

## HOUSING SOLUTIONS GROUP

# RENTAL INCOME MANAGEMENT POLICY

Reference: HSL/RA/JO/08

Approved: 13/06/01

Revised: 12/11/03  
13/09/06  
17/06/08

## 1 **Statement of Intent**

- 1.1 The Housing Solutions Group (the Group) and its subsidiaries must ensure the effective management of rent collection as this is crucial to their financial viability. To safeguard its position the Group will endeavour to ensure that all rent payments are made in line with the tenant's obligations, as detailed in the Tenancy Agreement.
- 1.2 The Group is committed to focusing on the prevention of arrears occurring, however we recognise that some tenants will accrue arrears. Tenants with rent arrears will be given every assistance and opportunity possible to overcome financial difficulties, although it remains of paramount importance that rent payments are received by the Group when due.
- 1.3 This policy applies to the Housing solutions Group and its subsidiaries:
  - Bridgewater Housing Limited;
  - Furnival;
  - Maidenhead and District Housing Association (*but excluding tenants of market rented homes – see section 10*).

## 2 **Aims**

- 2.1 The aims of this policy are to ensure that;
  - 2.1.1 Rent arrears are kept to a minimum and rental income is maximised;
  - 2.1.2 Where possible, rent arrears are prevented from occurring in the first place;
  - 2.1.3 Vulnerable tenants are afforded appropriate protection and assistance if they fall into rent arrears;
  - 2.1.4 Staff have the appropriate skills and guidance to effectively manage complex situations;
  - 2.1.5 Legal remedies including eviction are used in only in the most appropriate circumstances, and;
  - 2.1.6 Legal guidelines and good practice are adhered to (please see Appendix 1 for the Pre-Action Protocol on Possession Claims for Rent Arrears).

## **HOUSING SOLUTIONS GROUP**

- 2.1.7 Former tenant arrears are dealt with promptly and, where there is a high probability the debt is irrecoverable, that it is written off.

### **3 Rent Arrears Management**

- 3.1 The Group employs a specialist team (The Rent Team) to manage the collection of rent arrears.
- 3.2 The Rent Team work in partnership with other internal teams (Finance, Supported Services and Neighbourhood Management) and relevant external agencies (e.g. local authority Housing Benefit Departments and the CAB) to deliver a comprehensive rent arrears management service.
- 3.3 The Rent Team work to an agreed set of service standards which are outlined in Appendix 2.
- 3.3.1 All rent accounts are managed on the Group's IBS housing management software package.

### **4 Rent Collection & Arrears Prevention Services**

#### **4.1 Rent Collection**

- 4.1.1 The Group offers a wide range of methods to make rent payments designed to meet the diverse needs of our customers. Current rent payment options include:
- Cash desk facility in the Group's customer reception;
  - Direct Debit;
  - Standing Order;
  - 'All Pay' swipe card;
  - Debit or Credit Card (in person or over the telephone), and;
  - Via internet banking (though not on-line payment as yet).

- 4.2 It is Group policy that Direct Debit is the preferred method of payment and tenants will be encouraged to use this method where possible.

- 4.3 Rents and service charges are also paid direct from local authorities as Housing Benefit or Supporting People Charges.

#### **4.4 New Tenants.**

- 4.4.1 All new tenants are clearly advised of their responsibilities to ensure that their rent is paid in full and on time. They are also advised that it is their responsibility to ensure that they make and maintain claims for Housing Benefit with the relevant local authority.
- 4.4.2 The Group will provide advice and assistance on rent payment responsibilities and benefits entitlements to any new tenant requiring such help.

## **HOUSING SOLUTIONS GROUP**

4.4.3 The Group is proposing to trial the payment of rent in advance for new tenants to reinforce the tenant's responsibility to make regular rent payments. Payments would be reimbursed against any future Housing Benefit payment. However, deposits will not be sought for tenants in affordable rented accommodation.

4.4.4 All new tenants will be visited by their Housing Officer after six weeks to check they are settled in and to address any early problems that may have arisen. The Rent Team will advise of any rent arrears issues that will need to be mentioned at this visit.

### 4.5 Current Tenants.

4.5.1 All tenants will receive a quarterly statement of their rent account to ensure that they are kept up to date with the balance of their rent account.

4.5.2 All tenants have access to the Rent Team to seek advice and assistance on paying their rent and any arrears owed. This includes a Tuesday evening surgery at the Group's offices and home visits where required.

4.5.3 Tenants falling into rent arrears will receive prompt notification (see Rent Arrears Procedure in Appendix 3) of this from the Group.

4.5.4 Tenants can receive guidance on how to manage their rent payments, any rent arrears and other debts from the Group (see 'Advice and Assistance' below) or be referred to an appropriate external agency that can provide detailed, independent advice.

4.5.5 All tenants can benefit from the Group's incentive schemes which are aimed at encouraging adherence with the terms of the tenancy. This includes the 'GIFT' scheme where tenants not in arrears or other breach of their tenancy agreement are entered into a prize draw and the new 'End of Tenancy Bonus' scheme where £100 is paid at the end of a tenancy if the tenant has paid all rent and other monies due as well as left the property in a good condition.

4.5.6 The effectiveness of incentive schemes are regularly monitored to ensure that they are providing value for money for the Group.

### 4.6 Housing Benefit

4.6.1 The Group will endeavour to ensure that any delays in the payment of Housing Benefit from the relevant local authority are kept to an absolute minimum where possible. This includes the prompt provision of information to tenants and Housing Benefit Departments regarding annual rent increases and other changes or amendments to rent or service charge levels.

4.6.2 The Group will encourage all tenants in receipt of Housing benefit to have it paid direct onto their rent account to minimise delays and possible arrears arising from poor financial management skills.

4.6.3 The Group will endeavour to work closely with local authority Housing Benefit

## **HOUSING SOLUTIONS GROUP**

Departments to ensure that there is a positive working relationship and that there are clear channels of communication open to effect the swift resolution of any problems. Where possible the Group will establish formal service level agreements with Housing Benefit Departments to define their working relationship formally.

- 4.6.4 Where there is a claim of over-payment of Housing Benefit onto a tenants rent account the Group will ensure that these comply with regulations and any service level agreement in place. Housing Benefit over-payments will be challenged if the Group believes the claim to be incorrect. Where repayments of over-payments are made the affected tenant will be informed immediately and appropriate recovery action taken to recoup the monies owed.

## **5 Rent Arrears Recovery**

- 5.1 The Group's full rent arrears recovery procedures are outlined in Appendix 3 and aim to be in full compliance with the Protocol for Possession Claims (appendix 1). The core principles of these are outlined below:

### **5.2 Early Intervention:**

- 5.2.1 The Group believes that the best way of minimising rent arrears is by preventing them becoming a major, long-term problem wherever possible.
- 5.2.2 It is the Group's policy to inform tenants of rent arrears after one week.
- 5.2.3 Small arrears are notified as standard by the quarterly rent statement and by individual attention by Rent Team officers.
- 5.2.4 Wherever possible, personal contact with tenants in arrears is attempted prior to any legal notices being served.

### **5.3 Repayment Arrangements.**

- 5.3.1 It is required that rent arrears are repaid as quickly as possible. Arrangements to repay arrears of rent that have accrued will be made according to the financial circumstances of the tenant/s in question.
- 5.3.2 The Group will make repayment arrangements for tenants in rent arrears according to their personal circumstances. For example, those with adequate income and no other debts will be required to repay debts quickly, if not immediately, while those with very limited income and multiple debts will be counseled to make repayments at an affordable level.
- 5.3.3 Where a tenant in serious arrears is receiving Income Support or similar welfare benefits they will be encouraged to apply for benefit direct payments onto their rent account to clear the outstanding arrears.

### **5.4 Vulnerable Tenants**

- 5.4.1 All tenants must pay their rent but the Group recognises that some have

## **HOUSING SOLUTIONS GROUP**

difficulties maintaining their responsibility for reasons often beyond their control. The Group refers to such tenants as vulnerable.

- 5.4.2 Tenants can be classed as vulnerable for a number reasons including physical and mental health disabilities, learning difficulties, being elderly, chronically sick and having temporary or permanent financial management problems resulting from these or a wide range of other causes. Not all persons in these groups actually need assistance or fall into arrears so this is general guidance.
- 5.4.3 The Group will ensure that the needs of vulnerable tenants are taken into account when taking action to recover rent arrears. This includes making appropriate repayment arrangements, varying procedures accordingly and liaising with appropriate internal departments and external agencies to provide support.
- 5.4.4 The Group provides a range of internal support services for vulnerable client groups including sheltered and supported housing schemes, mobile warden services and floating support. Assistance with managing rent payments and arrears management is integral to these activities.
- 5.4.5 Any tenant outside of these services (e.g. a frail elderly tenant in general needs accommodation) will receive appropriate support and consideration from the Rent Team and other staff to enable them to manage their rent payments.

### 5.5 Legal Action and Alternatives

- 5.5.1 The Group will take legal action to recover rent arrears where the tenant responsible is failing to take adequate steps to resolve the situation. The Group will do this to protect its position in the event of the tenant defaulting on payments for long periods of time or failing to maintain regular repayments of a debt.
- 5.5.2 Initial legal action involves the service of a Notice of Seeking Possession (NOSP). This will only be done after staff have attempted to contact the tenant in question in person.
- 5.5.3 The Group will not serve a NOSP or commence legal action against a tenant where there are delays in the processing of Housing Benefit which are not the fault of the tenant.
- 5.5.4 Applying to Court for a possession hearing is not a matter the Group takes lightly as this has profound effects on the tenants' legal status, adds court costs to the tenants' existing debt and can affect credit ratings. This will be done only where a tenant has failed to make or maintain arrangements to repay the debt owed and / or failed to claim Housing Benefit or provide relevant documentation or evidence of income to support a claim.
- 5.5.5 The Group will only seek to evict tenants where there is a continued and willful refusal to make and maintain arrangements to repay the debt owed in line with the order set by the Court and disregarding offers of support and

## **HOUSING SOLUTIONS GROUP**

assistance from the Group or other agencies. The Group can only evict on the authority of the Court.

- 5.5.6 Where possible the Group will seek alternatives to legal action to recover rent arrears. This may include use of benefit direct payments for arrears or mediation where there is a dispute between the Group and the tenant in question.

### **6 Advice and Assistance**

- 6.1 The Group will provide general advice and assistance on rent account management, debt advice and welfare benefits, including Housing Benefit, as a standard service to all tenants who require such.
- 6.2 However, the Group and its staff cannot provide in-depth assistance in complex cases where there are multiple debts and wider financial and social issues. Services to support vulnerable tenants referred to above do address some of these issues but this cannot cover all tenants' needs.
- 6.3 The Group will develop relationships with external agencies such as the Citizen's Advice Bureau to provide a referral service for tenants requiring detailed advice and assistance with their rent arrears and wider problems. The contact details of such organisations will be provided generally to all tenants via publications such as Streets Ahead and the Tenants' Handbook, but also directly to tenants in rent arrears via arrears letters, leaflets and personal contact.
- 6.4 Such external agencies are also available to tenants wishing to obtain an independent opinion or legal advice on their rent arrears situation and any legal action the Group might be taking against them to recover unpaid rent.

### **7 Disincentives to Arrears**

- 7.1 Tenants who are in rent arrears are failing to maintain the responsibilities of their tenancy as detailed in the tenancy agreement. The Group will withdraw certain services from tenants in rent arrears to reflect this breach of contract. Examples of services that will be withdrawn are listed below.
- 7.1.1 Transfer applications will be refused or live cases suspended;
- 7.1.2 Mutual exchanges and assignments will be refused;
- 7.1.3 Planned maintenance and improvement works (such as new kitchens and bathrooms) will be withheld\*;
- 7.1.4 Non-essential response repairs (e.g. fencing) will be withheld.\*
- 7.1.5 *\*Except where health and safety requirements demand the work takes place. In this instance only the absolute minimum of work will take place (e.g. there*

## **HOUSING SOLUTIONS GROUP**

*will be no choice in style or colour of a replacement kitchen or bathroom).*

- 7.1.6 Where repayment arrangements have been agreed with a tenant and maintained for a minimum period of six months the above rules may be waived. This is dependant on the circumstances relating to each individual case.
- 7.1.7 Garages will be repossessed following service of a Notice to Quit where there are any arrears of rent on the main tenancy. Repayment arrangements are not accepted on garage tenancies.
- 7.1.8 Voucher payments for attendance of Focus Groups, prize draws for surveys or Mystery Shopping work will not be made. Instead the relevant sum will be credited to the account in arrears.
- 7.1.9 The names of tenants who have been evicted for rent arrears will be published in the Group's newsletter 'Streets Ahead'.

## **8 Miscellaneous**

### **8.1 Joint Tenants**

- 8.1.1 Joint tenants are jointly and severally liable for any arrears that occur. This means that each joint tenant can be individually and separately responsible and pursued for rent arrears. E.g. where one joint tenant leaves without terminating their tenancy the remaining joint tenant will be liable for all of the rent not 50% and vice versa.
- 8.1.2 The Group will endeavour to contact joint tenants separately in the event of serious arrears occurring and prior to and during any possible or actual legal action.

### **8.2 Death of Tenant**

- 8.2.1 The full rent for a property remains payable following the death of a tenant until possession of the property is returned to the Group (the keys are returned) where there is no successor to the tenancy. Any Housing Benefit entitlement will cease at the end of the week after the date of death.
- 8.2.2 The Group will seek to recover outstanding rent from the deceased's estate where appropriate. Where there is no estate and / or no resources available to settle the account of the deceased the Group will move to write off the monies owed.
- 8.2.3 Where there is a successor (please refer to the Succession and Assignment Policy) to the tenancy any arrears owned by the deceased remain with the deceased's estate and do not pass to the tenancy of the successor except where there was an existing joint tenancy.

### **8.3 Rights to Buy and Acquire**

## **HOUSING SOLUTIONS GROUP**

8.3.1 All rent and other monies owed must be paid at completion or the Group will not agree to proceed.

### 8.4 Garages

8.4.1 A Notice to Quit will be served on garage tenancies where there are arrears. The garage will be repossessed on expiry of the notice if the debt is not cleared and any cost of the lock change and clearance or storage of vehicles or property within will be recharged to the tenant.

### 8.5 Utilities

8.5.1 Utility accounts will be updated quarterly and tenants will receive quarterly account statements. Failure to pay within seven days of receipt of a Quarterly Statement will result in a reminder being sent. A final reminder will be sent after four weeks, and if the account remains unpaid after a further seven days have lapsed, a Notice of Disconnection will be hand delivered. If no arrangement is then made to settle the account the utility supply will be disconnected. Any reconnection may be subjected to a deposit charge.

## 9 **Former Tenant Arrears (including write-off policy)**

9.1 The Group will ensure that every reasonable step is taken to prevent arrears being left on a tenants rent accounts once they have ended their tenancy.

9.2 Where there are former tenant arrears (FTA's) the Group will seek to recover these in full as quickly as possible.

9.3 Group staff are empowered to make negotiated repayment arrangements with former tenants up to and including the write off of a maximum of 50% of the total debt.

9.4 The Group employs a reputable collection agency to recover FTA's that it has not been able to recover easily itself.

9.5 All FTA's that prove to be irrecoverable after 12 months will be written off with the permission of the Board.

9.6 Written off debts are sold to the collection agency so that there may be continuing recovery activity.

9.7 Records of written off debts are maintained by the Group so that future recovery action is still possible if the former tenant reapplies for housing at a later date.

## 10 **Market Rent Tenants**

10.1 Tenants who rent homes via the Group's market rent schemes are not subject

## **HOUSING SOLUTIONS GROUP**

to the terms of this policy outlined above.

- 10.2 All such tenants are expected to maintain regular monthly payments of rent in advance, preferably by Direct Debit.
- 10.3 A deposit is held by the Group for such tenancies. This deposit may not be used in lieu of rent at any stage during the tenancy.
- 10.4 Failure to maintain regular rent payments will result in appropriate notice being served to terminate the tenancy and legal action commenced to recover all monies owed.

### **11 Performance Monitoring**

- 11.1 The Group monitors a range of key performance indicators for its Rent Collection services. These are listed in full in Appendix 4.
- 11.2 The Group produces regular detailed performance statistics for review by management teams, staff, board members and tenant representatives.

### **12 Equal Opportunities**

- 12.1 Housing Solutions Group is committed to a policy of fair and equal treatment for all its members, tenants, employees and applicants, regardless of religion, sexual orientation, age, class, racial origin, sex, disability or marital status as determined in the Equality and Diversity Strategy.

### **13 Review**

- 13.1 This policy will be reviewed on a 3 yearly basis or in response to changes in legislation, regulatory guidance, good practice or changes in other relevant Housing Solutions Group policy.

## **Rent Arrears Policy - Appendix 1**

### **Protocol for Possession Claims Based on Rent Arrears**

#### **1 Aims and scope of the protocol**

- 1.1 This protocol applies to residential possession claims by social landlords (such as local authorities, Registered Social Landlords and Housing Action Trusts) which are based solely on claims for rent arrears. The protocol does not apply to claims in respect of long leases or to claims for possession where there is no security of tenure.
- 1.2 The protocol reflects the guidance on good practice given to social landlords in the collection of rent arrears. It recognises that it is in the interests of both landlords and tenants to ensure that rent is paid promptly and to ensure that difficulties are resolved wherever possible without court proceedings.
- 1.3 Its aim is to encourage more pre-action contact between landlords and tenants and to enable court time to be used more effectively.
- 1.4 Courts should take into account whether this protocol has been followed when considering what orders to make. Registered Social Landlords and local authorities should also comply with guidance issued from time to time by the Housing Corporation and the Department for Communities and Local Government.

#### **2 The Protocol**

##### **2.1 Initial contact**

- 2.1.1 The landlord should contact the tenant as soon as reasonably possible if the tenant falls into arrears to discuss the cause of the arrears, the tenant's financial circumstances, the tenant's entitlement to benefits and repayment of the arrears. Where contact is by letter, the landlord should write separately to each named tenant.
- 2.1.2 The landlord and tenant should try to agree affordable sums for the tenant to pay towards arrears, based upon the tenant's income and expenditure (where such information has been supplied in response to the landlord's enquiries). The landlord should clearly set out in pre-action correspondence any time limits with which the tenant should comply.
- 2.1.3 The landlord should provide, on a quarterly basis, rent statements in a comprehensible format showing rent due and sums received for the past 13 weeks. The landlord should, upon request, provide the tenant with copies of rent statements in a comprehensible format from the date when arrears first arose showing all amounts of rent due, the dates and amounts of all payments made, whether through housing benefit or by the tenant, and a running total of the arrears.

## **HOUSING SOLUTIONS GROUP**

2.1.4 (a) If the landlord is aware that the tenant has difficulty in reading or understanding information given, the landlord should take reasonable steps to ensure that the tenant understands any information given. The landlord should be able to demonstrate that reasonable steps have been taken to ensure that the information has been appropriately communicated in ways that the tenant can understand.

(b) If the landlord is aware that the tenant is under 18 or is particularly vulnerable, the landlord should consider at an early stage:

I. Whether or not the tenant has the mental capacity to defend possession proceedings and, if not, make an application for the appointment of a litigation friend in accordance with CPR 21

II. Whether or not any issues arise under Disability Discrimination Act 1995; and

III. In the case of a local authority landlord, whether or not there is a need for a community care assessment in accordance with National Health Service and Community Care Act 1990.

2.1.5 If the tenant meets the appropriate criteria, the landlord should arrange for arrears to be paid by the Department for Work and Pensions from the tenant's benefit.

2.1.6 The landlord should offer to assist the tenant in any claim the tenant may have for housing benefit.

2.1.7 Possession proceedings for rent arrears should not be started against a tenant who can demonstrate that he has:

(a) Provided the local authority with all the evidence required to process a housing benefit claim

(b) A reasonable expectation of eligibility for housing benefit; and

(c) Paid other sums due not covered by housing benefit.

The landlord should make every effort to establish effective ongoing liaison with housing benefit departments and, with the tenant's consent, make direct contact with the relevant housing benefit department before taking enforcement action. The landlord and tenant should work together to resolve any housing benefit problems.

2.1.8 Bearing in mind that rent arrears may be part of a general debt problem, the landlord should advise the tenant to seek assistance from CAB, debt advice agencies or other appropriate agencies as soon as possible.

## **2.2 After service of statutory notices**

2.2.1 After service of a statutory notice but before the issue of proceedings, the

## **HOUSING SOLUTIONS GROUP**

landlord should make reasonable attempts to contact the tenant, to discuss the amount of the arrears, the cause of the arrears, repayment of the arrears and the housing benefit position.

- 2.2.2 If the tenant complies with an agreement to pay the current rent and a reasonable amount towards arrears, the landlord should agree to postpone court proceedings so long as the tenant keeps to such agreement. If the tenant ceases to comply with such agreement, the landlord should warn the tenant of the intention to bring proceedings and give the tenant clear time limits within which to comply.

### **2.3 Alternative dispute resolution**

- 2.3.1 The parties should consider whether it is possible to resolve the issues between them by discussion and negotiation without recourse to litigation. The parties may be required by the court to provide evidence that alternative means of resolving the dispute were considered. Courts take the view that litigation should be a last resort, and that claims should not be issued prematurely when a settlement is still actively being explored.

The Legal Services Commission has published a booklet on “Alternatives to Court”, CLS Direct Information Leaflet 23 ([www.clsdirect.org.uk/legalhelp/leaflet23.jsp](http://www.clsdirect.org.uk/legalhelp/leaflet23.jsp)), which lists a number of organisations that provide alternative dispute resolution services.

### **2.4 Court proceedings**

- 2.4.1 Not later than ten days before the date set for the hearing, the landlord should:

(a) Provide the tenant with up to date rent statements;

(b) Disclose what knowledge he possesses of the tenant’s housing benefit position to the tenant.

- 2.4.2 (a) The landlord should inform the tenant of the date and time of any court hearing and the order applied for. The landlord should advise the tenant to attend the hearing as the tenant’s home is at risk. Records of such advice should be kept.

(b) If the tenant complies with an agreement made after the issue of proceedings to pay the current rent and a reasonable amount towards arrears, the landlord should agree to postpone court proceedings so long as the tenant keeps to such agreement.

(c) If the tenant ceases to comply with such agreement, the landlord should warn the tenant of the intention to restore the proceedings and give the tenant clear time limits within which to comply.

- 2.4.3 If the landlord unreasonably fails to comply with the terms of the protocol, the court may impose one or more of the following sanctions:

## **HOUSING SOLUTIONS GROUP**

(a) An order for costs

(b) In cases other than those brought solely on mandatory grounds, adjourn, strike out or dismiss claims.

2.4.4 If the tenant unreasonably fails to comply with the terms of the protocol, the court may take such failure into account when considering whether it is reasonable to make possession orders.

## **Rent Arrears Policy - Appendix 2**

### **Service Standards**

#### **3 Rent accounting**

3.1 When setting and accounting for rent we charge we will:

- Maintain rent levels within the Government's target rent policies;
- Consult with tenants regarding increases in rent levels and service charges;
- Provide information and advice to tenants at sign up regarding methods of payment and benefits;
- Issue rent cards within 5 working days of the start of a tenancy and replacement cards within 5 working days of the receipt of the request;
- Provide a payment card to enable tenants to pay in the Post Office;
- Provide a telephone payment line so that rent may be paid by credit or debit card during office hours;
- Offer the choice to pay rent by Direct Debit, to allow Direct Debits to be set up over the telephone and provide a choice of payment dates for Direct Debits.
- Set up or amend Direct Debits within 24 hours of receipt;
- Liaise with the Housing Benefit service to ensure that as many new benefit claims as possible are set up within the target of 14 calendar days from the receipt of all information;
- Promote Housing and other benefits annually, and;
- Issue statements or rent accounts to all tenants every 3 months and send out statements within 24 hours of any request.

#### **4 Rent Arrears**

4.1 When recovering unpaid rent we will:

- Maintain a firm but fair approach;
- Be sympathetic to individual cases of hardship and to make mutually suitable arrangements for payment;
- Contact individual tenants within 2 weeks of a £50 arrear accruing on the rent account;
- Work in partnership with other agencies such as debt counselling organisations, social services and benefits services to assist tenants in debt, and;
- Ensure that monies owed by former tenants are recovered promptly.

## **Rent Arrears Policy - Appendix 3.**

### **Rent Arrears Procedure.**

#### **5 Pre-Tenancy.**

- 5.1 At the point of sign up, the tenant will be required to collect the keys to the property from the Association's Offices.
- 5.2 As part of the sign up procedure a Rent Team Officer will interview the tenant and go through their rent responsibilities and payment options.
- 5.3 Advice and assistance will be available to ensure that the tenant is given suitable guidance in choosing the most suitable payment method.
- 5.4 General Welfare Benefit's advice will be given if needed.
- 5.5 Housing Benefit Forms for the relevant Local Authority will be available and help and assistance will be offered with the completion of this form.
- 5.6 A rent payment card will be issued at sign up.
- 5.7 A direct debit mandate will be completed at time of sign up if appropriate.

#### **6 Method of payment.**

- 6.1 Tenants can pay by:
  - 6.1.1 Cash or cheque at the Associations offices or at the Post Office by swipe card weekly;
  - 6.1.2 Monthly direct debit. A choice of 3 dates will be available 1st, 15<sup>th</sup> and 25<sup>th</sup>. Payments will be collected monthly in advance. When the Direct Debit is set up any arrears will be taken into consideration and collected along with the monthly rent to ensure the tenancy rent account shows a nil balance at the end of the financial year;
  - 6.1.3 Weekly or monthly standing order (due in advance);
  - 6.1.4 Through the post by cheque or postal order;
  - 6.1.5 Telephone with a credit or debit card, and;
  - 6.1.6 Online Banking.
- 6.2 Online payments through the Association website will be developed to meet customer demand.

## HOUSING SOLUTIONS GROUP

### **7 Monitoring Procedures.**

- 7.1 Rent is due on the Monday of each week and in advance for the forthcoming week.
- 7.2 Tenants choosing to pay monthly agree to pay in advance for the forthcoming month.
- 7.3 Each Tenancy will have a dedicated Arrears Officer.
- 7.4 All tenants that have a liability to pay their rent weekly with no eligibility for Housing Benefit will be monitored and updated on a weekly basis by the Arrears Officer assigned to the account, in accordance with the IBS Rent Management System.
- 7.5 All Tenants who have an entitlement to Housing Benefit will be monitored in line with the payment schedule from the Local Authority concerned. i.e. two weekly benefit cases will be monitored by the Arrears Officer every fortnight and four weekly benefit cases will be monitored every four weeks.
- 7.6 All garage tenancies will be monitored weekly.
- 7.7 Utility Accounts will be monitored every month
- 7.8 All Tenants subject to a Suspended Possession Order, irrespective if they are in receipt of Housing Benefit, will be monitored by the Rent Team Manager on a weekly basis.
- 7.9 Former tenant accounts will be monitored monthly

### **8 Recovery Procedures.**

- 8.1 Tenants will be contacted by letter after one weeks' rent payment has been missed.
- 8.2 If rent remains unpaid after two weeks have lapsed a further reminder letter will be sent.
- 8.3 If rent remains unpaid after four weeks have lapsed a final warning letter will be sent.
- 8.4 Any formal arrangements to clear arrears will be written down with a full breakdown of the debt outstanding, the agreed repayment along with the current rent charge and the repayment time span. The tenant and a member of staff will sign this agreement. Any arrangement that is broken will be notified to the Tenant in writing and the Association will continue with appropriate action if there is no satisfactory response.

## **HOUSING SOLUTIONS GROUP**

- 8.5 Arrangements will be reviewed on a six monthly basis to check that financial circumstances remain constant or to renegotiate the arrangement if financial circumstances have changed.
- 8.6 If no response is made to reminder letters and/or a final warning letter attempts will be made to make personal contact with the tenant(s). This will be by telephone or by a visit to the tenant's property. The tenant(s) will be offered basic Welfare Benefits Advice or referral to other agencies (i.e. Citizen's Advice Bureau). Where a Housing Benefit problem exists, staff will liaise with the relevant Housing Benefit Department but it will be made clear to the tenant(s) that the ultimate responsibility to chase up housing benefit payment remains with the tenant(s)
- 8.7 If rent arrears remain outstanding after four weeks and all attempts to make personal contact with the tenant has failed a Notice of Seeking Possession (NOSP) will be hand served by a member of staff. At this visit every effort will be made to resolve the matter. A NOSP will not be served if the Tenant(s) can provide proof that they have a claim for Housing Benefit in process and can prove that they have provided all information requested by the Housing Benefit Dept in order that the claim can proceed.
- 8.8 Seven days before expiry of the NOSP and the account remaining unpaid and with no formal agreement in place, a 'Warning of Court Action' letter will be sent outlining the Associations plans to obtain a Possession Order. The letter will give a further seven days for contact. If, after seven days have passed there has been no response, attempts will be made to make personal contact either by telephone or personal visit to the property.
- 8.9 If no satisfactory arrangement to clear the arrears have been made and there has been no response to attempts to contact the tenant(s) and the account remains unpaid an immediate Application to Court will be made.
- 8.10 Whilst the rent account remains in arrears the tenant(s) will not be eligible for the Association's 'Gift Scheme' or be entitled to have any maintenance work, other than emergency repairs or work required for Health & Safety reasons.
- 8.11 Whilst waiting the Court Date, the Rent Team will continue to make every effort to try to resolve the matter.
- 8.12 On receiving the Court Date notification from the County Court, the Association staff will write to the tenant to confirm the date and once again attempt to come to an arrangement. Any arrangement, other than full payment, will be offered to the District Judge on the Court Date, and be formalized as a Suspended Possession Order or An Adjournment on Terms. This means the tenant can remain in the property on the condition he/she continues to pay current rent plus the agreed arrears payment on a regular agreed basis. Any costs awarded by the court will also be added to the arrears and the repayments will continue until the arrears and costs have been paid in full. The tenant(s) will be advised to attend the Court Hearing. The Association will attempt to keep costs of Court action down by using in-house Staff that have been fully trained in Court procedures.

## HOUSING SOLUTIONS GROUP

- 8.13 On obtaining a Suspended Possession Order the account will be monitored by the Rent Team Manager and any failure to pay will be notified to the tenant in writing within seven days of missed payment. If the tenant fails to respond to the letter within seven days, a home visit will be made. If the account remains unpaid and no satisfactory arrangement has been made or proof that a current claim for Housing Benefit is in progress, an Eviction Warrant will be applied for.
- 8.14 If there is no contact before the Court Hearing, or there is a history of persistent arrears with no satisfactory explanation or proof of a current Housing Benefit Claim, an Outright Possession Order will be sought. The outcome of the Court Hearing will be made in writing within three days of the Hearing. An Eviction warrant will then be sought at the earliest opportunity.
- 8.15 Any decision to seek an Eviction Warrant will be made after discussion between the Rent Team Officer, the Rent Team Manager, and the Director of Housing. The decision will be in written form and a copy will be held on the House/Court File.
- 8.16 Once an Eviction Warrant has been requested and a date for execution confirmed the Association will inform the Tenant, the local Social Services and Homelessness Departments at the local Council and the local Housing Benefit Department in writing.
- 8.17 During this period the Association will remain open to negotiations in regard to the monies due. The tenant will be obliged to make an application to the Court to have the warrant suspended in the case of persistent arrears.
- 8.18 The eviction, conducted by a Court Bailiff, will be attended by the Rent Team Manager or a nominated Deputy.
- 8.19 The property will be secured and any items left at the property after repossession will be subject to an inventory. The Association will allow access to any goods left at the property with adequate notice and subject to availability of staff. Thereafter items will be removed into storage if they remain unclaimed by the time of the void inspection. Items will be stored in a locked garage but the Association cannot be held responsible for the security of any items held in store after the eviction has taken place. Items will be disposed of, if no attempt is made to recover the items after 28 days from the date of the eviction.

## 9 **Former Tenant Rent Arrears (including write-off policy)**

- 9.1 Former tenant arrears will be monitored monthly by a Rent Team Officer
- 9.2 In the first instance a letter will be sent by the Rent Team, to the former tenant(s) if a forwarding address is available.
- 9.3 If there is no response to the first letter, a Final Reminder will be sent.

## **HOUSING SOLUTIONS GROUP**

- 9.4 If there is no response to the Final Reminder attempts will be made to make personal contact either by phone or personal visit.
- 9.5 If all attempts to make contact fail, the account will be passed to an external Debt Collection Agency. This Agency will be appointed by the Rent Team Manager and the Financial Director with the approval of the Executive Team.
- 9.6 The performance of the Debt Collection Agency will be reported to the Executive Team quarterly.
- 9.7 If a forwarding address is not available the account will be passed directly to the Debt Collection Agency for Trace Action if the rent arrears are £100 or more.
- 9.8 If the Former Tenant arrears have resulted after the death of a tenant, it will be made clear to the Next of Kin that rent is due on the property until the keys are returned and that the eligibility to Housing Benefit ceases on the Sunday following the death of the claimant. Payment will be sought from the estate of the deceased if appropriate but the Association realises the sensitive nature of the situation and will consider writing off the debt if it is made clear that there are no funds available in the estate. A letter in writing will be required from the Next of Kin or executor to this effect.
- 9.9 Any Rent Team Officer will be empowered to negotiate an arrangement for the repayment of a Former Tenant debt. If the debt is under £300 staff are empowered to accept 50% of the debt and arrange write off of the balance. For debts over £300 similar arrangements will be considered but only after consultation with the Rent Team Manager and the Director of Housing and/or the Financial Director.
- 9.10 Write offs will be authorized by the Rent Team Manager and the Director of Housing and/or the Financial Director on Former Tenant's Accounts where the debt is under £100 and all attempts to make contact have failed.
- 9.11 Write offs on Former Tenant's Accounts where the debt is over £100 will only be actioned after receiving a report from the Debt Collection Agents stating that they are unable to Trace and/or Recover the debt.
- 9.12 Written off debts will remain on the Association's Account records and if further information becomes available the account will be reopened and the debt will be pursued.

## **Rent Arrears Policy - Appendix 4**

### **Performance Information**

#### **10 Key Performance Indicators**

10.1 The following key performance indicators are reported each month:

- Rent collected.\*
- Rent lost due to voids.\*
- Current rent arrears.\*
- Repaid Housing Benefit current tenants.
- Repaid HB FTA.
- Number tenants >£1000 arrears.
- Percentage of tenants >7 weeks arrears.
- Notices of Seeking Possession served.
- Suspended Possession Orders obtained.
- Evictions.
- FTA arrears as % of rent roll.
- FTA write offs as % of rent roll.

10.2 All are reported for general need housing in Maidenhead and District Housing Association (MDHA) and sheltered housing in Bridgewater Housing Limited. Only those marked (\*) are collected for supported housing in MDHA.

10.3 KPIs are compared on a quarterly basis with the Housemark LSVT South region benchmarking club.