

2018

Rent Arrears Strategy

Giving BME people equality, dignity and hope.



Contents

- A Introduction
- B Methods of Payment
- C Policy Strategy Statement
- D Implementation
- E Confidentiality
- F Priorities
- G Responsibility
- H Consultation
- I Review
- J Associated Documents



Approvals

Date approved by Governing Body:	
Date policy implemented:	
Date of first review:	October 2018
Period for subsequent reviews:	Two years



Contents

	<u>PAGE</u>
A Introduction	5
B Methods of Payment	6
C Policy Strategy Statement	7
D Implementation	8
E Confidentiality	11
F Priorities	12
G Responsibility	13
H Consultation	14
I Review	15
J Associated Documents	16



INTRODUCTION

A

1. We aim to collect the maximum amount of rent income, service charges and any other occupation charge (referred to as “rent”) promptly from tenants to protect the provision of services. Our aim is to be in the upper quartile for performance in this area. Where arrears of rent do occur, we will take a firm but fair approaches with the aim of helping tenants remedy the situation. The Rent Arrears Protocol will be taken into consideration prior to any legal action.
2. The ethos of our strategy is that help and assistance will be made available to those who have fallen into arrears and want to take steps to remedy this. However, we consider rent to be a priority debt.
3. We are committed to equality of opportunity and value diversity in the provision of services. We believe that everyone has the right to be treated with dignity and respect and are committed to the elimination of unfair and unlawful discrimination in all its policies, procedures and practices. We are determined to ensure that our stakeholders do not receive less favourable treatment on the grounds of their age, child care or other caring responsibilities, disability, gender, HIV status, marital status, race, religion, sexuality, or by any requirement which cannot be shown to be justifiable.
4. This policy applies to the legal occupant of any property owned or managed by Shian Housing Association. The Policy sets out the framework for maximising our income and covers the following issues:
 - Rent collection and payment methods available
 - Incentives used to encourage prompt payment
 - The support given to tenants who experience difficulty in paying
 - Action that will be taken when payments are not made



Methods of Payment

B

5. We will provide a variety of convenient and flexible rent payment methods to maximise the opportunities for tenants to pay their rent and service charges. These are detailed below:
 - Allpay who have facility to receive payments by
 - Cheque or cash using a Allpay Payment Card at a paypoint or the Post Office
 - Debit/credit card
 - Online payment at www.allpay.net
 - Direct Debit
 - standing order
 - cheque or postal order through the post sent to Shian
 - telephone payment by bank or credit payment card (using Call Pay)
 - Bank Giro payment book (this however is being phased out)
 - Shian's office
 - Cash or cheque

Policy and Strategy Statement

C

Current Arrears

6. We adopt a firm but fair approach to rent arrears recovery, and will consider each case on its merits. We understand that a tenant's personal circumstances may change (for example, through illness, unemployment or the birth of a child) and that this can sometimes make it difficult to pay the rent, however, rent is a priority debt and should be paid at all times.
7. Our policy and strategy for controlling rent arrears is to inform tenants promptly of changes to their rent charges and make early personal contact with tenants whose accounts go into arrears. Where possible, tenants will be signposted to agencies for relevant support/advice.
8. We will make available to individual tenants, at all stages of the recovery process, private interviews or home visits, and debt counselling through sign posting them to Citizens Advice Bureau or an external agency. We will undertake a financial assessment of a tenant's circumstances with a view to making arrangements to pay full rent and a realistic payment to clear arrears.
9. We will endeavour to follow the spirit of the guidance outlined in the Pre- action Rent Arrears Protocol. The actions taken will be reviewed with the Operations Director following non-cooperation by the tenant.



10. We will, in cases of persistent arrears, take legal action to repossess the property under the relevant section(s) of the relevant Housing Act. Whilst being mindful of current case law. Tenants will generally be informed of the reasons for legal action, the implications of the action and where they can get help and advice. At all times each case will be considered on its merits. We will not use distraint on current tenant arrears.

Former Tenant Arrears

11. We will use any legal and economically viable method to recover former tenant debt including seeking judgements in the County Court and we reserve the right to use tracing and debt recovery agencies. In the case of former tenants distraint can be used.

Benefit

12. We will offer all tenants help and advice in applying/renewing for Benefit claims.

Implementation

D

13. All tenants will be given advice on how to pay their rent.
14. All prospective tenants will be given basic advice and guidance about benefits and, where appropriate guidance/advice on how to complete application.
15. We will maintain a computerised rent accounting system that highlights tenants in arrears and assists staff in arrears monitoring and recovery.
16. All Tenancy Services Officers will be responsible for giving advice and guidance in managing rent and arrears.
17. The procedure for rent arrears recovery gives full details of the action to be taken and a timetable for action. The main points of our Arrears Procedures are:
 - We will comply with the Pre-Action Protocol (issued by the Civil Justice Commission) or any amendments to the Protocol.
 - All tenants will be offered help in completing benefit forms where applicable.
 - Tenants' entitlement to Benefit will be calculated using the government benefit tool where required.
 - Rent is payable at minimum weekly in advance on Monday. If any tenant pays rent monthly, rent needs to pay monthly in advance on the 1st day of each month.
 - New tenants are generally visited within the first 4 weeks of their tenancy to ensure that correct rent payments are being made (and any problems discussed) and that any Benefit claims have been submitted.



- Messages stressing the importance of tenants giving priority to payment of rent will be given a high profile, with regular articles in the newsletter.
- Where rent arrears are more than 4 weeks' and tenants are in receipt of Housing Benefit or Universal Credit, an application for the 3rd Party Direct Deduction/Alternative Payment arrangement will be made to recover rent arrears from their ongoing welfare benefit.
- for Universal Credit claimants, a request for Alternative Payment Arrangement will be made at the stage of Rent Verification where tenants have cumulated 4 weeks or more rent arrears. This is to ensure that the rent element of the Universal Credit is directly made to Shian.
- At the rent verification stage, the application for 3rd Party Direct Deduction will be made to clear the historic rent arrears for all Universal Credit applications.
- 3 monthly rent statements will be sent out giving transactions from the first Monday in April.
- New tenants generally will be provided with basic information on benefit entitlement.
- Tenants will be given access details of My Tenancy, so they can access their rent account at their convenience and take actions promptly of any change to rent payable.
- Warning letters will be sent to all tenants who fall into rent arrears. The first letter will include a Rent statement:-
- Information will be made available to tenants in plain English.
- Vulnerable tenants will be identified to ensure that rent payments and recovery procedures are tailored if possible to their special needs, and that ongoing additional support needs are signposted to appropriate agencies.
- We will ensure tenants are signposted for advice on welfare rights advice across the full range of benefits, via the Citizens Advice Bureau, or suitable agency.
- We will always seek to make contact with the tenant before the service of a Notice of Seeking Possession (NOSP)/Notice of Possession Proceedings (NPP). At this time every effort will be made to try and ascertain the financial position of the tenant and make an appropriate arrangement for the repayment of the debt
- A NOSP/NPP will generally be served when the outstanding arrears total equates to 4 weeks or more of the gross rent payable, unless there are identifiable extenuating circumstances. This takes into account the fact that no tenant's circumstances are the same.
- Court action will, generally, be commenced when the outstanding debt total equates to 8 weeks or more of the gross rent payable.
- Where an agreement to repay arrears has been made between the tenant and ourselves, which has been kept to, an Adjourned or Suspended Possession Order will be requested at the court hearing and this will be pursued where the tenant is in breach of the Order
- In cases where the tenant has not made an agreement, an outright Possession Order will be sought
- Other legal remedies used may include attachment of earnings, money judgement orders or garnishee orders.



- All requests for eviction are generally to be requested by the Tenancy Services Officer(s) and authorised by a Director. Unless there are identified extenuating circumstances these should be made where tenants have breach the Suspended /Postponed Possession Order.
 - Tenants should be, were possible, advised–signed post to where they can on how to get independent advice.
 - Reasonable repayment arrangements will always be considered, which can be altered to allow for changes in circumstances
 - Direct repayment of arrears from benefits will be sought where appropriate
 - Possession action will generally not be taken where tenants have made and kept to agreed repayment arrangements, including direct deductions from benefit
 - Tenants will be advised, were possible, of the consequences of failure to attend court.
 - We will signpost tenants on how to get advice on varying a court order were their circumstances have changed, financial or otherwise, such that they cannot comply with the current court order.
 - We will liaise with the homelessness section and any agency involved with the tenant, where eviction and subsequent homelessness appears inevitable.
18. The procedure emphasises the need for personal contact throughout the debt recovery process.
19. We will treat all joint tenants as jointly and severally responsible for rent arrears on the account.
20. The Tenancy Services Officer will liaise with the appropriate agencies on the payment of rent direct to Shian for vulnerable tenants or tenants with arrears in excess of 4 weeks. The Tenancy Services Officer should be mindful of any Service Level Agreement in place with the relevant Benefit Team of the relevant Local Authority or any other body responsible for payment of the housing element of benefit to cover such matters as the timescales for processing claims, interim payments, information sharing, benefit overpayments and monitoring and review process.
21. Raising tenants’ awareness about rent arrears, and encouraging Benefit take up, will be carried out.
22. For Rent Refund Request, regardless of tenant’s payment pattern, a sum equivalent of 1-month rent will be retained on the tenant’s rent account. This is to ensure that tenants are prepared for the Universal Credit and the rent account is in line with the conditions of the Tenancy Agreement. This is also to ensure that rent account does not fall in arrears as soon as the rent refund request is processed.
23. In the instance, where a lump sum payment has been received from the Housing Benefit due to a backdated claim, a rent refund request will only be processed following verification from the Housing Benefit Services. This is to ensure that there isn’t any pending Housing Benefit Overpayment on the claimant’s account.



Confidentiality

E

24. We will treat, as confidential, all information relating to the personal circumstances of the tenant, unless authorised by the tenant or required by law.
25. We will release information on tenants who are at risk of homelessness to local authority homelessness teams subject to General Data Protection Regulations.

Priorities

F

26. It is essential to the effectiveness of this policy and strategy that all elements are given equal priority.

Responsibility

G

27. The overall responsibility for the effective implementation of this policy and strategy lies with the Operations Director.

Consultation

H

28. Prior to any proposed changes to this policy and strategy being implemented, consultation will be held with:
 - the relevant staff;
 - Scrutiny Panel
 - the Management Board

Review

I

29. We will review its rent arrears policy and strategy formally on a Two yearly basis.
30. A quarterly report will be submitted to the Management Board giving performance details on rent collected as a percentage of annual gross rent.

