



manningham
HOUSING ASSOCIATION

RENT COLLECTION AND RENT ARREARS POLICY



RENT COLLECTION AND RENT ARREARS POLICY

1. BACKGROUND

Manningham Housing Association (MHA) is a registered social housing provider. The Association provides general needs, sheltered and supported housing for rent and shared ownership.

This policy sets out our approach to rent collection and the management of rent arrears.

2. OUR APPROACH TO RENT COLLECTION

Rent payments are due weekly and in advance on the Monday of each week. A rent account will go into arrears if a payment has not been received by the Friday of the week that it is due.

In the case of housing benefit being paid direct to MHA, after this has been applied for and granted, payments are made by the Council to the Association usually every four weeks in arrears. In that situation providing we have been notified by the Council that benefit is payable we do not regard the rent account as being in arrears.

Where there is more than one person named on the Tenancy Agreement, we treat all of them as being equally responsible for the payment of the rent, including any arrears. The legal way of describing this is that all people named on the tenancy are "jointly and severally" responsible for all the tenant obligations in the Tenancy Agreement.

In dealing with rent arrears we aim to be sensitive and responsive to any specific needs customers may have, for example:

- Customers with disabilities
- Customers who are infirm
- Customers who are housebound
- Customers with language support needs
- Customers who may need additional support in maintaining their tenancy

Examples of specific actions we would consider using in these situations include:

- Accessing interpreting services
- Translation of printed material
- Referral to specialist organisations (including voluntary organisations)
- Carry out home visits
- Refer to and obtain assistance from support agencies

We will treat customers with respect and consideration, and try to help them find a way around their problems, as then they are likely to repay us with loyalty and respect in return. Rent arrears are 'priority debts', which means the consequences of not dealing with them are serious - there is a risk of people losing their home.



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Accordingly, we will encourage tenants that even if they have other debts, they should make sure they prioritise their rent arrears. In order to minimise the loss of rental income we will apply a firm but fair approach to the prevention and recovery of arrears.

3. PREVENTATIVE MEASURES

We will assess applicants' ability to afford the rent on their home as part of our letting service.

When we visit shortlisted applicants for new tenancies, we will advise them about possible home set-up and running costs, contents insurance, low cost energy deals and whether they may qualify for any other financial support from the local authority of support organisations.

At sign up we will request new customers to pay two weeks' rent in advance. This will ensure their rent account does not go into arrears at the start of their tenancy.

We will advise new tenants of what will happen if they go into arrears. We will make it clear that the responsibility for ensuring the rent gets paid is theirs, even if they are getting housing benefit.

During the first month of the tenancy, a member of our staff will visit the tenant to check that they are settling in well and to offer help with any housing-related problems they may be having. We will use this as a further opportunity to check if there are any rent difficulties, and provide any help and support the tenant may need to deal with these.

We will send rent statements to tenants at least every 12 months or upon request. A variety of payment methods will be made available to make it as convenient and simple as possible for customers to pay their rent. The current rent payment methods are:

- From any bank or building society by standing order or direct debit
- By the Allpay card which will be issued at the start of a tenancy
- By direct payments on the tenant's behalf from the Council to the Association (where the tenant has been granted housing benefit)
- Payment of rent in the office
- Debit card rent payments

We will work closely with the Housing Benefit department to help ensure that customers receive the maximum level of benefit and that it is assessed and paid as soon as possible.

4. DEALING WITH RENT ARREARS

Every effort will be made to assist customers in rent arrears to prevent their arrears building up, including referral to debt advice agencies, help with accessing appropriate benefits in order to maximum their income, and early personal contact by telephone, letters and home visits. Where rent arrears accrue due to the impact of Welfare Reform,



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MHA will pursue any action as per this policy. We will provide support to families suffering financial hardship and will consider a priority transfer to another property where possible in line with our Lettings policy.

As a guide for staff the following levels of arrears will be used as trigger levels for action:

- Warning of Notice Seeking Possession - 2 weeks or more arrears but not less than £70
- Service of Notice Seeking Possession – 3 weeks arrears or more but not less than £90. We will normally use discretionary grounds for possession unless the arrears amount to 8 weeks or more and there is little chance of recovering the arrears in which case we retain the right use the mandatory ground for possession.
- Court Action – 7 weeks arrears or more but not less than £130.
- Eviction - 7 weeks arrears or more, but not considered for less than £130. In the case of suspended possession orders, eviction will not normally be considered unless the tenant is at least 2 weeks behind on the terms of a suspended order, and has had a warning letter giving them a chance to catch up with the terms of the order.

Eviction will only be considered as a last resort where every other means of debt recovery options have been exhausted. Approval will be required from the Director of Customer Services prior to an application for eviction being made.

No court or possession action will be taken against a tenant who has submitted a claim for housing benefit, supplied all the relevant information and is awaiting assessment. However, in Shared Ownership cases, the Mortgage lender can act unilaterally, and does not need our consent.

If a customer who owes arrears of rent is due compensation of any kind or any other type of payment from the Association, where permissible by law, the money will automatically be paid into the rent account to help reduce the arrears.

Starter Tenancies will not be offered fully assured status if they have rent arrears. In line with good practice in housing management, it is not our policy to use Distraint (i.e. the seizing of Customers' goods in order to sell them to pay off the debt) in arrears recovery. However, we will pursue other legal remedies where repossession is not appropriate.



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5. EVICTIONS

As a last resort, the Association will evict customers who fail to pay off their arrears following a Possession Order. Evictions must be approved by the Director of Customer Services or another Director in his/her absence. Where an eviction does proceed, the tenant will be sent a letter in advance of the eviction notifying them of the time and date of the eviction. They will be advised to clear the property of their possessions in advance of the eviction being carried out. The tenant will be recommended to seek advice independently. The Association will notify the Homelessness Team of the Local Authority of possible evictions.

Evictions will normally only be cancelled where arrears are cleared in full, although the Director of Customer Services will have the discretion to agree part payment. The Income Management Officer and at least one other colleague will attend the eviction, and the locks of the property will be changed. An inventory will be taken of any possessions worth over £100 left behind. Where items of value have been left they will be put into store for a minimum of 28 days, and the cost of storage will be charged to the evicted tenant.

6. RE-HOUSING OF CUSTOMERS IN RENT ARREARS

Our Lettings Policy does not exclude Customers in rent arrears from applying to transfer to another MHA property.

However, in deciding on eligibility and priority for re-housing, each case is considered having regard to the way the current tenancy has been conducted and we will take into consideration any significant, serious or consistent breaches of the Tenancy Agreement, including non-payment of rent.

7. FORMER TENANCY ARREARS

It is our policy to actively pursue all rent arrears even where the tenant has moved out of the property. We will consider the use of professional debt collecting agencies where necessary and appropriate. Leaving the property does not remove the tenant's responsibility to pay the debt owed.

In certain circumstances we may decide to "write off" former tenancy arrears. This means that we choose to stop actively pursuing the debt. It does not mean that the debt is considered to have been paid. We will seek opportunities to collect Former Tenant Arrears.

8. MONITORING AND REVIEW

We will monitor and review this policy in conjunction with residents to ensure its effectiveness and relevance to the Association's stated aims and objectives.



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The Director of Customer Services has overall responsibility for the on-going monitoring of the policy through the work of frontline staff, particularly those engaged Income Management. The policy will be reviewed every three years or sooner following significant legislative or regulatory changes.

Date Approved by the Board	Next Review date	Responsible Manager
12 March 2014	March 2017	Director of Customer Services