

# Rent Arrears Policy



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# Rent Arrears Policy



## 1. Overview

This policy applies to rent arrears within GreenSquare Group, Westlea Housing Association and GreenSquare Community Housing, (all trading as GreenSquare). We aim to provide the highest quality of service to our residents. Non payment of rent affects our ability to provide high quality services and potentially has serious consequences for residents.

The business streams this Policy covers include:

- Affordable rent
- General needs
- General needs 55+
- Supported extra care housing
- Leaseholder
- Market rents
- Temporary housing
- Mortgage rescue
- Intermediate rents
- Shared owners
- Assured shorthold tenancies
- Right to Home Buy
- All tenancies under supported housing??

## 2. Aims and Objectives

We aim to collect the maximum amount of rental income and other charges promptly and economically from our customers in order to protect the provision of services and maintain our financial stability.

The aim of this Policy is to create a rent prevention and payment culture and ensure that rent is collected quickly and effectively, to support our customers with financial inclusion and the ability to manage their money. This Policy sets out our objectives around the collection of former tenant debts and how we will do this.

We understand how Welfare Reform, specifically the migration to universal credit (UC) will affect many customers. We are committed to supporting our customers through these times, as well as building on a rental payment culture.

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### 3. Legal or regulatory framework

To comply with legislative requirements, when it applies we will aim to meet the requirements of the Pre-Action Protocol for Possession Claims for social landlords.

### 4. Definitions

DWP	means Department of Work and Pensions
NoSP	means Notice of Seeking Possession
ASB	means anti social behaviour.
CAB	means Citizens Advice Bureau

### 5. Our Approach

- To ensure that pre-tenancy work is undertaken with applicants to ensure the property is affordable and that the customer understands the importance and responsibility of paying their rent;
- To let our customers know at the earliest opportunity they are in arrears;
- To offer customers support by providing benefit, money and debt advice and income maximisation before and during the period of a tenancy. This will include referrals to our internal tenancy sustainment officers, as well as referrals to our external partners such as Citizens Advice;
- To minimise arrears by focussing on preventative action and providing clear information;
- To offer a variety of payment methods to our customer for rent and charges;
- To send rent statements to our customers on request;
- To build relationships with the DWP, local authorities, the courts, credit unions and other local agencies which will help us achieve our aim to maximise income and minimise customer debt;
- To provide tailored and targeted advice to customers to explain how individual circumstances may be affected either directly or through our partners.
- To comply with all legislative requirements;
- Meet the requirements of the Pre-Action Protocol for Possession Claims for social landlords;
  
- To fully consider an individuals circumstances and demonstrate our commitment to diversity and inclusion;

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- To provide excellent customer service.

### 6. Use of Mandatory Grounds

- Where tenancy agreements permit, we have the ability to use mandatory grounds to seek possession on serious rent arrears cases. Before we use this we will try to work with the customer and make referrals to tenancy sustainment or to debt, advice or support agencies for assistance.
- Before service of a notice on a mandatory ground for possession, a head of service and an assistant director or director will review and approve the case, as with an eviction request.
- Factors we will consider prior to service of a mandatory ground include:
  - If the non payment is intentional. For example have UChousing costs or housing benefit costs been received by the customer and not passed over in full to pay the rent;
  - Has there been a failure by the customer (without good cause) to deal with UCt or housing benefit claims in a proper manner;
  - Has the customer refused to engage in attempts to deal with arrears;
  - Has the customer failed to maintain previous agreements;
  - Consider the general conduct of the customer – are there any other issues such as ASB or other tenancy breaches which can be incorporated into this;
  - Are the arrears long standing;
  - What efforts have been made by the customer to repay outstanding arrears. For example how many previous arrangements have been made and broken.

(This list is illustrative only of the issues to be considered and is not exhaustive.)

- Where the tenancy agreements permit, we may use a NoSP relying upon Ground 8 for assured tenancies. This may be issued to customers who have in excess of eight weeks' or two months' rent outstanding.
- A Section 21 Notice may be issued where a customer has an assured shorthold tenancy. This includes customers on a Starter tenancy.

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- Where a customer has a fixed term assured shorthold tenancy, we may where appropriate use a NoSP relying upon Ground 8 rather than a Section 21 Notice.

### 7. Former Tenant Debts

- We aim to prevent or minimise arrears from accruing, we recognise this will not happen in all cases. We will aim to maximise the recovery of arrears outstanding when a tenancy is terminated.
- This applies to any debts owed to us, including recharges and court costs.
- We will encourage a customer to clear any arrears or debts prior to a tenancy ending; and will seek to obtain a forwarding address.
- Where we do not hold a forwarding address, we may refer the case to a tracing agent to obtain this.
- We will write off where a customer has: deceased with no estate; or where we are legally required to do so, for example bankruptcy, a debt relief order or the debt becomes statute barred
- All cases will be considered on a case by case basis. This will include how cost effective it is to recover the debt and likelihood of recovery.
- We may refer the recovery of debts to our appointed debt recovery service. We will do this if the total of debt/s is greater than £50.00
- Debts of less than £50.00 in total will not be outsourced.
- Debts under £5 will be written off as these are not economical to pursue.
- Where a debt/s is older than two years old, we may accept a lump sum payments on a sliding scale of up to 50% as full and final settlement, with the remainder being written off.
- Any write off's will be approved in accordance with the current Decision and Delegation Schedule. When it is established that the debt is irrecoverable or uneconomic to pursue further, the debt will be recommended for write-off. This will only occur once all attempts to

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recover have been exhausted and generally not before statute of limitations has expired

- Where the debts have been written-off as irrecoverable, we will reinstate these and attempt to collect them if new information becomes available. For example if we obtain a current address for a debtor whose whereabouts were previously unknown.
- As per the decision and delegation schedule, write off of debts under £2,000 can be approved by a director or assistant director; debts over £2,000 must be approved for write off by the CEO.

### 8. Monitoring and Reporting

We will monitor and report arrears and total rent collected performance to GreenSquare Board, the Customer Service and Insight Committee, Leadership team and Service Collaborative Management Team as required.

The Policy will be reviewed on a biennial basis, unless there are significant changes in legislation; or there are found to be any deficiencies or learning points from a complaint, or findings from any independent organisation.

### 9. Diversity and Inclusion

This policy will be followed in conjunction with our Equality and Inclusion Strategy and has been subject to an Equality Impact Assessment.

This policy will be applied to our customers to ensure they have equal access to our services, information and that we respect their different needs. All customers will have access to this document upon request or from our website. This document and accompanying leaflet can be translated or provided in alternative formats (e.g. Braille, large print, audio) upon request.

Diversity and Inclusion training is mandatory for all staff.

### 10. Value for Money

As part of our commitment to deliver an economical, efficient and effective service, we will use external benchmarking services and best practice groups to monitor our costs and service outcomes.

## **Rent Arrears Policy**



We have the skills and expertise to conduct most legal work in-house. We will seek external legal support where this is required.

### **11. Consultation**

This Policy has been reviewed by the Service Collaborative Management Team and Leadership Team.