursued by the Staff Officer of the Rents Office and/or an agent of the local authority. The cost of this action will be added to the outstanding rent balance.

Furthermore, Waterford City & County Council may not consider the tenant for housing again until all monies due have been paid to the satisfaction of the Council.

**Rent Account Adjustments**

In all cases where a tenant can support their claims to a review of the weekly rent payable, Waterford City & County Council will adjust accordingly. If after investigation it is found that the true income of the household was not declared Waterford City & County Council will arrange to backdate the account by no more than three years.

**Differential Rent Scheme Review 2016 - Declaration of Change in Circumstances**

Where a change of circumstance is declared as part of the Council’s 2016 Rent Review under the differential rent scheme resulting in arrears, Waterford City & County Council will backdate the account by no more than 6 months. This backdate of 6 months applies only to a change in circumstances declared under the Council’s 2016 Rent Review. This is in recognition of the fact there has been no formal rent review in the former City Council since 2013, in the County Council since 2014 and the Dungarvan Town Council since 2012.

It is the tenant’s responsibility to notify the Council immediately where there has been a change in household income. This is a standard condition of our tenancy agreements. From 2017 onwards, we will be communicating with our tenants annually to seek notification of any changes of circumstances. Where on investigation the Housing department discover an under-declaration or a non-declaration of additional income etc., the arrears will be backdated to the date of the change of circumstances and the arrears will be pursued.

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