



PEAKS & PLAINS
Housing Trust

The Trust

Rent Collection and Arrears Management Policy

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1. INTRODUCTION

- 1.1. This policy sets out our approach to the collection of rent and the management of rent arrears.
- 1.2. 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.
- 1.3. 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.
- 1.4. The collection of rent and recovery of arrears are indicators as to how efficient and effective the Trust is as a managing organisation. Information on cash collected and levels of rent arrears will be monitored.
- 1.5. We will maximise rental income and minimise debt in a proactive manner, that supports customers to sustain their tenancies and is sympathetic to the financial problems they may face. We recognise that engaging with our customers, helping them overcome personal and financial problems and fostering a payment culture is the most effective method of collecting rent.

2. SCOPE

- 2.1. The Policy sets out the Trust's approach to the collection of rent and associated service charges from current social and affordable tenants. Shared ownership and market rent properties are not covered by this policy.
- 2.2. The Policy applies to the collection of rent and associated charges for current tenancies. The Trust has a separate Policy for Former Tenancy Arrears.

3. LEGAL & REGULATORY REQUIREMENTS

- 3.1. The Tenancy Agreement is a legal document outlining the terms and conditions of the tenancy. The agreement sets out that the payment of rent is due weekly in advance.
- 3.2. 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.
- 3.3. The key pieces of legislation and guidance are:
 - Protection From Eviction Act 1977
 - Housing Act 1985 (as amended by the Housing Act 1996)
 - Housing Act 1988 (as amended by the Housing Act 1996)
 - Homelessness Act 2002

- Deregulation Act 2015
- Pre-Action Protocol for Possession Claims Based on Rent Arrears
- Localism Act 2011
- Welfare Reform Act 2012
- RSH's Tenancy Standard and Home Standard
- Equality Act 2010

4. DEFINITIONS

- 4.1. Rent - A payment due to us by the customer, as established in their tenancy agreement.
- 4.2. Arrears - Debts owed to us by a customer when payments have not been made under the terms of the tenancy agreement.
- 4.3. Discretionary grounds for possession – Grounds for possession we use when serving a notice in which the court can make a discretionary decision to repossess the property from a customer.
- 4.4. Mandatory grounds for possession – Grounds for possession we use when serving a notice in which the court must make a mandatory decision to repossess the property from the customer
- 4.5. Alternative Payment Arrangements (APA) – these are arrangements available for claimants who can't manage the standard Universal Credit (UC) payment. There are three types of APA available:
- direct payment of the housing cost element to landlords (known as managed payments)
 - splitting of payment between members of a couple
 - more frequent payment of benefit.
- 4.5.1. Pre-Action protocol for possession claims – a set of guidelines which must be followed by both parties in a civil suit court case before hearings can begin.

5. OUR POLICY

- 5.1. Customers are responsible for paying their rent, including any service charges, as set out in their tenancy agreement and for informing us if they are having any problems paying their rent or if they have fallen into arrears.
- 5.2. 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.
- 5.3. 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.

- 5.3.1. The Trust provides customers with a variety of convenient payment options:
- Direct Debit
 - Debit or Credit Card
 - Via the My Account online portal
 - By telephone (24-hour automated payment line or through an operative during office hours)
 - Internet Banking / Bank Transfer
 - Standing Order
 - Cheque
 - Allpay card (cash paid at a Pay Point or post office)
 - Housing Benefit / Universal Credit payments
 - Direct deductions from benefits administered by the Department of Work and Pensions (DWP).
- 5.3.2. The Trust will regularly review new technologies and payment service providers to ensure the payment needs of our customers are met
- 5.4. The Trust uses a risk assessment when signing up new tenants and an affordability assessment is completed. This identifies any advice or support that is required 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 tenant data including preferred contact methods and contact details for each tenant. Customer data may be used to predict trends in performance and for communication plans and initiatives.
- 5.4.1. We also require prospective customers to make a payment in advance before a new tenancy agreement is signed, in accordance with the terms of their tenancy agreement – failure to make this payment could lead to the offer of a tenancy being withdrawn.
- 5.5. All tenant rent accounts will be closely monitored and proactive action will be taken in order to minimise arrears from escalating. The Trust uses intelligent arrears logic that recommends staff to contact tenants where rent payments are not made as expected at the earliest opportunity.
- 5.5.1. 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.
- 5.5.2. If a customer falls in to arrears we work with them to make arrangements to clear their debt with us, outlining the importance of maintaining regular payments to their account and highlighting the consequences of not doing so.
- 5.5.3. Where any repayment arrangement is in place we expect payments to continue during the non-charging rent weeks.

- 5.5.4. 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, staff 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.
- 5.5.5. Trust Staff will make an application for an APA at the earliest opportunity where a customer is in receipt of Universal Credit and falls within a DWP Tier One or Tier Two Factor grouping.
- 5.5.6. Where customers are experiencing difficulty paying their rent, the Trust will signpost customers to external advice agencies such as Citizens Advice and Stepchange, we may refer them to the local authorities Homeless Prevention Teams and or refer to the Trust's Sustainment Team. Staff will have awareness of local agencies providing specialist welfare benefits advice.
- 5.6. Tenants will be provided with online access to view their rent account balance and history of charges and payments. These statements are also available in paper or digital format at the customers request.
- 5.7. **Legal Action**
- 5.7.1. All legal action will be carried out in accordance with the latest legislation. Legal action is a last resort.
- 5.7.2. We will seek to identify any vulnerabilities before any proceedings are issued, paying particular regard to the Equality Act 2010 and will refer customers to relevant support agencies as appropriate.
- 5.7.3. We will keep the customer informed of all the action we take and continue to offer advice and information to the customer on debt repayments, the requirements of court orders and where to obtain independent legal advice.
- 5.7.4. We will encourage customers to attend court as appropriate.
- 5.7.5. 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.
- 5.7.6. The 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.

5.7.7. We incur a cost when making Court applications, and in all cases, apart from where the case is withdrawn or dismissed, we will ask for an order for costs.

5.8. **Approval for Evictions**

5.8.1. The Trust will make applications to the Court for an eviction as a last resort when the tenant is not engaging with The Trust and is failing to maintain payment of rent and repayment of arrears as set out by the Court.

5.8.2 The Head of Customer Experience and the Director of Operations (or officers of equivalent seniority) will consider and approve any cases put forward for a warrant for eviction, prior to submission to the County Court.

6. **EQUALITY, DIVERSITY & INCLUSION**

6.1. 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, this information will be found from the customer data logged, and will be updated as customers advise us of their circumstances

6.2. The Trust will ensure that tenants are not disadvantaged and ensure that where appropriate customers are signposted to advice and support agencies.

6.3. The Trust will ensure that rent payment options are accessible and convenient for people with support needs.

6.4. We will be proactive in establishing contact at all stages of rent collection and arrears management. As well as writing to customers we will use a variety of methods to facilitate contact, including home visits, telephone, e-mail, texts. We will provide information in alternative languages or alternative formats if required.

6.5. In managing and monitoring customer accounts we will look out for any indications of financial abuse and raise safeguarding concerns in line with our Safeguarding Policy.

7. **RESPONSIBILITIES**

7.1. The Executive Management Team is responsible for approving the policy.

7.2. Overall responsibility for the implementation of the policy is placed with the Executive Director of Operations via the Head of Customer Experience. The Head of Customer Experience will report to EMT and the Board (and any relevant Committees) on the policy.

7.3. Customers are responsible for paying their rent, including any service charges, as set out in their tenancy agreement and for informing us if they are having any problems paying their rent or if they have fallen into arrears.

7.4. The Housing Manager is responsible for ensuring all relevant staff have access to and understand the content of this policy and, have appropriate training to undertake their roles.

7.5. This Policy is delivered by the Income Team with support of all staff across the Trust.

8. MONITORING AND REPORTING

8.1. 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 legislation affects this Policy, the Policy will be updated and presented to the Executive Management Team for approval.

8.2. The Executive team receives regular updates on performance and information relating to rent, arrears and debt collection which is included in reports to the Board and Committees as part of regular performance reviews.

8.3. Performance is benchmarked against that of other housing providers, and staff take part in rent forums and share good practice and ways of working where appropriate.

8.4. KPIs are in place and are reviewed periodically.

8.5. Six monthly reports will be submitted to the Board (unless the Board requests otherwise).

9. CONSULTATION

9.1. The Trust's Challenge Group has been consulted about this Policy.

9.2. Feedback for this Policy was requested through Plain Speaking.

9.3. The Trust's Senior Leadership Team has been consulted about this Policy.

10. REVIEW

10.1. This policy will be reviewed every three years. The policy will be reviewed sooner if there are major legal, regulatory or other changes which make this necessary.

ASSOCIATED DOCUMENTS

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

POLICY INFORMATION

Policy Name:	Rent Collection and Arrears Management Policy
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