

Rent Collection and Arrears Recovery	<b>Policy</b>
<b>Approved by</b> Chief Executive	<b>Issue number 9</b>
<b>Approved date</b> 5 <sup>th</sup> October 2023	<b>Review date</b> October 2025
	<b>Responsible Officer</b> Head of Housing

<b>1.</b>	<p><b>Aims and Objectives</b></p> <p>Preventing and managing rent arrears plays a very important part in maximising the resources available to Hightown to develop new homes and provide an efficient and effective housing management and maintenance service.</p> <p>This policy aims to manage arrears in line with Hightown’s commitment to sustaining tenancies wherever possible, and to avoid evicting people into homelessness.</p> <p>The policy for collecting rent and arrears is based on a firm and supportive approach, in line with best practice. The overall aim is to collect the rent due in the financial year plus additional payments to reduce the rent arrears figure, meeting targets set for the year.</p>
<b>2.</b>	<p><b>Definitions and Scope</b></p> <p>This policy is relevant to all staff in the Housing and Care and Supported Housing directorates who are involved in the collection of rent.</p> <p>Hightown provides a confidential, supportive and knowledgeable rent collection service to encourage tenants to communicate with us if they experience difficulty in paying their rent.</p>
<b>3.</b>	<p><b>Policy Statement</b></p> <p><b>Information for tenants</b></p> <p>We provide information about rent accounts and our rent and arrears collection processes through a range of leaflets, our website, in tenant newsletters, and via the tenant portal, MyHightown.</p> <p>We actively signpost tenants to sources of support and information regarding their finances, including external advice agencies and our in-house Financial Inclusion Service for General Needs tenants.</p> <p>Our published information can be translated into different languages or provided in different formats, such as Braille or large print upon request.</p>

Tenants are sent rent statements quarterly, and at any other time upon request. Tenants can also access their rent account online at any time through the MyHightown portal.

During office hours, tenants have access to staff who will be able to advise them regarding their rent account. Tenants can communicate with staff through visits, letter, telephone, email or text message.

We contact all new General Needs tenants prior to the start of their tenancy to explain our rent policy and signpost them to sources of further assistance where appropriate.

The Housing Team contact general needs tenants around 6 weeks after the start of their tenancy to discuss any issues that have come up since they moved in, including rent payment and benefit applications where applicable.

### **Preventing Rent Arrears**

All new General Needs tenants are required to pay four weeks' rent in advance prior to signing the tenancy agreement.

Where the tenant's circumstances prevent them from paying four weeks in advance, we may agree to a lower advance payment and make a payment plan to bring their account into credit by their payment frequency.

We encourage new tenants to establish a regular rent payment pattern to avoid rent arrears accruing. We signpost them to apply for any benefits for which they are likely to qualify.

We monitor payments and act quickly to notify tenants of any debt on their rent account, however small, to prevent it increasing and becoming unmanageable.

We monitor repayment agreements and ensure that missed payments are followed up.

We review our arrears recovery procedures in line with legislative changes and best practice.

### **Staff training**

Staff with responsibility for managing rent accounts are trained in best practice procedures to recover arrears and are knowledgeable about how to assist people to obtain benefit advice.

### **Rent Payment Methods**

We offer tenants a wide range of methods for paying rent which are publicised to our tenants.

We encourage tenants who receive benefit or income direct to their bank accounts to pay their rent by direct debit.

### **Housing Benefit and Universal Credit**

We recognise that benefit applications can be complex and difficult to complete. We support tenants to submit accurate application forms when applying for benefits.

We signpost tenants to online benefit calculation services to obtain an indication of their potential benefit entitlement.

Using our Trusted Partner status for Universal Credit, or with the agreement of the tenant in relation to Housing Benefit, we liaise with the Department of Work and

Pensions or Local Authority regarding the tenant's benefit entitlement for housing costs.

Rent arrears can arise through changes in benefit entitlement. We seek to assist the tenant to resolve any outstanding benefits issues prior to pursuing possession action.

### **Support for tenants with arrears**

We recognise that coping with debt can be an anxious time for our tenants and also that some tenants are particularly vulnerable and need additional support to sustain their tenancy.

We make agreements for the repayment of the debt that are reasonable, realistic and do not cause exceptional hardship. Such agreements minimise the risk of missed payments.

We follow the Pre-Action Protocol for Possession Claims by Social Landlords. Where we are looking to pursue Court action due to rent arrears, we will attempt to contact the tenant to understand their reasons for non-payment, and carry out an Income and Expenditure analysis before making a formal repayment arrangement.

We offer support and help through welfare benefit information and signposting tenants to debt and money advice services. Where tenants are found to be vulnerable, we will refer the tenant to a support agency, where available.

Where appropriate, our Tenancy Support services support General Needs tenants to maximise their income through identifying benefits they may be entitled to, and supporting them to query and challenge benefit decisions.

### **Recovery action**

We aim to encourage tenants to maximise their income through applying for any benefits to which they may be entitled and will attempt to maintain communication with the tenant to prevent increases in rent arrears and other debts.

We may apply for direct deductions from the benefit of tenants in rent arrears where the prevailing criteria are met. This helps ensure that possession action is used as a last resort, generally where tenants fail to make contact with or do not provide information to benefit departments, or fail to keep to an agreed repayment plan.

We will seek possession of a property (eviction), including the use of Ground 8 where appropriate, where other reasonable attempts to recover the debt have failed.

We may consider other methods of recovery such as the small claims court process and attachment of earnings where appropriate.

### **Monitoring**

We monitor the ethnicity and gender of tenants who are evicted to check that our procedures are being operated fairly.

Monthly management reports include the monitoring of rent collection and arrears recovery; relevant Board sub-committees receive performance information on the recovery of rent debt.

### **Former Tenant Arrears**

Former tenants who accrued arrears during their tenancy with Hightown are still required to repay those arrears and we will seek to recover the debt, using, where necessary, the assistance of an external debt collection agency.

4.	<p><b>Legal/Regulatory Background</b></p> <ul style="list-style-type: none"> <li>• Schedule 2 of the Housing Act 1988</li> <li>• Pre-Court Action Protocol for Possession Claims by Social Landlords</li> </ul>
5.	<p><b>Other considerations:</b> An Equality Impact Assessment has been carried out by the Head of Housing in the review of this policy</p>
6.	<p><b>Role and Responsibilities/Authority</b></p> <p>This policy is relevant to all staff in the Housing and Care and Supported Housing directorates who are involved in the collection of rent. Specific roles and responsibilities are outlined in associated procedures listed below.</p>
7.	<p><b>Policy/document References:</b></p> <p>This policy should be read in conjunction with:</p> <ul style="list-style-type: none"> <li>• General Needs Rent Recovery Procedure</li> <li>• Care and Supported Housing Arrears Recovery Procedure</li> <li>• Intermediate Rent Arrears Recovery Procedure</li> <li>• Starter Tenancy Procedure</li> <li>• Insolvency Procedure</li> <li>• Ground 8 Possession Procedure</li> <li>• Former Tenant Arrears and Rent Credit Procedure.</li> <li>• Garage and Parking Arrears Recovery Procedure</li> <li>• Home Ownership Debt Recovery Procedure</li> </ul>