



Income Recovery Policy

Revised: August 2019

Next Review: August 2022

Approved by:

Board: 16th September 2019

Responsibility:

Housing Services Manager

1. Policy Objectives

The aim of our rent collection and arrears policy is to enable St Peter's to achieve maximum rental income and thereby minimise the risk of rent arrears and former tenant arrears and provide a fast, firm but fair housing management service to our tenants.

The policy is designed to:

- Help maintain and sustain tenancies
- Prevent and manage arrears
- Provide early intervention in dealing with arrears.

2. Legislation

Legislation	Relevance to Income Recovery
Housing Act 1988	<ul style="list-style-type: none">• Rent regulation reduced and tenants able to challenge rent set by landlord
Housing Act 1996	<ul style="list-style-type: none">• Modifications made to the 1988 Act regarding grounds for possession

3. Regulatory Framework

This policy operates within The Regulatory Framework for Social Housing in England from April 2010.

The main relevant standard is outlined below:

Tenancy Standard

Tenure

- We provide services that will support tenants to maintain their tenancy and prevent unnecessary evictions.

4. Fairness

We will ensure that this policy is applied fairly and consistently to all our tenants. We will ensure that this policy does not discriminate against any applicant on the grounds of gender, age, ethnic origin, disability, religion or sexual orientation.

5. Application and Pre-Tenancy checks

The application for housing form and the interview are primarily an information gathering exercise so that we can fully assess the applicant(s) eligibility and suitability for a tenancy. This check includes carrying out an affordability check. A prospective tenant may be refused for a property should the assessment prove unaffordable.

6. New tenants

All new tenants will be clearly advised of their responsibilities to ensure that rent is paid in full and on time including the claiming of any housing benefit / Universal Credit (Housing Element). We will make it clear that non-payment is taken seriously and will lead to further action being taken.

We will outline the range of payment methods available to tenants. These include standing orders, payment with a rent card via the post office, paypoint including via telephone.

We will offer assistance with completion of forms including online applications, assessing a tenant's income, calculating benefit entitlement, wider benefit entitlement checks and ensure new tenants are aware of support options available should they experience difficulties in paying rent.

At sign up to a new property, 1 week's full rent is required.

All new tenants on starter tenancies will be visited within 6 weeks of the sign up date so we can check all is well and deal with any rent related questions or issues at the same time.

7. Current tenants

All tenants will receive a quarterly rent statement to ensure they are kept up to date with their rent account.

We will make tenants aware of local welfare and debt management agencies in the area including promoting services on our website.

We will work to develop partnerships with Housing Benefit, the Department for Work and Pensions (DWP) and specialist welfare advisors and make referral arrangements.

If a tenant with rent arrears is transferred to a new property on management grounds, e.g. domestic violence, then terms to clear the arrears should be agreed before the transfer goes ahead.

8. Early intervention and low level arrears

It does not help the tenant or us for arrears to reach high or unmanageable levels and for this reason we have a policy of 'early intervention'. Early intervention means us making every effort possible to contact tenants, face-to-face or by speaking to them on the telephone, no later than them being 2 weeks in arrears with their rent payments.

The focus and scope of such contact will be to seek to remedy very quickly with the tenant any arrears of rent and to establish if there have been any changes in their personal circumstances which have led to the missed payments, and ensure they are aware of and have applied for any benefit or support to which they may be entitled or that any change of circumstances may have made possible.

When we receive notification a tenant has claimed Universal Credit we will arrange an appointment to see them within a week to discuss payment options.

The tenant will be encouraged to pay the weekly rent and a sum of money (to be agreed) in regular reduction of arrears (Agreement to pay, ATP).

9. Escalation of debt

Whilst the ultimate sanction available to us is to apply to the Court to seek Possession of the property, we will do all we can to help the tenant remain in the property and for legal action to be avoided.

To what extent this proves successful will rely in no small part on how willing the tenant is to engage with us and to co-operate.

To this end we will seek to be available at any reasonable time to discuss the situation with the tenant and to assist them in making any claim for Housing Benefit / Housing Costs or other financial support, along with helping them to access debt and support agencies.

We will seek to negotiate an affordable repayment level in all negotiations. We will not pressurise a tenant for a large single payment of arrears but will request regular, affordable and consistent repayments.

In some cases, where a tenant is in receipt of benefits, we may make arrangements with the tenant to pay their arrears through DWP Direct Payments.

Failure on the part of the tenant to engage or co-operate with us in our efforts to resolve the arrears of rent or get them into some form of manageable and agreed repayment arrangement will result in the matter being followed up in accordance with our escalation policy, such steps include but not limited to:

- Telephoning tenants at their place of work;
- Leaving messages with any next of kin asking tenants to contact us;
- Speaking to any appointed representatives i.e. support worker, CPN
- Visiting the property at differing times of day

We will not take Court action where the majority of any arrears can be demonstrated to be due to delays on the part of Housing Benefit / Housing Costs but would need the tenant's co-operation in arriving at this conclusion.

We shall ensure the tenant is aware of the consequences of their failure to engage with us, including:

- They would not be eligible for transfer to alternative accommodation (unless on medical grounds or they are a victim of anti-social behaviour);
- They may lose their home;
- A County Court Judgement will seriously harm their ability to obtain credit;
- They would be unable to get a good reference for their next landlord;
- Any future application for housing would be denied;
- That the debt will be vigorously pursued and payable (along with any costs involved in tracing them), even after eviction.

10. Legal action

We will advise tenants, in writing, of our intention to commence legal action.

Notice Seeking Possession action will normally be taken where the tenant is in more than 5 weeks arrears. Arrears cases will normally be entered into Court when the amount of arrears reaches a total of 8 weeks or persistently not made payments including utility and water bills.

Once the decision is taken to enter an arrears case into court, legal costs will be passed onto the tenant. These costs will be added to the tenant(s) account once the arrears have been paid on full. However, where legal action has commenced and the tenant has agreed to and is maintaining arrangements for repayment, further legal action will only be taken if these agreements are broken.

Where all practical methods have failed, repossession proceedings through the County Court will be taken. Where court proceedings are commenced we will provide the tenant with updated rent statements and a disclosure of its knowledge of the tenant's housing benefit position (if known) no later than 10 days before the court hearing

We will inform the tenant of the date and time of any court hearing and the order it will seek. The tenant should be advised to attend the hearing as their home is at risk and records of this advice will be kept.

If the tenant complies with an agreement made after the issue of proceedings, we will agree to postpone the proceedings so long as the tenant keeps to such agreement.

If the tenant ceases to comply with such agreement, we will notify the tenant of the intention to restore the proceedings and give the tenant clear time limits in which to comply.

Having obtained a Court Order, where the tenant fails to respond, a Warrant of Execution will be sought and the tenant evicted. It must be stressed that this course of action will only be taken as a last resort. Whilst we would not wish to take action which results in the eviction of tenants, it will do so if all other attempts to recover arrears are unsuccessful.

Throughout all the above stages, constant efforts will be made by us to agree terms with the tenant and offer advice/assistance, including benefit and financial advice from outside agencies.

11. Former Tenant Debt

In this section former tenant debt is related to any arrears relating to their rent account, court charges and/or rechargeable repairs.

We will use all steps to ensure that tenants end their tenancies with a clear rent account. If this is not possible we will seek to ensure that an agreement is in place before the tenancy ends.

Where an agreement has not been made and we have a forwarding address, we will send an invoice to the forwarding address for the balance of all arrears.

We will seek to reach an agreement of all monies owed including any legal costs and costs in putting the property back into proper repair.

All cases will be monitored for **6 months** after tenancy end. If satisfactory payments are not made or an agreement not kept to, or in cases where a forwarding address has not been provided (evictions and abandonments) then the case should be referred to the Chief Executive for further instruction.

Actions to be considered

- Refer debt to tracing agency
- Recover debt through Small Claims Court
- Debt to be written off

12. Write-off

A full report will be presented to the Chief Executive by the Housing Services Manager detailing the date and actions taken to recover the debt. A recommendation to write off a debt will be made according to the current Financial Regulations Policy.

If a former tenant debt has been written off, and the tenant subsequently reapplies for housing, the debt will be reinstated.

Credits – credits will normally only be written off from the accounts when:-

- The former tenant has died and there are no known next of kin or estate details
- We do not have any forwarding address and taken all reasonable steps to establish one.

13. Deceased Cases

Housing Benefit ceases to be paid on the death of a tenant although the tenancy continues until a Notice to Quit or end of tenancy form is signed by the late tenant's family or friends. This means that arrears of rent may arise between the date when the tenant dies and the date the tenancy formally ends.

We will agree to waive all rent and charges for two weeks, as long as those acting on behalf of the deceased are able to return the property cleared of personal effects.

Where there are arrears, these are recoverable from the late tenant's estate. We aim to be as sympathetic as possible when discussing this type of arrears case with the family and friends of tenants who have died, but must balance this with our duty to recover the debt if we can.

A letter and invoice will be sent to the executors informing them of the debt and requesting payment from the estate. If the debt is unable to be paid in full, either because there is no estate or due to financial difficulties, a reasonable offer of repayment will be accepted.

14. Monitoring

The Housing Services Manager and Housing Administrator/Bookkeeper will review arrears cases on at least a fortnightly basis.

The Chief Executive will monitor arrears performance via a detailed quarterly performance report.

The Board will monitor arrears performance via a quarterly key performance indicator report.