



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 (including service charges).
- 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 collection of rent and the 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.
- 1.4 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 rent tenants, shared ownership, market rent and rent to buy properties are also included within the scope of this document
- 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 or monthly 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 Consumer Standards

- Equality Act 2010
- The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020
- Renters Right Act 2025

4. DEFINITIONS

4.1 Rent

4.1.1 A payment due to us by the customer, as established in their tenancy agreement.

4.2 Arrears

4.2.1 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

4.3.1 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

4.4.1 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)

4.5.1 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.

4.6 Pre-Action protocol for possession claims

4.6.1 A set of guidelines which must be followed by both parties in a civil court case before hearings can begin.

4.7 Shared Ownership

4.7.1 An affordable home ownership product available to those not able to purchase a home outright on the open market. Shared Owners pay for a percentage share in the equity of the property, usually by way of a mortgage, and pay a rent to the Trust to cover the unowned equity.

4.8 Rent To Buy

- 4.8.1 A product that enables customers who cannot afford to pay a deposit to purchase a home, to rent a property at a lower than market rate to facilitate the ability to save for a deposit. The scheme works by renting properties at 80% of market rent, with the expectation that the remaining 20% is paid into a savings plan. Affordability checks are rigorous, and the tenant must demonstrate the ability to pay the rent and savings element. Rent is due monthly in advance.

5. OUR POLICY

- 5.1 Customers are responsible for paying their rent, and any service charges, as outlined in their tenancy agreement or lease. Rent payments must be made in advance and maintained throughout the tenancy. If a customer is experiencing financial difficulties or falls into arrears, they must inform us as soon as possible.
- 5.2 The payment of rent should be a priority for all customers regardless of tenure type. The Trust will maintain a performance culture where the payment of rent is acknowledged as a top priority for all staff and all tenants. We take early action to prevent arrears and use various contact methods to engage with customers who miss payments.
- 5.3 Social and Affordable rents are charged weekly on a Monday. Rent payments are due weekly and in advance of a tenancy and throughout the lifetime of the tenancy. It is the customers responsibility to ensure that their rent is paid in line with the terms set out in their tenancy agreement. For example if the tenant chooses to pay their rent weekly, one week's rent in advance is due. If the tenant chooses to pay their rent monthly then one month's rent in advance is due. 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.
- 5.4 For market rent customers, rent payments are due monthly and in advance of the commencement of a tenancy and throughout the lifetime of the tenancy. The balance on the account should always be £0 or a credit balance. It is the customers' responsibility to ensure their rent is paid in line with the terms set out in their tenancy agreement.
- 5.5 For shared ownership customers rent and service charges payments are due weekly in advance of a tenancy and throughout the lifetime of the tenancy, in addition any mortgage payments owing to the mortgage lender. It is the customers responsibility to ensure that their rent is paid in line with the terms set out in their lease.
- 5.6 For Rent to buy customers, rent is due monthly in in advance of the commencement of a tenancy and throughout the lifetime of the tenancy. The balance on the account should always be £0 or a credit balance. It is the customers' responsibility to ensure their rent is paid in line with the terms set out in their tenancy agreement.

5.7 Ways to pay

- 5.7.1 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).
- 5.7.2 The Trust will regularly review new technologies and payment service providers to ensure the payment needs of our customers are met.
- 5.8 The Trust completes an affordability assessment ahead of tenancies being offered. This helps to identify any support needs. However, it can also result, in very exceptional circumstances, in a tenancy offer not being made.
- 5.9 Customers must make a rent payment in advance before signing their tenancy agreement. Failure to do so may result in the offer being withdrawn. This payment is added to their rent account. For Rent to Buy and Market Rent tenancies, one month's rent is also collected as a deposit which is held in a government approved tenancy deposit scheme.
- 5.10 We monitor rent accounts closely and take proactive steps to prevent arrears from escalating. Our system uses intelligent logic to flag missed payments early, prompting staff to contact customers.
- 5.11 We take a firm but fair approach. If a customer falls behind, we work with them to agree a repayment plan that is affordable and clears the debt in a reasonable time. We may request details of household income and expenses to support this.
- 5.12 If a repayment plan is not followed, we may refuse further arrangements and request full payment.
- 5.13 We recognise that some customers may rely upon others to manage their finances on their behalf and we will work with a designated third party authorised by the tenant. Written authority to disclose must be provided.
- 5.14 We keep customers informed at every stage of the arrears process, advising them of the reasons for any legal action being taken and the implications for the customer.

- 5.15 Where any repayment arrangement is in place we expect payments to continue through any non-charging rent weeks. The tenancy agreement outlines if any non-charging weeks are applicable.
- 5.16 Trust Staff will make an application for an APA (Alternative Payment Arrangement) at the earliest opportunity where a customer is in receipt of Universal Credit and falls within a DWP (Department of Work and Pensions) Tier One or Tier Two Factor grouping. We will make customers aware prior to doing this.
- 5.17 Where customers are experiencing difficulty paying their rent, the Trust may 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 Support and Enforcement Team.
- 5.18 We may deviate from standard collection processes to provide more intensive support to customers identified as vulnerable. Vulnerability may include (but is not limited to):
- Drug or alcohol dependency
 - Living in an abusive household
 - Being a care leaver
 - Physical or mental health conditions
 - Literacy or numeracy challenges
 - Age-related vulnerabilities
 - Financial abuse
- 5.19 For shared owners experiencing financial difficulty:
- We will aim to agree a payment schedule that includes ongoing charges and clears arrears within 6 months.
 - If no contact is made and arrears increase, we may contact the mortgage lender (if applicable). If the lender pays the arrears, the amount will be added to the shared owner's mortgage
 - Before considering forfeiture of the lease or repossession, we will give the mortgage lender 28 days' notice
 - If no mortgage is in place, we will seek legal advice on recovery options. Any legal costs may be added to the debt if permitted by the lease
 - We will only pursue forfeiture or repossession after careful consideration and when all other reasonable options have been exhausted.
- 5.20 If a tenant notifies us that they have been admitted to hospital or moves into a care facility — either temporarily or permanently — we will take a supportive and flexible approach to managing their rent account. We will work with the tenant, their next of kin, appointed representative, or relevant support services to understand their circumstances and agree appropriate arrangements for rent payments and arrears management during this period.
- 5.21 Any personal or sensitive information, including health or financial details, will be handled in line with our data protection policies and in accordance with the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We will not share information with third parties without appropriate consent, unless required or permitted by law.

5.22 Legal Action

5.22.1 All legal action will be carried out in accordance with the latest legislation. Legal action is a last resort.

5.22.2 Before issuing proceedings, we will:

- Identify any vulnerabilities, with particular regard to the Equality Act 2010;
- Refer customers to relevant support agencies;
- Keep customers informed of all actions taken;
- Offer advice on debt repayment, court orders, and sources of independent legal support;
- Encourage customers to attend court hearings.

5.22.3 At court, we will request an appropriate order based on:

- The level of arrears;
- The customer's efforts to pay;
- Any extenuating circumstances shared with us.

5.22.4 We follow the Ministry of Justice's Pre-Action Protocols for possession claims based on rent arrears. These protocols promote early resolution and aim to avoid court proceedings wherever possible.

5.22.5 We will seek an order for costs in all cases except where the claim is withdrawn or dismissed.

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/or is failing to maintain payment of rent and re- payment of arrears as set out by the Court.

5.8.2 The Head of Neighbourhoods and the Director of Resources (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.

5.8.3 Where an eviction does proceed, the customer will be notified in advance of the eviction date. They will be advised to clear the property of their possessions in advance of the eviction being carried out. We will also recommended they seek advice independently. The Trust will notify the Homelessness Team of the Local Authority of possible evictions.

5.9 Breathing Space

5.9.1 The Trust will adhere to the government legislation under The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020, also known as 'Breathing space'. As a creditor we will ensure that when we are informed by the Insolvency Service that a tenant (the debtor) is entering into a breathing space, the instructions are fully applied.

- 5.9.2 When we are formally notified that a tenant is under a breathing space we will:
- Check the type of breathing space, whether a standard breathing space or a mental health breathing space
 - Avoid – from the start of the breathing space - any contact about the debt, e.g. letters, calls, texts, notices or court proceedings, with the tenant in relation to the debt covered by the breathing space until the breathing space ends

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 arrears recovery. Peaks and Plains will deal sensitively with tenants who are in 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 and texts. We will provide information in alternative languages or alternative formats if required. We may not always follow preferred method of contact.
- 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.
- 6.6 An Equality Impact Assessment has been completed to ensure this policy supports fair and inclusive practice.

7. RESPONSIBILITIES

- 7.1 The Board has oversight of performance in relation to arrears outstanding and rent collection. Board also receive annual reports in relation to rent arrears and rent collection.
- 7.2 The Executive Management Team is responsible for approving the policy.
- 7.3 Overall responsibility for the implementation of the policy is placed with the Executive Director of Resources via the Head of Neighbourhoods. The Head of Neighbourhoods will report to EMT and the Board (and any relevant Committees) on the policy.
- 7.4 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.

7.5 The Income 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. The Income Manager will ensure any relevant procedures are updated, that the appropriate level of training is provided to Officers and collates and provides reporting information.

7.6 This Policy is delivered by the Income Team, with support of all staff across the Trust, and will ensure that the relevant policy and procedures are followed.

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 Annual 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 The Trust's All Management Team and Senior Management Team have been consulted about this Policy.

9.3 The Trust's EDI Forum has been consulted about this Policy and the Equality Impact Assessment.

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.

11. ASSOCIATED DOCUMENTS

- 11.1
- Former Tenants Arrears and Credits Policy
 - Standing Orders, Financial Regulations and Scheme of Delegation
 - Pre Action Protocol
 - Rent Setting and Service Charge Policy
 - Corporate Debt Policy
 - Tenancy Policy
 - Tenancy Agreement
 - Safeguarding Policy
 - Reasonable Adjustments Policy
 - Right to Buy Procedure
 - Right to Acquire Procedure
 - Rent to Buy Policy
 - Shared Ownership Affordability Policy (including minimum surplus income)
 - Data Protection Policy
 - Vulnerability Policy

POLICY INFORMATION

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Drafted By:	Steff Goalen, Housing Manager
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