

TEMPORARY ACCOMMODATION RENT ARREARS POLICY AND PROCEDURE

Head of Service:	Rod Brown, Head of Housing & Community
Report Author	Annette Snell
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
Appendices (attached):	<ul style="list-style-type: none">- Appendix 1: Rent Arrears Policy and Procedure.- Appendix 2: Equality Impact Assessment (EIA) - Rent Arrears Policy and Procedure

Summary

The Rent Arrears Policy and Procedure outlines how the council manages rental income, rent arrears, and possession proceedings for non-secure tenants and licensees living in interim and temporary accommodation provided or managed by the Council.

The policy and procedure have been reviewed and updated to reflect current legislation, government guidance and good practice.

Recommendation (s)

The Committee is asked to:

- (1) **Approve and adopt the Council's new Rent Arrears Policy and Procedure for Temporary Accommodation, as set out in Appendix 1.**

1 Reason for Recommendation

- 1.1 The new policy and procedure will enable the Council to manage rental income more effectively, by reducing rent and service charge arrears, while offering appropriate support to tenants and licensees. The rental income the Council receives helps fund the Housing Service.

2 Background

- 2.1 The Rent Arrears Policy and Procedure outlines how the Council manages rental income, rent arrears, and possession proceedings for non-secure tenants and licensees living in interim and temporary accommodation provided or managed by the Council.

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- 2.2 The Rent Arrears Policy and Procedure is based on a staged escalation process which is dependent on the amount, and length of time, the tenant or licensee is in arrears. This process is supported by the Rent and Arrears module on the Abrisas Housing IT system.
- 2.3 The Council's approach initially focuses on sustaining tenancies and licences through arrears prevention, early intervention, advice, support, and the maximisation of income to prevent, minimise or manage debt. Affordable Repayment plans will be agreed and confirmed in writing.
- 2.4 The Council will take into account the specific needs of vulnerable tenants. Assistance will be provided to vulnerable households to ensure that appropriate support measures are put in place to assist them with managing their rent account and/or arrears.
- 2.5 Eviction is only pursued as a last resort where all other methods of resolution have been unsuccessful and after all requirements of the pre-action protocol have been met.
- 2.6 When legal action is required to seek possession of a property, the action must be reasonable, proportionate and adhere to statutory requirements and the Pre-Action Protocol for Possession Claims by Social Landlords.
- 2.7 This policy and procedure applies to rent, service and storage charges and the recovery of former tenancy arrears and is applicable to all non-secure tenants and licensees who are accommodated in interim/temporary accommodation under s.188 or s.193 of the Housing Act 1996 (as amended) or who are licensees at Woodside, Defoe Court, East Street, Epsom.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

- 3.1.1 There is the potential for some households with protected characteristics (age, disability, race) to be more at risk of rent arrears. We have taken these factors into account when approaching arrears recovery by using a range of methods to mitigate these risks. These are outlined in the Equality Impact Assessment (EIA) and the policy and procedure.

3.2 Crime & Disorder

- 3.2.1 None identified

3.3 Safeguarding

- 3.3.1 Assisting homeless households manage and reduce rent arrears will have a positive impact on safeguarding.

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3.4 Dependencies

3.4.1 This policy and procedure is also linked to the Council's Housing Allocations Policy which refers to the sanctions associated with being in arrears and its impact on applying for social housing through the Housing Needs Register.

3.5 Other

3.5.1 Having a robust policy and procedure reduces the risks associated with managing rent arrears, and potential delays in taking action.

4 Financial Implications

4.1 The policy and procedure will provide a framework to assist with rental income maximisation and reducing the amount of rent owed to the Council by non-secure tenants and licensees living in interim and temporary accommodation.

4.2 **Section 151 Officer's comments:** This policy supports the Council's broader financial resilience by reducing arrears write-offs and maximising rental income.

5 Legal Implications

5.1 The policy and procedure provide clear aims and objectives to ensure that the Council complies with its statutory duties within the above legislation and the associated government guidance. Having policies in place to allow the Council to achieve its statutory requirements is good practice. The policy and procedure will enable the Council to remain compliant with legislation issued by central government and ensures compliance with the Pre Action Protocol for Possession Claims by Social Landlords.

5.2 Relevant legislation:

Protection from Eviction Act 1977
Housing Act 1985 and 1988, 1996
Homelessness Reduction Act 2017
Human Rights Act 1998
Equality Act 2010
Welfare Reform Act 2012
UK General Data Protection Regulation & Data Protection Act 2018
Pre-Action Protocol for Possession Claims – Civil Procedure Rules
Coronavirus Act 2020

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- 5.3 The Pre-Action Protocol for Possession Claims by Social Landlords came into effect on the 6th of April 2015 (updated 13th January 2020 to include temporary accommodation) and is the legal framework in England and Wales which outlines the steps social landlords (such as councils and housing associations) must take before initiating court proceedings to evict a tenant due to rent arrears. The protocol is very clear that possession claims should only be brought as a last resort and failure to adhere to the protocol may result in the Council being unable to regain possession of the property and/or being liable for costs.
- 5.4 The existing arrangements for managing rent arrears are currently only outlined in a procedural document. This update version formalises those arrangements into an approved policy that also strengthens our approach to rent arrears by ensuring it is more financial resilience, focusing on tenancy sustainment and maximising rental income and ensuring compliance with the Pre-Action Protocol for Possession Claims by Social Landlords.
- 5.5 **Legal Officer's comments:** None other than as outlined in the above report.

6 Policies, Plans & Partnerships

- 6.1 **Council's Key Priorities:** The following Key Priorities are engaged:
- Safe & Well: Work with partners to improve health and wellbeing of our communities, focusing in particular on those who are more vulnerable.
- 6.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.
- 6.3 **Climate & Environmental Impact of recommendations:** None.
- 6.4 **Sustainability Policy & Community Safety Implications:** None for the purpose of this report.
- 6.5 **Partnerships:** The Council values the partnerships established with providers of temporary accommodation and adopting this policy will have a positive impact on these partnerships by managing rental arrears effectively.
- 6.6 **Local Government Reorganisation Implications:** This policy is guided by the Pre-Action Protocol for Possession Claims by Social Landlords and as such is intended to be broadly similar to other similar policies from other councils. The Council will benefit from the adoption of this policy prior to Local Government Reorganisation. It would be anticipated any future Unitary Authority may, over time, move to unify relevant policies including those dealing with rent arrears.

7 Background papers

- 7.1 The documents referred to in compiling this report are as follows:

Previous reports:

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- None

Other papers:

- None