

**EXCHEQUER SERVICES
RENT INCOME POLICY 2019-20**

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1. Purpose

- 1.1. This policy has been developed to fulfil the requirement of the Council’s Corporate Income Policy that each Department is responsible for the creation and maintenance of its own income policy, for each income stream, and that will support the attainment of performance targets agreed annually with the Strategic Director.
- 1.2. The policy below sets out and clarifies Southwark Council’s approach to the collection of rent from tenants of its general needs social housing - including the prevention and recovery of rent arrears – taking particular account of the impacts of Government welfare reform and above all Universal Credit (UC).
- 1.3. Not all Council tenants rely on the benefit system to help them pay their rent and in any given week a majority of tenants will pay their own rent in full and on time. However, in any given year a majority of all council tenants - some working some not - will rely on the benefit system to help them pay their rent for at least part of that year. That situation is not expected to change under UC but UC’s impacts were expected to prove disruptive to tenant’s rent payment behaviours and the evidence gathered over a period of three years by the programme of independent social research commissioned by the Council itself into those impacts allows us to conclude that they have indeed proved to be highly disruptive. This policy marks the

Council's considered response to those impacts and will help mitigate them to the extent that mitigation is in the Council's own powers. There is little doubt that full mitigation is in the hands of Government and in the Council's view will require significant change to UC policy beyond the changes announced by Government to date.

- 1.4. The Council remains strongly committed to its role as a social landlord and to providing good quality, affordable housing that is available for all its residents. Southwark Council rents are among the lowest in London and have fallen in recent years. Demand for Council housing exceeds our ability to meet it but the Council attaches a very high priority to ensuring that all those who become council tenants are able to remain as council tenants for so long as they wish to do so and are making every reasonable effort to meet all the terms of their tenancy – including their responsibility to pay rent.
- 1.5. This policy addresses rent payment methods, pattern and frequency for all tenants and also builds upon existing commitments by the Council to demonstrate reasonable forbearance where a tenant's ability to pay their rent is affected when they claim or migrate to UC. It also addresses communication with all tenants about rent payments, the support that will be available to any tenants who might struggle to pay their rent, for any reason and that takes proper account of their situation and any vulnerabilities including, for example, experience of domestic violence. The policy also sets out the steps the Council will take, as a last resort, in response to a persistent failure by any tenant to engage meaningfully in efforts to address their arrears, or to make, or sustain, a reasonable arrangement to pay rent and reduce rent arrears.
- 1.6. The policy is designed to enable efficient and effective rent collection. This is based on the key principles that we will always seek to prevent rent arrears from occurring, act quickly to work with tenants to resolve any rent arrears issues which may arise, and only act decisively to recover arrears which are persistent and where all reasonable efforts to engage the tenant have not been successful. These guiding principles will enable:
 - Maximisation of rent income for Southwark Council to provide services to all its tenants, encouraging payment in advance wherever possible
 - All tenants having a clear understanding of what UC means for them and are adapting their behaviours to reflect changing requirements
 - All tenants having the payment arrangements in place that work best for them and that protect their interests and those of their household
 - Avoidance of unnecessary, premature and costly legal action that may increase a tenant's debt
 - Sustainment of tenancies and prevention of homelessness
 - Greater financial inclusion among council tenants
 - Modernisation of rent payment and collection arrangements so they are flexible and available through a wider range of channels and available at times that are convenient for tenants and service users

2. Scope

- 2.1. This policy outlines Southwark Council's approach to the collection of rent from all forms of current secure and introductory tenancies.
- 2.2. This policy does not apply to former council tenants who may continue to have rent debts, households placed in temporary accommodation, tenants in sheltered

housing, tenants of properties managed by a Tenant Management Organisation (TMO) and leaseholder service charges or garage rents.

- 2.3. The scope of the policy may be reviewed in future but meanwhile every effort will be made to ensure that policies for all those living in Council provided rented accommodation of any kind are consistent. Those living in properties managed by TMOs may be subject to those organisations' own policies.
- 2.4. Responsibility for rent collection for tenancies within the scope of this policy (which represent the vast majority of Southwark Council tenancies) sits with the Income Operations team within Exchequer Services (Finance and Governance).

3. Background

- 3.1. While the majority of the Council's tenants have always paid their rent in full and on time the challenges of non-payment of rent due and rent arrears among a minority of its tenants are not new. Most Council tenants still pay their rent in full and on time but there is no doubt that the introduction of UC in Southwark and other ongoing Government welfare reform including the benefit cap, the "bedroom tax" and the benefit freeze have added significantly to those challenges. Government welfare reforms have impacted on household budgets and, potentially, the ability of a large number of tenants to sustain their tenancies. This is at the same time as wider challenges for local authorities of maintaining services in the face of continuing budgetary pressures. Both have led Southwark Council to find new and different ways of working and our approach to rent income management is no exception.
- 3.2. Additionally, the design of UC means a significant change to the way in which the very large number of our working age tenants who are, at any given time, receiving housing cost support *through the benefit system* pay their rent and requires those tenants to take greater personal responsibility for doing so. Under UC the whole payment is made to one individual in the household.
- 3.3. As it is paid monthly and, in most cases, directly to tenants, payment of UC housing costs will require fundamental changes to the ways in which households manage their budgets and meet priority bills. Failure to adapt their payment behaviour carries significant risk to tenants through rent arrears – at worst loss of their home - and to the Council, as a landlord, through potential losses to its housing revenue account.
- 3.4. This policy also reflects the Council's *Fairer Future* values as set out in the Council Plan 2018 – 2022. When we engage with residents we will treat them as if they were a valued member of our own family. As a service we will be open, honest and accountable, whilst spending money as if it were from our own pocket.
- 3.5. As the biggest social landlord in London and one of the biggest social landlords in the country, Southwark has been at the forefront of the sector's preparation and planning for UC. The Council has engaged Government on UC not because it is supportive of UC - but because neither the Council, as a landlord, nor its tenants, could afford for UC to go wrong. The Council remains determined to stand up for its residents and do all it can to mitigate any potentially negative impacts of Government welfare reform.
- 3.6. Tenants are *always* responsible for paying their rent and will be responsible for paying all rent due – including rent arrears - for so long as they remain tenants. The average length of tenure among our current tenants is almost seventeen years - and lengthening - and many of those may be expected to remain as council tenants for

many years to come: some of our tenants have lived in their current home for more than forty years.

- 3.7. But the Council also recognises that much of the non-payment of rent due that it has seen recently among those tenants claiming UC is at least partially rooted in what are now widely accepted issues in UC policy, design and delivery. The new rent income policy recognises that current reality and is partly based on findings from the Council's own, independent research into the impacts of UC for its tenants.
- 3.8. The Council will continue to seek to influence Government by evidencing issues and calling for changes to UC that will help its tenants and other residents who are affected. For example we have already commissioned and published two independent research reports that evidence the effects UC has on rent arrears, as well as providing evidence to the Department for Work and Pensions, other Government departments, Parliamentary committees and other public bodies responsible for scrutinising the implementation of UC.
- 3.9. The Council warmly thanks Tenant Council for its support in that effort and also thanks the Tenant Management Fund for its generous contributions to the costs of the independent research and its participation in the delivery of that research.
- 3.10. Government has already introduced or announced future changes to UC that it believes will go some way to helping social housing tenants cope better with the impact of UC. The Council will not hesitate to call for further changes in future where evidence is available to support such a call. The Council sees the essential problems of UC for social housing tenants as the following:
 - Too many tenants find it difficult to claim UC: according to the Government's own figures, as many as 30% of all UC claims fail because claimants have been unable fulfil all the requirements of their claim.
 - Many tenants have to wait too long for their first UC payment and many wait even longer to receive their first UC payment in respect of housing costs. The minimum five week wait is too long and the delay can be compounded by the fact that UC is paid monthly in arrears.
 - Many tenants are left with too little money to pay their rent and other priority bills even after their UC payments begin and this can be due to deductions for other debt and / or sanctions.
- 3.11. Examples of changes to UC policy that the Council is calling on government to deliver at this time that will improve the system of its tenants include:
 - Making it easier for tenants to claim UC or have their claim backdated and ensuring that all those claiming UC get the support they need to do so – especially the most vulnerable
 - Reducing the time claimants have to wait before receiving their first payment for housing costs –and looking again at whether UC should be paid monthly *in arrears*
 - Limiting the deductions that can be taken from a claimant's monthly UC allowance to pay for other debt

4. Legal and regulatory framework

- 4.1. The rent income policy and associated procedures complies with legislative and good practice requirements and a number of existing Council policies and plans. This includes:
 - Housing Acts 1985, 1988, 1996
 - Homeless Reduction Act 2017
 - Social Housing Rents (Exceptions & Miscellaneous Provisions) Regulations 2016

- Pre-Court Action Protocol for Rent Possession Claims by Social Landlords– Civil Procedure Rules, Ministry of Justice
- Chartered Institute Housing good practice guide to rent collection
- Data Protection Act 2018
- Protection from Eviction Act 1977
- Equality Act 2010
- Human Rights Act 1998
- Welfare Reform Act 2012, 2016
- LBS Corporate Income Policy
- Southwark Council tenancy agreements
- Southwark Council Plan 2018 – 2022
- Southwark Housing Strategy 2015 – 2043
- Southwark Council Economic Wellbeing Strategy 2017-2022
- DWP Alternative Payment Arrangements – Good Practice Guidance 2019

5. Operational procedures

- 5.1. Detailed operational procedures based on the rent income policy will be set in place for the collection of rent and arrears. We will work with tenants to address outstanding rent arrears. Our approach will remain focused on preventative action and early intervention to stop the build up of arrears, with early signposting of tenants to appropriate support services – including debt advice , Help to Claim and third sector organisations who support victims of domestic violence in all its forms.
- 5.2. Our procedural approach to rent collection will seek to prevent, resolve and recover arrears and will be framed in response to ongoing welfare reform. These procedures will be designed to create a more efficient and effective rent collection service.
- 5.3. That service will have a well trained workforce equipped to recognise vulnerability among our tenants and to identify appropriate internal and external support services. Officers will also recognise how those vulnerabilities may be heightened by features of UC design and the concomitant risk of rent arrears.
- 5.4. Our procedures will be based on effective management of tenancies and rent accounts so that all those living in council properties, and the Council as the landlord, understand their respective obligations and make or accept rent payments that are due.
- 5.5. We will ensure that all payments made are allocated to the rent account they were intended for and that any payment allocation issues that may arise are resolved in a timely manner.

6. Payment pattern and frequency

- 6.1. Tenancy terms and conditions require tenants to pay their rent weekly in advance and delayed or late payments may contribute to rent arrears. This policy aims to further promote a culture of payment in advance among all Council tenants; we encourage early payment to prevent tenants falling into rent arrears.
- 6.2. One of the key changes imposed by UC for council tenants is that, under the new system, benefits to help pay rent are no longer paid weekly in advance, *but monthly in arrears*. UC payments may also be expected to be somewhat less stable or predictable than Housing Benefit payments and will, in many cases, change from month to month.
- 6.3. The Council recognises that tenants will not always be in a position to make additional payments in advance and the Council will not place unfair or oppressive

demands on its tenants to make payments more than one week in advance where they cannot afford to do so, or choose not to do so. However, evidence from independent research commissioned by the Council and other analysis strongly suggests that one of most positive steps tenants can take to reduce the risks to their rent payments known to be associated with UC is to start paying their rent by more than a week in advance and do so *before* they are affected by UC.

- 6.4. Many tenants already have a credit on their rent account equivalent to more than one weeks rent. Evidence also indicates that tenants who had built up a credit on their rent account equivalent to three weeks rent or more *before they claimed UC* were much less likely to fall into rent arrears after they claimed UC and more likely to keep up with their rent payments over time than those without a credit on their account at point of claim for UC.
- 6.5. There is no requirement for tenants ever to pay more than one weeks rent in advance. However, the Council is duty bound as a responsible social landlord to alert tenants to the evidence of risks of rent arrears associated with UC and how tenants may take action to help reduce those risks - for example by paying more rent in advance and building up a credit on their rent account, *if they can*.
- 6.6. All our communication with tenants about rents will encourage payment in advance and express the rent due as both a monthly and weekly figure. The Council may take further steps in future to further facilitate advance payments, in particular calendar monthly payment, among those tenants preferring to do so.
- 6.7. All tenants are responsible for ensuring rent is paid on time and are expected to contact us at the earliest opportunity if they are unable to pay their rent weekly in advance for whatever reason. For example, evidence from our independent research indicates that many tenants struggle to pay rent in the period after they claim UC and as they wait for their first UC payment. Tenants should not delay in contacting the Council if they find themselves in that situation.

7. Payment Methods

- 7.1. To enable an efficient and effective rent collection service we will promote automated payment methods wherever possible. Our preferred method of payment of rent is direct debit and for those who do pay their rent monthly in advance, or who are claiming UC, Direct Debit will very often be a suitable payment method.
- 7.2. A small but significant and growing number of tenants – about one in eight of all tenants - already pay their rent by Direct Debit and the Council will continue to take steps to make it easier for more tenants to do so in future.
- 7.3. We also recognise that many of our tenants manage their budgets and pay their rent in ways that are reflective of their household circumstances and that work best for them. The Council will continue to offer a wide range of other, accessible and flexible rent payment options to meet the needs of all our tenants including those on low and fluctuating incomes.

8. Refunds

- 8.1. If a tenant has a historical credit on a previous rent account we will firstly transfer this to other rent accounts held by the tenant to offset any outstanding arrears before issuing a refund.

- 8.2. If a refund is requested we will check other services to identify if other debts are owed to the Council. Should debts be identified then we will offer the tenant the opportunity to authorise us to use their rent account credit to offset those debts.
- 8.3. Rent is charged weekly and it is a condition of tenancies that rent should be paid a week in advance. Should a tenant be eligible for a refund, then the amount equal to the following week's rent will be deducted from any refund.

9. Communication

- 9.1. The Council is already committed to modernising all its services. Government welfare reform and changes to the way the tens of thousands of our tenants who are reliant on benefits to pay their rent means that efficient rent collection and sustaining tenancies relies on effective communication more than ever. We will utilise new technology to communicate more effectively with all tenants and in ways that are more convenient to them.
- 9.2. All tenants receiving UC will personally receive tailored communications products telling them more about how UC works, how it differs from the previous benefit system, the steps they can take to adapt to the new arrangements and how they may access the various forms of support that are available. Additional information about the impacts of UC and how to deal with them is also available on the Council's website.
- 9.3. Where an alternative payment arrangement (APA), under which housing costs are paid direct to landlord, is set in place after a tenant claims UC we will notify the tenant that this has been done, the reasons why and the period for which the arrangement is expected to remain in place. There is no formal right of appeal against an APA but we will always review our decision when we are asked by a tenant or their partner to do so. For further details about APAs see section 12 of this policy. There will be separate arrangements for other types of APA that may be set in place, for example those set in place to deal with a risk of economic or financial abuse.
- 9.4. All standard communications with all tenants about rent will express the rent amount due figure as both a weekly and a monthly amount.
- 9.5. Where rent arrears do arise in any circumstances we will be proactive in contacting tenants from the outset. Our communication will be personalised and keep tenants informed at every stage.
- 9.6. To achieve this we will use the latest technology. We have already rolled out the use of personalised SMS text messaging and automated voice messaging services. We will continuously review communications and improve our digital services, including introducing a new customer portal to allow tenants to make payments or view payments and statements 24 hours a day seven days a week and at a time that is convenient for them.

10. UC and Housing Benefit

- 10.1. Tenants who claim UC including housing costs will be expected to comply with the responsibilities of their UC claim. However, we recognise that some of those claiming UC may need additional support not only to manage their claim to UC but with managing their rent payments in ways that would not have been necessary under Housing Benefit that UC replaces. We will ensure that tenants are made

aware of UC and what new or additional responsibilities they will have to pay rent, minimise rent arrears and sustain their tenancy as a result of those changes

- 10.2. As soon as we are made aware that a tenant's UC claim includes housing costs we will contact the tenant confirming that we have been asked for, and provided, verification of their rent via the "landlord portal" (see section 11 below) to the government department which administers UC. When we make that contact we will also advise all tenants claiming UC on what they need to do next and make an unconditional offer of additional support.
- 10.3. We will work with tenants to resolve issues such as new or deeper rent arrears that may arise during the period after they claim UC. For example, this may include referral to budgeting or other forms of support, pausing any ongoing recovery action or applying to the DWP for direct housing payments (APAs, sometimes called managed payments).
- 10.4. We will continue to support the large number of tenants who still receive help with rent payments in the form of Housing Benefit pending their migration to UC or the introduction of new benefit arrangements for pension age households who need help with housing costs. The council's benefit team will always work to ensure Housing Benefit is correctly assessed and that payments reach rent accounts in a timely manner to avoid rent arrears.
- 10.5. For further details about our approach to vulnerable tenants see section 17 of this policy.

11. The Landlord Portal

- 11.1. The "landlord portal" is a DWP on-line service that enables social landlords to provide information to UC about their tenants to verify that they are tenants and to provide details of housing costs. The landlord portal is intended to support payment of UC housing costs to claimants at the earliest possible opportunity. Southwark Council was among the first landlords in the country to use the landlord portal. The portal also allows social landlords to identify to the DWP any tenants that require a direct payment of rent or other form of alternative payment arrangement.

12. Alternative Payment Arrangements (APAs)

- 12.1. The move to a single monthly household payment – including housing costs – in UC marks a significant change to the way benefits are paid. APAs provide safeguards for those who are struggling to cope with those changes, or who may struggle to cope and where an inability to cope is likely to result in financial harm to the claimant and, or, their household. Some APAs also provide safeguards for those facing risk of forms of financial abuse that are often associated with domestic violence.
- 12.2. APAs take three forms:
 - Paying the housing element of UC as a managed payment direct to the landlord
 - More frequent than monthly payments
 - A split payment of an award between partners
- 12.3. To safeguard the claimant's home, the Council will notify UC of a build up of rent arrears and ask for the tenant's UC housing element to be paid direct to the Council in any case where a rent arrears 'trigger' has been reached. There are two such triggers. First, any case where the rent arrears are greater than eight weeks rent; and second where current rent arrears are greater than four weeks rent and where

the tenant has a previous history of rent arrears or has previously been evicted for rent arrears.

- 12.4. There are circumstances in which the Council may set up an APA *even where the tenant claiming UC has no rent arrears*. Full details of the circumstances in which the Council may do so and examples can be found in Appendix B.
- 12.5. Under APA managed payments, paying the UC housing element to the landlord will be the first priority for UC where it is part of the UC award, in order to safeguard the claimant's home.
- 12.6. APAs can be considered at any point during the UC claim. They are not permanent but can last for up to two years before they are reviewed.
- 12.7. Both the Council and the DWP recognise some technical deficiencies in the existing APA arrangements due to anomalies between the rent and UC the payment cycles. The Government is committed to remedying those deficiencies in the near future and the Council will continue to press the case for those changes to be implemented as soon as possible.

13. Trusted Partner

- 13.1. Southwark Council has been a *Trusted Partner* for UC since April 2017. A *Trusted Partner* is a social landlord recognised by DWP and empowered to identify those of its tenants who have existing rent arrears or who may be unlikely to pay their rent after claiming UC.
- 13.2. The Council will assess the need for an APA in all cases where tenants are claiming UC, acting in accordance with DWP guidance and good practice as well as the key principles set out in section 1.5 of this policy. Where the Council judges an APA to be appropriate for any tenant or their spouse or partner, at any time, during the period of their UC claim, the Council will instruct UC to set one in place, doing so via the UC landlord portal. The Council will notify any tenant affected of its decision to set in place an APA and its reasons for making that decision but in some situations, such as domestic violence, alternative notification arrangements may be set in place where appropriate

14. Recovery action

- 14.1. Our aim, consistent with the principles of this policy in all cases is that we will always do as much as reasonably can to sustain tenancies and work with tenants to prevent and control arrears. The Pre-Action Protocol and the courts afford our tenants with additional protection but wherever possible we will seek to avoid costly legal action except as a last resort. This approach will be applied in respect of all tenancy types within the scope of this policy. Introductory tenants have a responsibility along with secure tenants to ensure payment is made in advance and that they adhere to the terms and conditions of their tenancy.
- 14.2. If a tenant does fall into arrears for any reason we will contact them to discuss their situation and offer support. The aim of those discussions will always be to clear the account or agree a reasonable and sustainable repayment arrangement that returns the account to credit as soon as reasonably practicable. We recognise that some tenants have fluctuating incomes (such as those on zero hour contracts) and this will be taken into consideration when repayment arrangements are discussed.

- 14.3. The Council's experience of UC to date is that rent arrears, or deeper arrears, very often arise around the time that a tenant makes a claim for UC and that tenants often struggle to pay those rent arrears down.
- 14.4. If a tenant is on UC and has more than two months arrears (more than a month in some cases) or is identified as being vulnerable and at risk of financial harm, using criteria set out in Appendix B the Council will instruct UC to set in place an APA under which the housing cost element of their UC may be paid direct to their landlord- the Council.
- 14.5. APAs will not be permanent and will be reviewed periodically; generally no less frequently than every three months and no less frequently than every two years. An APA will always be reviewed where the tenant asks the Council or the DWP to do so.
- 14.6. In most cases where an APA is requested due to high existing rent arrears we will also ask UC to make monthly deductions from the tenant's UC to help pay off those rent arrears.
- 14.7. The amount to be deducted is a matter for UC but the Council will always seek what it would consider to be the most appropriate level of deduction based on the balance set out in our guiding principles and on what is reasonable and sustainable after taking the widest possible view of the claimant's circumstances.
- 14.8. Where attempts to persuade UC to reduce deductions to a sustainable and affordable level are not successful the Council will consider alternative means of recovering outstanding rent arrears. Particular regard will be paid to any situation where the tenant would suffer prolonged and severe hardship if deductions from their UC payments, at level set by UC, were to continue.
- 14.9. In circumstances where an APA has been requested for repayment of arrears and those arrears have subsequently been cleared we will assist the tenant to ensure the APA is ended by the DWP.
- 14.10. Additionally, and where the tenant agrees, we may consider an arrangement for repayment of rent arrears debt along side other important debts they have may to the Council – for example council tax. This will provide further assurance that any arrangements to repay debt are reasonable, sustainable and based on the widest possible view of the tenant's circumstances.
- 14.11. If a tenant has claimed UC and has fallen into arrears through no fault of their own then we will not take court action against them on grounds of rent arrears.
- 14.12. *Through no fault of their own* means where a tenant was previously up to date with their rent payments or adhering to a previous arrangement or order to repay rent arrears but then falls into rent arrears or breaches an earlier agreement after they claim UC.
- 14.13. We know that many people struggle to claim UC successfully at first time of asking or find themselves having to appeal a decision by DWP they consider to be incorrect. Even after making an effective claim many still have to wait for a long time before they receive their first payment of UC and often lack the means to pay their rent during that period. The Council will always demonstrate reasonable forbearance during the period when tenants claiming UC are awaiting their first payment, or when a change in circumstances later on causes their UC claim to be stopped or refused wrongly.
- 14.14. Additionally, the Council will not encourage tenants to apply for advances (loans payable by UC) or resort to other forms of debt to help pay their rent when awaiting

their first UC payment. This is because repayment of such debt may compromise a tenant's ability to pay rent or meet other liabilities to the Council over the longer term. Where tenants have other pre-existing and significant debts, and where appropriate, the support offered to tenants will include referral to debt advice.

- 14.15. Recovery action in respect of unpaid rent will only be considered after a tenants UC claim is known to be in payment, the payment pattern has stabilised and, except in those instances where an APA has already been set in place, until there has been a reasonable opportunity for an affordable arrears repayment plan to be agreed and activated.
- 14.16. We will escalate recovery proceedings which may result in court action only as a last resort and where all alternative action has failed to result in engagement or repayment.
- 14.17. If a tenant fails to engage with the Council, or persistently breaks an arrangement without making contact, possession proceedings will re-commence.

15. Possession proceedings

- 15.1. In any case where attempts to arrange a suitable repayment agreement with the tenant have not been successful and are exhausted, an application for possession of the property will be made. Any possession proceedings will only be carried out after meeting the requirements set out in the pre-action protocol.
- 15.2. We may also enforce an existing order by applying to execute a warrant of possession.
- 15.3. However, even at that late stage, possession proceedings or an eviction may still be avoided, especially in cases where rent arrears are the sole grounds for the eviction. If the tenant tangibly demonstrates a willingness to engage and fall in line with their court order the Council may exercise discretion.
- 15.4. In that event the tenant would then be expected to adhere strictly to the terms of any court order to maintain the tenancy and may also be required to engage with a support offer or to seek debt advice, but any further breach of the order would almost certainly lead the order being enforced.
- 15.5. In the event that an eviction has been executed and the tenant subsequently satisfies the possession order, the Council can still exercise discretion on the terms of re-entry to the property in accordance with the Council's allocation policy.

16. Rent liability and "untidy tenancies"

- 16.1. Where apparent rent liability issues are identified the Council will work with tenants, occupants and DWP to resolve them as quickly as possible.
- 16.2. Rent liability issues can include "untidy tenancies" where a joint tenant is no longer living in the property but where their name remains on the rent account. Examples of this are when there is a relationship breakdown and a joint tenant leaves the property, if a joint tenant dies, or where domestic violence has resulted in the perpetrator being required to leave the property. The DWP would normally divide the rent due equally amongst joint tenants when calculating housing costs, but with "untidy tenancy" situations they can allow a joint tenant to be paid housing costs on the full rent amount. The Council will provide appropriate assistance to victims of domestic violence who wish to remain in their home to assist with an application to DWP requesting that it seek its discretion in the victim's favour.

- 16.3. The Council will always encourage tenants of domestic violence who wish to remain living in their home and for the perpetrator to be removed to seek appropriate support and legal advice that may include advice about transferring a tenancy.
- 16.4. Where there has been a change in rent payment liability which is not yet reflected on the tenancy agreement, the Council will work with the tenant and the DWP to ensure the correct housing costs are paid from the first UC award. We will treat any case where the rent payment liability has been changed or transferred by court order following domestic violence as a very high priority, reflecting the Council's commitment to supporting victims of domestic violence where they wish to remain in their home.

17. Support for UC and Financial inclusion

- 17.1. All tenants may require some level of support where they find themselves having to deal with making a claim for UC, maintaining their UC claim, rent arrears, welfare benefit issues, or challenging DWP decisions. Some tenants may also require digital or budgeting support.
- 17.2. Support is available for any tenant, and we recognise that the some tenants support needs will be greater than others – for example those with disabilities or language difficulties.
- 17.3. When a tenant is identified as vulnerable, or at risk of rent arrears, we will offer the full range of support they need in order to successfully sustain their tenancy. Referrals will be made, and consent obtained where appropriate, to a range of support services.
- 17.4. We work closely with financial inclusion teams across the council and external independent partner organisations so that support is provided to those tenants who need it.
- 17.5. Teams responsible for income collection work in collaboration with the Council's Local Support Team to assist tenants in difficulties with their rent, to maximise their income and to access Council administrated schemes such as the Hardship Fund. Officers will also work closely with the Council's Sustain team which offers a free service to support vulnerable tenants with rent arrears.
- 17.6. It is recognised that tenants will often need independent advice. We will signpost tenants to national and local support organisations as necessary where further support needs are identified, for example mental health issues or problem debt.
- 17.7. We will maintain a directory of external support services which will be reviewed annually.
- 17.8. We commit to regular partnership meetings with members of the Southwark Legal Advice Network, in order to ensure information about external services are up to date, to share information and receive feedback on the operation of this policy.

18. Review period and policy ownership

- 18.1. The Director of Exchequer Services retains the responsibility for the implementation of this policy. The policy will be reviewed annually or in line with legislative or regulatory changes.

APPENDIX A

Name / Organisation	Nature of services provided	Contact details
<p>Bermondsey Citizens Advice</p> <p>Peckham Citizens Advice</p>	<p>Citizens Advice provides information and advice on all subjects and specialist advice in immigration, welfare benefits and debt and housing.</p> <p>There is a specific service assisting people with claiming Universal Credit called Help To Claim. It can be accessed via CAS offices, local Jobcentres, webchat and telephone.</p> <p>Citizens Advice Southwark also provides outreach services in hospital settings for people affected by cancer funded by Macmillan Cancer Support and Dimpleby Cancer Care. There are dedicated services for carers and Southwark Council homeowners and Council Tax and Council rent arrears clinics.</p> <p>Citizens Advice Southwark is the lead partner for the Southwark Legal Advice Network. Citizens Advice provides information and generalist advice on all subjects and specialist advice in immigration, welfare benefits and debt.</p> <p>Citizens Advice Southwark also provide outreach services in hospital settings for people affected by cancer funded by Macmillan Cancer Support and Dimpleby Cancer Care.</p> <p>Citizens Advice Southwark is the lead partner for the Southwark Legal Advice Network.</p>	<p>Bermondsey: 8 Market Place, Southwark Park Road London SE16 3UQ</p> <p>Peckham: 97 Peckham High Street SE15 5RS</p> <p>Tel: 0344 499 4134 www.citizensadvicesouthwark.org.uk</p> <p>Agencies can refer directly to any of our services at www.citizensadvicesouthwark.org.uk/advice/generalist-agency-referral/</p> <p>Help To Claim Client Line Tel: 0800 144 8 444 or clients can email via www.citizensadvicesouthwark.org.uk/projects-and-services/helptoclaim/help-to-claim-client-request/</p>

<p>Southwark Local Support Team</p>	<p>The Local Support Team works closely with the Council's rent income team and others to offer vulnerable households assistance to maximise their income through supported welfare benefit applications and better off calculations. This can include helping tenants to make a new claim for Universal Credit (UC) or to resolve problems with an existing UC claim.</p> <p>Local Support also administer the <i>Southwark Emergency Support Scheme (SESS)</i> and the Hardship Fund, both of which help residents who are experiencing severe financial difficulties including those affected by UC.</p>	<p>Referrals for assistance with income maximisation: www.southwark.gov.uk/benefits-and-support/other-welfare-benefits or by calling 020 7525 2434</p> <p>Applications for assistance under the Southwark Emergency Support Scheme (SESS): www.southwark.gov.uk/benefits-and-support/emergency-support or by calling 020 7525 2434</p> <p>Applications for assistance with priority debts such as rent arrears: www.southwark.gov.uk/benefits-and-support/hardship-fund or by calling 020 7525 2434</p>
<p>Southwark Law Centre</p>	<p>Provides specialist level casework and representation in housing, welfare rights, immigration and asylum, and employment law.</p> <p>Clients seen following referral from another organisation such as: Local Support, Sustain, social workers, tenants residents associations, councillors, MPs and generalist advisors.</p> <p>Provides monthly rent arrears drop in clinics last Wednesday of the month 10-1 in the premises of Southwark Group of Tenants Organisation.</p>	<p>Consultancy line for support agencies 0207 732 2008 (Monday to Friday 10-1 and 2-5)</p>
<p>Cambridge House</p>	<p>Provides specialist level casework and representation.</p>	<p>Cambridge House</p>

<p>Law Centre</p>	<p>Daily reception service for information, advice and signposting.</p>	<p>1 Addington Square, Camberwell, London SE5 0HF</p> <p>Tel: 020 7358 7025 Fax: 0845 305 2162</p> <p>Email: info@ch1889.org www.ch1889.org</p>
<p>Southwark Credit Union</p>	<p>Credit Unions are not-for-profit co-operatives aiming to provide affordable financial services for members of the local community.</p>	<p>Walworth Road: 177 Walworth Road, London SE17 1RW</p> <p>Peckham: 4 Heaton Road, Peckham, London SE15 3TH</p> <p>Opening hours: Monday to Friday - 9.30am to 4.30pm</p> <p>Tel: 020 3773 1751 Email: info@creditunion.co.uk www.creditunion.co.uk</p>
<p>Southwark Group of Tenant's Organisation</p>	<p>Southwark Group of Tenants Organisation is an independent voluntary organisation representing and promoting the rights of tenants and residents groups within the London Borough of Southwark.</p>	<p>Bells Gardens Community Centre, 19 Buller Close Peckham, London, SE15 6UJ</p>

		<p>Tel: 0207 639 6718 www.sgto.org.uk</p>
<p>The Men's Advice Line</p>	<p>Men's Advice Line offers a confidential helpline for men experiencing domestic violence from a partner or ex-partner (or from other family members). They help by providing those calling the line with time to tell their story; offering emotional support; providing practical advice; and signposting clients to other services for specialist help.</p>	<p>Tel: 08088010327 9am – 5pm Mon- Friday Email: info@mensadvice.org.uk</p>
<p>Southwark SOLACE Advocacy & Support Service</p>	<p>Southwark Advocacy & Support Service (SASS), delivered by Solace Women's Aid in partnership with Southwark Council, provides confidential advice, advocacy and support to women and men aged 16 years and over who live in Southwark.</p> <p>They support people who have experienced:</p> <ul style="list-style-type: none"> • Domestic abuse, (inc. physical, sexual, psychological or financial abuse), within an intimate or family relationship • Sexual violence/abuse • Child to parent abuse • Forced marriage • Female genital mutilation • Honour-based violence • Trafficking (into domestic servitude or sexual exploitation) • Abuse within same sex relationships 	<p>Southwark Wellbeing Hub Thames Reach 29 Peckham Road SE5 8UA</p> <p>Tel: 0203 751 9684</p>
<p>National Debtline</p>	<p>National Debtline offer free, impartial and confidential debt advice. They are an independent charity, dedicated</p>	<p>Tel. 0808 808 4000</p>

	<p>to providing free debt advice by phone and online to people across the UK.</p>	<p>9am-8pm Monday – Friday 9.30am – 1.30pm Saturday</p> <p>www.nationaldebtline.org</p>
<p>Step Change Debt Advice Charity</p>	<p>Step Change offer free independent debt advice that is based on a comprehensive assessment of a client’s situation. They then provide practical help and support for however long it’s needed.</p> <p>Step Change provide debt advice online or over the phone. and follow what they describe as simple, three-step process to deal with a client’s debt (see below).</p>	<p>Tel: 0808 138 1111</p> <p>8am – 8pm Monday – Friday 8am – 4pm Saturday</p> <p>www.stepchange.org</p>

1) Tier One factors – Highly likely/probable need for Alternative Payment Arrangements

1.1 Drug/alcohol and/or other addiction problems e.g. gambling

- Tenant declares/has disclosed that he or she has a problem with substance abuse.
- Tenant considers themselves to be addicted/a regular user.
- Substance misuse includes problems with alcohol, any type of illegal drug or improper use of non-illegal substances e.g. glue.
- Feedback from third parties about the individual's addiction should also be taken into account e.g. support agency staff.

1.2 Learning difficulties including problems with literacy and/or numeracy

- Tenant has difficulty reading, writing and/or performing simple mathematical tasks.
- May be evidenced by low/no educational achievement.
- May also be linked to a medical condition (e.g. autism, Down's syndrome).

1.3 Severe/multiple debt problems

- Tenants are unable to meet credit commitments from available income, taking account of minimal necessary expenditure. This may include credit card, personal loan repayments, utility arrears and other debts.
- Severe debt problems could be evidenced by multiple debts and/or non-payment of multiple debts over a period of two months or more and possibly heavy use of the new localised welfare assistance schemes.

The key factor is that the tenant has not made a repayment plan or is not sticking to the terms of a repayment plan, and is a very disorganised money manager.

1.4 Homeless

- As per the Housing Act 1996, a person is homeless if they have no accommodation that it is safe or reasonable for them to occupy, or if they are expected to have no access to accommodation within 28 days.
- In practice, this includes people who are rough sleeping, people who are sofa surfing with friends or relatives, people in hostels, people who are about to be evicted and people in unsafe and unsuitable accommodation such as squats.
- Should have been homeless for more than two weeks or not at the same address for no more than one month.
- Some people who are homeless may still be financially capable.

1.5 Domestic violence and abuse

- Tenants who are currently suffering domestic abuse, or have had domestic abuse inflicted on them.
- This includes any incident of threatening behaviour, violence or abuse (psychological, physical, sexual, financial or emotional) between adults who are, or have been, intimate partners or family members, regardless of gender or sexuality. This can also include forced marriage and so-called 'honour crimes'.
- Abuse that forms a pattern of coercive and controlling behaviour e.g. controlling the other person by using a variety of financial means.

The Council will, in any event work closely with victims of domestic violence or their support workers to determine the most appropriate form of rent payment to ensure tenancies are sustained.

1.6 Mental health condition

- Tenant has a mental health condition (e.g. phobia, bi-polar disorder, severe depression) which impairs their ability to manage their own affairs effectively.
- Feedback from a third party about the symptoms that the individual has should be taken into account, including any evidence from legacy information held.

1.7 Currently in rent arrears/threat of eviction/repossession

- Tenant is currently in arrears with their rent for an amount equal to or more than two months of their rent.
- Tenant has continually underpaid their rent over a period of time, and they have accrued arrears of an amount equal to or more than one month's rent.

- Tenant is known to have been evicted for rent arrears within the last 12 months.
- Tenant is subject to/threatened with eviction and/or repossession.

1.8 Tenant is young: a 16/17 year old and/or a care leaver aged 18-24

- 16/17 year olds – many will have limited or no financial capability and in order to claim UC will have to be in some form of hardship already (i.e. estranged from parents, have a child, be sick/disabled, etc.).
- Care leavers – claimants who have recently been in local authority care and includes those over 17. Most claimants leave care at 18, but local authorities will have continuing responsibility to young people leaving care for several years as corporate parent. Corporate parenting principles require that young people leaving care should be helped to prepare for independent living as adults - including development of the financial skills required to manage money and a household budget. The situation of a care leaver aged 18 will likely differ to that of a young person aged 23 and over time it may be expected that many young people leaving care will be able to pay their own rent and will no longer require an APA. A care leaver's ability to manage their own budget and pay their own rent will be considered at first and subsequent review of the APA and the views of both the care leaver themselves and their social worker taken into account.

1.9 Families with multiple and complex needs

- The tenant is part of a family that is part of the Troubled Families Programme.
- Other families with multiple and complex needs could include a combination of persistent offending behaviour, persistent anti-social behaviour, mental health issues, drugs and alcohol issues, domestic violence, safeguarding issues and debt.
- Feedback from third parties, e.g. family intervention case worker, about the complex and overlapping nature of problems in the tenant's family should be taken into account when deciding whether or when an APA should be reviewed

2) Tier Two factors – Less likely/possible need for Alternative Payment Arrangements

2.1 Third party deductions in place (e.g. for fines, utility arrears)

- Tenant is currently making payments from benefit to repay utility arrears (eg gas, water, electricity).

2.2 Tenant is a refugee/asylum seeker

- This definition applies to those claimants who have been *granted* refugee status, with indefinite leave to remain and with recourse to public funds within the last 12 months.
- Claimant is an asylum seeker who is eligible to claim DWP benefits while their application is being processed.
- Their status impedes their ability to manage their own financial affairs effectively.

2.3 Tenant has a recent history of rent arrears

- Claimant is not in arrears but may have been within the last 12 months and was subject to/threatened with eviction and/or repossession.
- Consider the fact that the claimant may now be financially capable and able to manage their own financial affairs effectively.

2.4 Previously homeless and/or in supported accommodation

- Tenant was homeless (as per definition above) within the last 12 months but is now in suitable accommodation.
- Claimant has moved from supported housing into independent accommodation within the last 12 months.

2.5 Other disability (e.g. physical disability, sensory impairment)

- Tenant has a disability/impairment not covered by the 'mental health condition' section that impairs their ability to manage their own financial affairs effectively.

2.5 Tenant has just left prison

- Tenant has left prison within three months of making their claim to UC.
- Consider only if their status impedes their ability to manage their UC financial affairs effectively – budgeting or other support may be the answer rather than an Alternative Payment Arrangement.

2.6 Tenant has just left hospital

- Claimant has just left hospital within three months of making claim to UC.
- Consider only if their status impedes their ability to manage their UC financial affairs effectively – budgeting or other support may be the answer rather than an Alternative Payment Arrangement.

2.7 Recently bereaved

- Tenant has suffered the loss of a close family member (as described in social fund guidance) within the last three months.
- Consider only if their status impedes their ability to manage their UC financial affairs effectively – budgeting or other support may be the answer rather than an Alternative Payment Arrangement.

2.8 Language skills (e.g. English not spoken as the ‘first language’)

- Tenant does not speak/understand English or does not speak/understand English as their first language.
- Consider only if their status impedes their ability to manage their UC financial affairs effectively – budgeting or other support may be the answer rather than an Alternative Payment Arrangement.

2.9 Ex- Service personnel

- Tenant was a member of HM Forces and was discharged within the last 18 months. This does not include civilian posts with HM Forces or any reserve organisations e.g. Territorial Army.
- Consider only if their status impedes their ability to manage their UC financial affairs effectively – budgeting or other support may be the answer rather than an Alternative Payment Arrangement.

2.10 Not in Education, Employment or Training (NEETs)

- Tenant is aged 18-24 and not in education, employment or training.
- Consider only if their status impedes their ability to manage their UC financial affairs effectively – budgeting or other support may be the answer rather than an Alternative Payment Arrangement.

3) Case Studies

Case Study 1

Lucy is 26 years old and makes a claim to UC and following a conversation with a member of Council staff, it comes to light that she has a drug addiction problem. She is currently a regular user of cannabis and is not receiving treatment (she says her local support service can only treat class A users at present), she wants treatment and says without it she cannot stop 'using'. She is therefore considered for an Alternative Payment Arrangements as she risks spending a large proportion of her UC income on drugs.

A decision is made to pay her rent direct to her landlord and to pay her more frequently than monthly. She is referred for treatment. Her circumstances will be reviewed in 9 months time.

Case Study 2

Gary is 22 and not in education, employment or training and claims UC. Following a conversation with his rent income officer, it comes to light that he has dyslexia and struggles to read. He does not understand basic written documents and finds it difficult to manage his finances.

During the conversation with him we discover that he also has debts. Although he does have some agreements in place to repay his arrears he is not sticking to the terms and therefore risks further action if he continues to fail to pay.

He is also in debt to family members and is paying small amounts in erratic ways and well below what was agreed.

He continues to borrow more money from friends to cover his debt payments. This is causing him a lot of anxiety.

It is agreed to pay his UC housing costs direct to his landlord. His case will be reviewed in 6 months time.

Case Study 3

Susan claims UC and when the Council receives notification from UC her housing officer can see that she has over 2 months' rent arrears. The housing officer decides that direct payment to the landlord would be appropriate from the start of the claim to ensure that rent payments are made and so that rent arrears may be paid down.

This is welcomed by Susan as this will help her manage her outgoings while she looks for another job.

The housing officer applies for an APA and decides that it will be reviewed in 12 months time.

Case Study 4

Tracy was a victim of domestic violence and financial abuse. Her partner John, with whom she was a joint tenant of a Council property, had named himself as the person to whom all payments should be made when they first claimed UC. As part of a wider pattern of financial abuse and coercive control, the partner used UC payments to fund his lifestyle – not to meet basic household costs, including rent. This behaviour resulted in debts building up but John deprived Tracy of access to money and withheld information about their financial situation from her. When the Council eventually became aware of the domestic violence Tracy's housing officer applied for a double APA – one to split the UC payment between Tracy and her partner and another to ensure that housing costs were paid directly to the landlord for a period of at least twelve months.

This was welcomed by Tracy. She wished to remain in her home and the APA ensured that she had access to money and that bills and debts were being paid as she took advice on how John might be removed from the property and his name removed from the tenancy.