

Cheshire West & Chester Council

West Cheshire Homes

Applicants with

Housing Related

Debts



Introduction

This guide aims to give an overview of how we will deal with those applicants who have housing related debts relating to either their current or a previous social housing tenancy.

What do we mean by a housing related debt?

A housing-related debt includes:

- a) Current or former tenancy rent arrears of a social housing tenancy;
- b) Outstanding re-chargeable repairs;
- c) Current and former housing-related service charge arrears;
- d) Bed and breakfast or other temporary accommodation charge arrears;
- e) Any court costs associated with any of the above debts.

The rules relating to applicants with housing related debts

This section sets out the rules for applicants with housing related debts

Current tenancy housing related debts

Where an applicant has rent arrears or housing related debts relating to their current tenancy these arrears will need to be under £1,000 in order to register with West Cheshire Homes. An application will not be made live until all the account is cleared. However, the priority date will be backdated on clearing the debt to the date of the initial application.

Former tenancy housing related debts

Where an applicant has arrears relating to a former social tenancy and those arrears are above £1,000 an applicant will not be able to join the housing register. However, if these arrears are reduced to under £1,000 and a repayment schedule is in place, they may register accruing time on the register but will not be able to bid for any vacant property until either the account is clear or 13 consecutive weekly payments have been made.

The procedure we will follow

When carrying out an assessment, we will take into consideration all housing-related debts, associated with either a current or former tenancy. We will also take into account housing-related debts that apply to both the applicant and any members of their household included within their application for housing. The following procedure will be applied to applicants where there is evidence of a social housing-related debt:

1. We will consider whether the applicant still owes that debt, and if they do, the extent of the arrears/debt and whether it is a recoverable debt;

2. We will consider whether there are exceptional circumstances and, if there are exceptional circumstances, then the applicant may not be subject to the rules detailed above;
3. We will consider whether the applicant has taken debt advice, acted on it, entered into and begun to implement any arrangement to clear the arrears/debt;
4. We will lastly consider whether an arrangement has been made, the amount of arrears/debt paid off, any amount outstanding, and the regularity of any payments made.
5. Please be advised that any housing related debt included in a Debt Relief Order or Bankruptcy which have been discharged will not be taken into consideration.

Demonstrating changed behavior by repaying and/or clearing the debt

Those applicants with a housing related debt will be required to demonstrate that they have changed their behavior and are able to meet the terms and conditions of any new tenancy that may be offered to them. The applicant will need to demonstrate that they have changed their behavior by firstly, recognising that they have a housing related debt and secondly, they have entered into an agreement to repay the debt and are keeping to that agreement.

Things to consider when repaying any housing related debt

Where an applicant has taken out a loan to pay off all or a substantial proportion of the debt this will not normally be accepted as evidence that an applicant is committed to meeting their rental obligations for a future tenancy. The purpose of requiring regular payments to pay off the debt is that this provides evidence that an applicant is less likely to default on their rental obligations in the future. Customers will be expected to continue to make payments towards the debt while they are on the register; if a customer fails to do this they can be excluded again for a further period of time until they can demonstrate that they have been making a further 13 consecutive payments.

Where the applicant subsequently clears their debt, it will be at the discretion of the Housing Association to whom the debt was owed as to whether they will consider the applicant for housing again. However, it will not prevent an applicant from being considered for housing by the Council itself or by another Housing Association.

Are there any exceptions?

The only exception to the rules around housing related debt is those applicants who can demonstrate that their circumstances are exceptional and that the household faces serious hardship through not being considered for housing despite the housing related debt.