

RENT COLLECTION AND ARREARS RECOVERY POLICY

INTRODUCTION

The purpose of this policy is to explain how Herefordshire Housing will collect rent and other charges from its tenants and the approach it adopts to recovering rent arrears.

Herefordshire Housing takes rent arrears very seriously and we expect all tenants to pay the rent that is due each week. This is an important condition of the Tenancy Agreement. It is the responsibility of each tenant to ensure that their rent is paid in full, even if they are entitled to housing benefit.

However, we recognise that occasionally tenants may have genuine financial difficulties and are unable to pay the rent due. In these cases our service aim is to adopt a firm but fair approach to arrears recovery offering all tenants, where possible, clear, practical repayment plans.

POLICY STATEMENT

Herefordshire Housing aims to collect rent and other charges due promptly from tenants in order to sustain tenancies and protect the provision of services. The key aims are therefore to maximise income collection and minimise bad debts. In cases where rent arrears do accrue, these are kept to a minimum and effectively reduced through a fair, responsive and, where necessary, firm approach.

IMPLEMENTATION

The prime objective of the Rent Collection and Arrears Recovery Policy is to sustain tenancies by actively preventing arrears accruing in the first place and by pro-actively encouraging tenants to clear any debts that do occur. With this in mind, the objectives are:

- To ensure that all existing and new tenants are aware of their responsibility to pay the rent and, where appropriate, any other charges.
- To inform tenants promptly of any changes to rent charges.
- To inform all tenants of the different payment methods available to them.
- To maximise Housing Benefit take-up by raising awareness of entitlement and assisting with the completion of application forms where appropriate.
- To ensure that all those tenants entitled to Housing Benefit are aware that it is their responsibility to provide necessary documentation in relation to their claim, to follow-up claims with the local authority and to advise the local authority immediately should their financial circumstances change.
- To establish close and effective liaison with the local authority, advising them of any known changes in circumstances, in exceptional circumstances requesting payments on account where claims have been delayed and ensuring the prompt payment of Housing Benefit to the Company.
- To provide or sign-post advice and assistance on welfare benefits to maximise tenant income.
- To promote financial inclusion.
- To provide household budgeting advice where appropriate.
- To provide referrals to the Citizens' Advice Bureau for independent debt management advice and other advice where applicable.

- To pro-actively signpost tenants to other agencies who can maximise their income, including money advice and debt counselling.
- To ensure that all communications are clear, customer friendly and encourage contact.
- To act promptly by providing personal contact and to offer advice to a tenant who falls into arrears, establishing the real reason for non-payment.
- To work closely with any advice agency or authorised person acting on behalf of the tenant.
- To undertake financial assessment of a tenants' circumstances, and ability to pay, with a view to making realistic arrangements to pay off arrears.
- To identify where tenants owe the Company more than one debt and ensure that recovery action and / or repayment arrangements takes account of the total amount owed, in accordance with Corporate debt procedures;
- To advise tenants of the next course of action and the ultimate consequences of non-payment throughout the recovery process.
- To take legal action against tenants who persistently fail to pay rent and other charges.
- To treat all tenants fairly and consistently and to act lawfully.
- To maximise the use of IT systems to monitor and record rent payments.
- To train colleagues to ensure they maximise the use of resources, such as IT and benefits advice.
- To provide colleagues with guidance on relevant legislation and recovery methods available to recover unpaid rent and service charges.
- To have a rent arrears recovery procedure that is clear, easy to follow and complies with all of the above, ensuring all arrears cases are actioned in a consistent and fair manner.

The rent arrears recovery process will be regularly reviewed and updated to incorporate areas of best practice, in particular with reference to the characteristics of an excellent service provider in the Audit Commission's Housing Income Management Key Line of Enquiry No. 4 (KLOE 4).

Rent Statements

We will provide detailed rent statements, on a quarterly basis, to dwelling tenants and on a half-yearly basis for garage tenants. Statements or balances are also available on request.

Interviews

All interviews will be conducted in a sensitive and non-threatening manner with due consideration to privacy and confidentiality. For interviews without prior appointment the tenant will be made aware that a rent interview is to take place. If it is not convenient for the tenant to discuss rent account details an alternative appointment will be agreed and documented. Failure by the tenant to agree to or keep a subsequent appointment will result in triggering the next stage of the rent arrears recovery procedures unless there is good cause not to do so. Where an interview is to be conducted at the tenant's home, Company colleagues will always produce their identity cards and explain the purpose of the visit.

All interviews will be documented and the key points confirmed in writing.

New Tenants

All properties will be let through a two stage lettings process, with tenants attending a meeting at one of Herefordshire Housing's offices in addition to viewing the property. The office meeting will be conducted by an Income Services Officer who will discuss the tenant's responsibility to pay rent and the consequences of non-payment, conduct an income and expenditure assessment where appropriate and undertake housing benefit verification / claims assistance work as necessary. .

The first weeks rent will be taken up-front at sign-up. Where a tenant is eligible for partial housing benefit, a manual calculation will be carried out to assess the amount of rent to be taken up-front. If a tenant is eligible for full housing benefit, and the housing benefit verification framework is complete, no rent will be taken.

The Income Services Officer will:

- Provide information about the different payment methods available, promoting the take-up of direct debits;
- Encourage tenants to authorise the direct payment of Housing Benefit and access to information from the Local Authority, where applicable.
- Advise tenants to contact the Company promptly should their financial circumstances change or they are having difficulty paying their rent.
- Offer an appointment with the Tenancy Support Officer or Financial Support Officer where appropriate.
- Signpost the tenant to agencies providing independent debt management advice and income maximisation services where appropriate.

Follow-up contact will be made for every tenant moving into a Herefordshire Housing property to:

- Confirm that they are paying the correct rent due
- Check Housing Benefit has been or is likely to be received where appropriate
- Offer an appointment with the Tenancy Support Officer or Financial Support Officer where appropriate

Payment

Rents are due weekly over a 50-week (or 51-week) collection year. An account will be considered to be in arrears if a payment has not been received within the week in which it is due.

Payments can be made by one of the following methods:

- By swipe card, using the following options:
 - Payment at any Post Office™ with cash, cheque or debit card;
 - Payment by cash or debit card at any local store displaying the PAYzone™ logo;
 - Payment by cash at any local store displaying the Pay Point logo;
 - Payment by telephone via debit or credit card at **any** time - the service is available 24 hours a day, 7 days a week ;
 - Payment by telephone via debit or credit card between 8.45am and 8pm (weekdays) at Herefordshire Housing's Legion Way office;
 - Payment over the internet via debit or credit card at **any** time – the service is available 24 hours a day, 7 days a week at **www.allpay.net**;
- From a bank/building society by direct debit;
- By authorising direct payment of Housing Benefit to the Company;
- By cheque, sent through the post to Income Services at the Company's Legion Way office.

Every opportunity will be taken to promote direct debits as a preferred method of payment. Incentives will be offered to increase take-up and targets will be set to monitor progress.

Action for non-payment

The Company's procedure for rent arrears recovery gives full details of the action that the Company will take and outlines relevant timescales, for each stage. The procedure is founded on the need for personal contact with the tenant throughout the process and is designed to help the tenant to repay the rent arrears and wherever possible avoid possession proceedings. For tenants who are persistently in arrears or for those that are unwilling to pay their rent due,

Herefordshire Housing will begin rent arrears action at a higher point in the recovery procedure. Whilst Herefordshire Housing would not wish to take action that results in the eviction of tenants, it will do so, as a last resort, if other attempts to recover arrears are unsuccessful.

In all arrears cases the Company will follow the guidance on good practice as reflected in the Pre-action protocol for possession claims based on rent arrears.

Vulnerability

Herefordshire Housing has many tenants who are elderly, tenants who are vulnerable through mental or physical disabilities and tenants who have young dependent children.

In such instances the Company will, subject to data protection issues:

- Contact the Herefordshire Council Homelessness Prevention team prior to any court proceedings.
- Inform the Herefordshire Council Social Care department at the earliest opportunity where eviction appears inevitable.

In implementing this policy the Company will ensure that any tenants who have mobility problems due to disability or stress, or who need information in other formats and languages, or who may need interpreters or signers, or who have difficulty with reading are provided with the assistance that they require.

Herefordshire Housing will ensure that equality and diversity considerations are integral to the rent arrears recovery process.

Herefordshire Council: Housing Benefit

The Company will work closely with Herefordshire Council's Housing Benefit Section to ensure prompt payment of benefit. The Housing Benefit Service Level Agreement (SLA) will be formally reviewed annually and will provide the basis on which such things as access to information and standards of service delivery have been agreed. The Company will arrange for quarterly liaison meetings with the Council in respect of the day to day administration of the SLA.

Department of Work and Pensions (DWP)

The Company will liaise with the DWP about direct payment of rent arrears from income support where appropriate.

Joint Tenancies

All joint tenants are jointly and severally liable for rent arrears that may accrue.

Herefordshire Housing will:

- Address all letters to all the tenants named in the tenancy agreement
- Make arrangements and hold interviews with any tenant who appears to be acting on behalf of all parties in the tenancy agreement
- Provide a copy of all legal documents to all parties named in the tenancy agreement

Sole Tenancies

In households with single tenancy agreements and where the householders are married, cohabiting for tax or benefit purposes, or have joint custody over children under 16 we will always encourage the tenant to keep other interested parties within the household informed of any legal action in connection with rent arrears; interested parties do not include lodgers and those who sublet.

Garage Tenancies

In order to protect the principal tenancy and therefore to avoid possible eviction, a garage tenancy will be terminated in situations where the tenant is in arrears on the main tenancy. The tenant will be free to apply for another garage once arrears have been cleared and the account remains clear for a period of 6 months.

Former Tenant Arrears

Herefordshire Housing will ensure that tenants are made aware of their obligations even after termination of their tenancy. Upon notice of termination, the tenant will be made aware of any rental balance due and a forwarding address will be requested. Where the outgoing tenant is not in a position to clear any balance prior to termination, an affordable and realistic repayment agreement will be reached. This agreement will be confirmed in writing and the tenant will be made fully aware of the methods of payment after termination.

The Company will pursue all recoverable former tenant arrears. Where no forwarding address is given, every effort will be made to trace the former tenants' whereabouts using Experian. A collection agency will also be used if appropriate.

Failure to agree to or maintain an acceptable repayment arrangement will result in further recovery action. The appropriateness of such action will be considered on a case by case basis and may include

- Money judgement
- Attachment of earnings
- Third Party Debt Order
- Warrant of Execution
- Order to Obtain Information
- Bankruptcy
- Selling on Debts

Herefordshire Housing will only normally house an applicant where there is an outstanding debt owing to the Company if a payment arrangement has been agreed and maintained by the applicant.

Where it makes no financial sense to pursue a debt it will be written off in accordance with the Company's standing orders.

Legal and Regulatory Framework

The Company will at all times meet legislative and regulatory requirements, including but not limited to, the Tenant Services Authority Regulatory Code and Guidance, the Ministry of Justice Pre-Action Protocol, the Housing Act 2004 and the Data Protection Act 1998.

MONITORING AND RESPONSIBILITIES

It is the responsibility of the Board to ensure that implementation of the Rent Collection and Arrears Recovery policy is monitored.

The Director of Resources is responsible for delivering the policy and will be accountable for its implementation and colleague training.

All colleagues dealing with rent collection and arrears recovery issues has the responsibility to read, understand and implement this policy.

ASSOCIATED DOCUMENTS

Rent Collection & Arrears Recovery Procedures
Financial Inclusion Strategy
Rent Setting Policy
Lettings Policy & Procedures
Corporate Debt Recovery Policy
Customer Complaints Policy & Procedure
Housing Benefit Service Level Agreement
Citizens Advice Bureau Service Level Agreement
Customer Care Standards
Tenant Services Authority Regulatory Code (including circular 02/07)
Ministry of Justice Pre-Action Protocol
Audit Commission KLOE 4

Approved by:	Board
Effective date:	3 rd February 2009
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Policy developed by:	Head of Finance & Administration
Associated Procedure:	Rent Collection and Arrears Recovery Procedures