

LIMERICK COUNTY COUNCIL

RENT ARREARS POLICY

Housing Department

POLICY FOR DEALING WITH LOCAL AUTHORITY RENT ARREARS

BACKGROUND

The importance of early prevention of rent arrears is accepted as the most effective way to protect the Council's income and prevent low-income tenants accruing debts which can be impossible to pay.

At 31st December, 2003 the Council held a rented stock of 1750 houses, in addition to this, it holds 37 rented caravans. Rental income for 2004 is estimated to be approximately €3.03m, maximising this income is extremely important, as it is the main source of funding for the management and maintenance of dwellings

The rents charged by the Council are based on a differential rent scheme, this scheme is revised annually and the 2004 Rent Scheme has been in operation since 2nd February. The Rent charged to each tenant is calculated based on the total net household income, less certain deductions. The rent charged is generally between 12% to 18% of net household income, a minimum rent does apply and this may change from year to year

AIM

This Policy has been drawn up by the Council in partnership with the Mid-Western Health Board to assist tenants with rent arrears and help remove the threat of eviction and possible subsequent homelessness.

In advance of the preparation of this Policy, the Council, in partnership with the Mid-Western Health Board, adopted a Homeless Strategy for the County in consultation with the voluntary sector. A Homeless Forum has been established which is representative of all appropriate sectors and considers issues pertaining to homelessness in the county. The adopted strategy outlines proposed accommodation and care measures to address homeless issues and includes the employment of specialist homeless support workers. A specialist Community Welfare Officer and a Resettlement Worker for Homeless are in place.

This is a multidimensional approach, which acknowledges and deals with the consequences for people living in poverty and the complexity of their financial and social circumstances.

It is intended to acquaint all tenants with the Policy so as to encourage those, who need to, to come forward and deal with their arrears rather than wait for the consequences of non-payment. It is recognised that some tenants who deal with statutory agencies have a reluctance to make contact with those agencies when difficulties arise.

It is the policy of the Council to identify as quickly as possible accounts which are falling into arrears through a policy of early intervention, and to put in place effective measures to deal with such arrears, before they accumulate to significant levels.

This Policy has been drawn up on the understanding that the tenant is responsible for payment of Rent on a weekly basis.

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.

EXISTING PRACTICES

- The Council offer tenants an opportunity to pay their rent in a number of different ways, i.e.,
 - Revenue Collectors
 - Cash Offices in County Council Offices at County Buildings, Dooradoyle, Annacotty, Kilmallock, Rathkeale, Newcastle West and Croom
 - Bank Standing Order / Direct Debit
 - An Post/Dept. of Social & Family Affairs Household Budget Scheme
 - Payment through the post by Cheque, Bank Draft or Postal Order
- Prospective tenants are required to undergo compulsory pre-tenancy courses as part of the Council's overall estate management practice.
- Money Advice and Budgeting Service leaflets are issued to tenants who have rent arrears.

WHO TO CONTACT

Tenants who are experiencing difficulty in meeting their Rent payments should first contact their Local Revenue Collector; a listing of the daytime telephone numbers for each Revenue collector is attached. Tenants may also contact the Housing Section, Limerick County Council, County Buildings, Dooradoyle, Limerick. Telephone number (061) 496293

PROCEDURE FOR DEALING WITH RENT ARREARS

A six-step procedure will be implemented as follows:

STEP 1. – PAYMENT OF ARREARS

Having regard to household budgetary constraints of tenants, the Council shall endeavour to act as quickly as possible to assist those whose rent is falling into arrears. A reminder will be sent after 3 consecutive weeks arrears have accumulated. The rent payments of new tenants will be monitored for the first 4 Months of tenancy. Included with the first reminder will be a Money Advice and Budgeting Service (MABS) information leaflet. This Service is free, confidential and independent.

The first reminder will state:

- The amount of rent due
- The date of last payment
- The name of the Revenue Collector dealing with the account
- The telephone number, at which he/she can be contacted.
- The date by which payment must be made.

Tenants who fail to pay their arrears before the expiry of the first arrears notice will be contacted by the Revenue Collector to make arrangements for the payment of the arrears.

STEP 2 – UNABLE TO PAY 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 3 weeks, during which time an agreement must be made to pay the arrears within an agreed time scale

The Revenue Collector will visit the tenant and will monitor agreements made.

Tenants will be advised of the services being provided by the Money Advice & Budgeting Service (MABS). It is the tenant's responsibility to avail of their services. The recommendations of the Money Advisor will be taken into consideration by the Housing Department in arriving at an appropriate arrears payment arrangement.

STEP 3 – FAILURE TO MAKE CONTACT

Those tenants who fail to make contact will receive a second reminder from the Council. This reminder will outline the seriousness of the situation and the necessity to make immediate contact with the Revenue Collector to make an appropriate agreement/settlement.

This reminder will state:

- The amount of rent due
- The date of last payment
- The name of the Revenue Collector dealing with the account
- The telephone number, at which he/she can be contacted.
- The date by which payment must be made.
- The consequences of non-payment of arrears.

In cases where there are acute financial difficulties and special wider ranging financial needs, the Community Welfare Officer, when involved, will ascertain if payments under the Supplementary Welfare Allowance Scheme would be appropriate to the needs of the tenant.

Failure to negotiate an appropriate settlement will result firstly in the issue of a solicitor's letter and secondly in the Council initiating legal proceedings as outlined in Step 5.

STEP 4 – FAILURE TO KEEP AN AGREEMENT

Where an agreement made under this Policy is in place, the Council will use it's 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 Revenue Collectors.

Where appropriate, The Community Welfare Officer, Homeless Person's Unit or Social Worker 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 County Council/MABS/Tenant to reschedule payments. In these instances tenants will be expected to accept all reasonable measures including the Household Budget Scheme.

Failure to meet the terms of the above agreement will result in the issue of a solicitor's letter to the tenant. 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.

STEP 5 – LEGAL PROCEEDINGS

Immediately prior to the commencement of Legal Proceedings, the Community Welfare Officer, Homeless Person's Unit will arrange a home visit to the tenant in order to discuss the options available for bringing the rent account up to date.

The appropriate Revenue Collector will submit an up to date report and recommendation to the Housing Section prior to the commencement of Legal Proceedings.

A Notice to Quit will be issued by the Council's Solicitors, 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 being issued with a summons to appear in court. In the event that a warrant for possession is issued by the District Court, the tenant will be notified of the Court's decision by the Council's solicitors. If the tenant fails to respond, the warrant 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 is set by the County Registrar.

BEFORE THE WARRANT FOR POSSESSION HAS BEEN LODGED FOR EXECUTION, IN ORDER TO PREVENT EVICTION, LIMERICK 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. Failure to pay the rent subsequently for 3 consecutive weeks will result in immediate service of Notice to Quit.

The Community Welfare Officer, Homeless Persons Unit will be notified of all such warrants obtained and will arrange a home visit to the tenant when the warrant has been lodged for execution. At this stage, the Community Welfare Officer will discuss the availability of Hostel or Bed & Breakfast accommodation with the tenant.

Where a dwelling is vacated by a tenant leaving rent arrears and/or possible damage/clean up costs, these costs may be pursued as a simple contract debt through the courts if necessary. Furthermore, Limerick County Council may not consider the tenant for housing again until all monies due have been paid to the satisfaction of the Council.

STEP 6 – RENT SUPPLEMENTATION IN PRIVATE ACCOMMODATION

Where eviction/repossession cannot be avoided and the procedures outlined in this Policy have been followed, the Mid Western Health Board will take same into consideration when deciding the bona fides of an application for Rent Supplementation for private accommodation under the Supplementary Welfare Allowance Legislation.

In general financial support would not be given where a tenant failed to keep agreements that were entered into in accordance with this Policy.

However, if in a particular case the Supt. Community Welfare Officer considers that there are sufficient, clearly identifiable exceptional circumstances to warrant a departure from the above procedure, he/she may authorise the payment of a Rent Supplement. In such a case the detailed reason for authorising departure from the Policy must be clearly recorded on the case file and a copy will be submitted to Limerick County Council.

ISSUED BY: LIMERICK COUNTY COUNCIL IN PARTNERSHIP WITH THE MID-WESTERN HEALTH BOARD

THIS DOCUMENT WILL BE SUBJECT TO LIMERICK COUNTY COUNCIL'S RESPONSIBILITY UNDER THE FREEDOM OF INFORMATION ACT AND THE DATA PROTECTION ACT.