



PEAKS & PLAINS
Housing Trust

The Trust

Rent Collection
and Arrears
Management
Policy

Version number: V3

Effective Date: November
2022

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1. INTRODUCTION

- 1.1. Rental income represents the majority of the Trust's income therefore it is of major importance to maximise rent collection to ensure the delivery of tenant services and ensure the Trust can deliver the commitments within its Business Plan.
- 1.2. The Policy applies to the collection of rent and associated service charges from current social and affordable tenants and sets out the Trusts approach to the collection of rent and the recovery of arrears. Shared ownership and market rent properties are not covered by this policy.
- 1.3. The collection of rent and recovery of arrears are indicators as to how efficient and effective Peaks and Plains Housing Trust is as a managing organisation. Information on cash collected and levels of rent arrears will be monitored.

2. POLICY STATEMENT DEFINITION

2.1. Statement

- 2.1.1. The payment of rent should be a priority for tenants. The Trust will maintain a performance culture where the payment of rent is acknowledged as a top priority for all staff and all tenants.
- 2.1.2. The payment of rent is due weekly in advance and it is the customers' responsibility to ensure their rent is paid on time. The Trust will take early action to prevent arrears increasing and will utilise a range of contact methods to get in touch with tenants in arrears or where a payment arrangement is not in place
- 2.1.3. Peaks and Plains Housing Trust will ensure that rent recovery procedures comply with 'pre-action protocols for possession claims based on rent arrears'. These protocols issued by the Ministry of Justice are good practice guidance for social landlords to follow in the collection of rent arrears. They recognise 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.
- 2.1.4. The Trust uses a risk assessment when signing up new tenants and an affordability assessment is completed. This identifies any advice or support that needs to be put in place to help the prospective tenant pay their rent if they are deemed high risk. However, it can also result, in very exceptional circumstances, in a tenancy offer not being made. This will also allow the Trust to collect preferred contact methods and contact details for each tenant.
- 2.1.5. All tenant rent accounts will be closely monitored and proactive action will be taken in order to minimise arrears from escalating. Peaks and Plains uses intelligent predictive arrears monitoring software that recommends officers to contact tenants where rent payments are not made as expected.

- 2.1.6. The Trust adopts a firm but fair approach and will take action against tenants who fail to pay rent on time, but recognises that sometimes customers may encounter problems that cause them to fall behind with their rent.
- 2.1.7. Tenants will be provided with online access to view their rent account balance and history of charges and payments.
- 2.1.8.
- 2.1.9. The Trust may agree to set up a repayment plan for the recovery of rent arrears that repays the debt in a reasonable amount of time, at a rate that is sustainable to the tenant. When setting up a repayment agreement Officers may request details of a tenants' household income and outgoings prior to setting up any arrangement. If a repayment agreement is not adhered to the Trust reserves the right to refuse any further repayment agreements and demand payment in full.
- 2.1.10. Where customers are experiencing difficulty paying their rent the Trust will signpost customers to external advice agencies, refer to the Local Authorities Homeless Prevention Teams and or refer to the Trusts Sustainment Team.
- 2.1.11. All legal action will be carried out in accordance with the latest legislation. Legal action is a last resort.
- 2.1.12. At all stages of the legal process, tenants will be informed of the action being taken, the implications of the action and help and advice available from both in house officers and external partners.
- 2.1.13. An appropriate court order will be requested at the court hearing taking into account various factors which may include the amount of the arrears outstanding, efforts the tenant has made to pay and any extenuating circumstances the Trust has been made aware of.
- 2.1.14. When a tenant owes the Trust more than one debt, this will be repaid in the following order of priority:
- Current rent and arrears including service charges
 - Court and bailiff fees
 - Former tenant debts & recharges

2.2. **Legal Framework**

- 2.2.1. The Tenancy Agreement is a legal document outlining the terms and conditions of the tenancy. The agreement sets out that rent accounts must be clear at the end of the tenancy.
- 2.2.2. The Housing Act 1988 sets out the grounds for possession that can be sought due to non-payment of rent. The Trust issues several tenancy types and the grounds from the Housing Act 1988 that may be used will be specified in the Tenancy Agreement.

2.2.3. In the case of an outright Possession Order or a breach of a Suspended Possession Order (SPO) the Chief Executive or a Strategic Director will be required to authorise eviction action when appropriate.

2.3. **References**

- 2.3.1.
- The Housing Act 1988
 - Arrears Recovery Procedure
 - Trust Tenancy Agreements
 - Ministry of Justice's Pre Action Protocol for Possession Claims based on Rent Arrears.

3. **EQUALITY AND DIVERSITY IMPLICATIONS**

- 3.1. The Trust will follow its Equality and Diversity Policy and will take into account tenant's individual needs in the process of rent arrears recovery. Peaks and Plains will deal sensitively with tenants who are in rent arrears because of matters related to their support needs, such as ill health, learning difficulties, or other personal circumstances.
- 3.2. The Trust will ensure that tenants are not disadvantaged and ensure that where appropriate customers are signposted to advice and support agencies.
- 3.3. Peaks and Plains will ensure that rent payment options are accessible and convenient for people with support needs.

4. **RESPONSIBILITY**

- 4.1. The Executive Director of Operations will be responsible for the effective implementation of this policy, ensuring that all staff involved in the operation of this policy and its related procedures are trained and resourced to undertake their roles.

5. CONSULTATION AND MONITORING

- 5.1. The Trust will consult with tenants in the development of this policy, and it will also be approved by the Trusts Audit and Risk Committee.
- 5.2. The Trust will regularly review internal procedures to ensure that income to the Trust is maximised. Changes in legislation may also impact on this Policy. If a change in procedure or legislation affects this Policy, the Policy will be updated and presented to the Executive Management Team for approval.
- 5.3. The Executive team receives regular updates on performance and information relating to rent, arrears and sundry debt collection which is included in reports to Board and Committee's as part of regular performance reviews.
- 5.4. Performance is benchmarked against that of other housing providers, and staff take part in rent forums and share good practice and ways of working.
- 5.5. The Trust regularly publishes its income data to tenants and promote its Rent First principles within its tenant communications and social media channels

6. ASSOCIATED DOCUMENTS

- 6.1.
 - Former Tenancy Arrears Policy
 - Debt Write Off Policy
 - Equality and Diversity Policy
 - Pre Action Protocol
 - Rent Setting and Service Charge Policy
 - Corporate Debt Policy
 - Tenancy Management Policy
 - Tenancy Agreement

POLICY INFORMATION

Policy Name:	Rent Collection & Arrears Management Policy
Status:	Final (V2)
Approved by:	
Drafted By:	
Date approved:	
Next Review Date:	