

Rent Arrears Policy - General Needs

Scope of Policy

This policy sets out the approach to be adopted by all members of Platform Housing Group (the Group) in relation to the management of arrears of rent, occupancy including any licence charges in addition to the income collection of service charges for all rented properties.

Applicability

The policy applies to all members of the Group. It also applies in respect of all general needs and supported housing customers. This policy does not however cover our approach to leasehold service charges, which will be covered by a separate policy.

1. Policy Statement

- 1.1 The Group aims to minimise the amount of rent and service charge arrears. We will apply this policy consistently and fairly and will always ensure that we act in a reasonable manner, and that our actions represent a necessary and proportionate response.
- 1.2 We will ensure that our approach represents current good practice and meets all legal and regulatory requirements. We will monitor our performance to ensure that this continues to be the case.

2. Context

- 2.1 This policy is set within the context of relevant legislation and regulatory guidance which includes:
 - Housing and Regeneration Act 2008
 - Housing Act 1985, 1988 (as amended by section 101 of the Housing Act 1996)
 - Protection from Eviction Act 1977
 - Equality Act 2010
 - Human Rights Act 1998
 - Homelessness Reduction Act 2017
- 2.2 In addition, the Pre-Action Protocol for Possession Claims by Social Landlords contains guidance on good practice in the collection of rent arrears.

Whilst registered providers of social housing are not bound by the Duty to Refer under the Homelessness Reduction Act 2017, the Group has adopted the Commitment to Refer best practice guidance. This commitment applies to anyone we consider to be at risk of homelessness which includes customers and those residing in our homes.

This policy also reflects the expectations outlined by the Regulator of Social Housing, regulatory standards, procedures and guidance.

3. Aims and Objectives

3.1 The aim of this policy is to ensure that all members of the Group work effectively to manage rent and service charge arrears with the following objectives:

- To work with customers to prevent arrears developing and to enable them to maximise their income via our Rent Support Services team and partnership working with relevant local agencies
- To offer a number of alternative ways for customers to pay their rent and service charges, and promoting the use of direct debit as the primary method for payment
- Ensuring customers are aware of all self-service payment platforms which include the customer portal, apps and automated telephony payment services to ensure there are no barriers to income collection
- Use of early intervention tools to help customers sustain their tenancies and avoid legal action (possession and/or eviction) by such means as making early contact through text messaging, automated telephony contact, email, or letter where appropriate through use of appropriate legal remedies where necessary
- Where it is necessary, and proportionate to do so, we will seek legal possession of a property where other methods have failed to ensure payment; and all members of the Group will consider the wellbeing and safety of children and vulnerable adults and are to ensure they are also familiar with the Group's Safeguarding Policy

3.2 Supporting procedures will be developed to support this policy. We will ensure that relevant employees are provided with the necessary training to deliver these so that they are able to offer appropriate levels of support to customers who fall into arrears.

4. Policy Outline

4.1 Prevention of Arrears

We will ensure that at the start of a new tenancy, relevant employees will offer appropriate advice to signpost customers to claim appropriate welfare benefits, including an assessment of benefit entitlement where possible. Furthermore, new customers will be required to have 1 month's credit on their rent account at the sign-up stage and existing customers will be expected to build a month's credit. This is in order to help prevent arrears and in line with the tenancy conditions.

We will also ensure that the tenancy conditions are fully explained, and that customers are made aware of the potential consequences of not paying rent or service charges. We will emphasise tenancy terms and conditions to ensure, where possible, that payment is made by direct debit and other payment options highlighted earlier in this policy.

In view of the introduction of Universal Credit and where there are eight weeks gross arrears if payable weekly, or two months if payable monthly, the Group can request that housing costs are paid direct to the landlord via the Department of Work & Pensions through an Alternative Payment Arrangement request.

4.2 We will endeavour to make customers aware of organisations that can assist with maximisation of their income. We will do this through our respective customer newsletters, websites and individually where this would be appropriate via text message alerts, letters, telephone and email contact.

4.3 **Support for Customers**

The Group recognises that customers may from time to time experience financial difficulties. In order to assist and take steps to prevent the build-up of arrears, the Welfare Reform & Tenancy Sustainment team will:

- work to maximise customer income
- provide support in making benefit claims
- identify vulnerabilities and refer to agencies
- compile income and expenditure assessments
- provide money management, advice and guidance
- arrange for pre-court visits

4.4 Where a customer is identified as having a potential vulnerability or support need, which may affect their ability to pay the rent and service charge, we will ensure that these needs are fully considered with the use of mental health capacity and proportionality checklist tools and will signpost them to other specialist support agencies where applicable and available throughout the income recovery process.

4.5 We will ensure that all information is written, as far as possible, in plain English and we will provide information to customers in other formats and languages where required.

4.6 **Recovery of Arrears**

Where possible, members of the Group will make early personal contact with all customers whose accounts fall into arrears to make arrangements to clear the outstanding debt.

4.7 We will contact customers who are in arrears by making best use of automated technology to ensure contact is made promptly and so that support can be offered to ensure that affordable agreements are put in place to repay any arrears owing at the earliest opportunity. Where financial circumstances are more complex, customers will be referred to the Welfare Reform & Tenancy Sustainment team for tailored support focusing on income maximisation to ensuring future rent and arrears payments can be made maintained. We will also make customers aware of other

possible sources of support and wider assistance available to them within their locality.

- 4.8 Rent arrears recovery will be based on a preventative approach, with a staged escalation process. Where necessary, members of the Group will take appropriate legal action to recover rent and service charge arrears.

Before applying to court for a Possession Order, a Notice of Seeking Possession will be served, relevant to the tenure type in line with the pre action protocol. The Notice served will be in the prescribed form, specifying the grounds on which possession is being sought and set out the particulars of each ground.

The Group will serve Notice by Royal Mail 1st Class or Recorded Delivery. In some instances, Notice will be served by way of hand delivery to the property.

- 4.9 We will ensure that a comprehensive record is kept of all action taken and contact made with customers who fall into arrears and will ensure that all data is handled in accordance with the Data Protection Policy.

- 4.10 An exception to the Rent Arrears Recovery Procedure would be any customer with a successful application for the Government Debt Respite Scheme (Breathing Space). Once successful the scheme will notify the Group of the customer's start date, at which point all legal/recovery action will cease, neither will any conversations take place to address the current debt until the term has completed (typically 60 days). During Breathing Space, the customer is still legally required to pay their ongoing rent charges until the completion of the scheme. The scheme will send notification to the Group when the scheme has ended, at which point, and if still necessary, recovery action may recommence.

- 4.11 We will only seek legal possession of a property as a last resort where other alternatives have failed or where the customer has wilfully failed to engage with us without reason. Where legal action has been taken and the court awards the Group with either a full possession or suspended possession order, we will also look to recover costs incurred as part of the claim.

4.12 **Use of Section 21 notices**

A number of new tenancies let by the Group will be on an Assured Shorthold tenancy and may be referred to as Introductory, Starter or Probationary tenancies. During the first year of these tenancies, not earlier than four months, the Group may choose to serve a Section 21 notice. The reasons for using a Section 21 notice will be similar to the use of Ground 8 possession proceedings listed below.

For clarity, the supporting procedures to this document will outline the detailed operation of when a Section 21 notice will be used by the Group.

4.13 Use of Ground 8 possession proceedings

In most circumstances discretionary grounds for possession during legal proceedings will be used by the Group, which enables courts to decide whether possession is reasonable and proportionate to the circumstances of each case. The mandatory rent arrears Ground 8 will only be used in the circumstances outlined in this policy. Where the use of Ground 8 has been included in a notice served and we intend to rely on this ground during court proceedings, the attending Officer must seek authorisation by the Neighbourhoods and Operations Director.

Supporting procedures will outline the detailed operation of this policy but the circumstances in which the Group would consider use of Ground 8 proceedings are as follows:

- the customer has arrears of at least eight weeks for weekly tenancies or two months for monthly tenancies when the Notice of Seeking Possession is served, and has arrears of at least these levels following the expiration of the notice period
- there is a persistently poor payment history, which has resulted in the Group having previously sought a possession order, and arrears have subsequently increased with a high risk that the debt will not be resolved
- the customer(s) has not engaged in or refused attempts at personal contact, or has failed to engage with support, and has not made a reasonable offer to settle the arrears owed
- there is no Housing Benefit claim outstanding or any reasonable expectation of Housing Benefit being paid, and this has been confirmed by the local authority
- use of Ground 8 is proportionate and reasonable in the circumstances of the particular case
- the customer is not deemed to be a “protected party” under the Civil Procedure Rules due to a lack of capacity, or is known to be vulnerable

During the notice period we will make every reasonable effort to contact the customer(s) to establish their circumstances and assist them to claim any benefits they may be entitled to, or to seek independent assistance from appropriate support agencies.

- 4.14 We will aim to agree a reasonable settlement with the customer(s) to clear the rent arrears with an affordable payment plan and explain the potential consequences if eight weeks or two months arrears are outstanding at any court hearing. It will be the Rent Officers responsibility to establish a reasonable agreement with the customer; however, the Team Manager can always provide guidance where required. Factors such as affordability and whether the agreement is sustainable should be considered, both for the customer and for us as the landlord.

In determining an appropriate course of action, full account will be taken of issues such as any vulnerability and appropriate support will be initiated in partnership with relevant specialist agencies who may be able to assist.

The Group's overriding aim is to work with customers to address arrears and minimise both the need for and resulting cost of repossession where this is achievable.

4.15 **Former Tenancy Arrears**

This policy does not include the management of former customer arrears, our approach is outlined within the Former Tenant Arrears Policy and procedure document. Further information as to recovery of former debt owed will reflect best practice and offer a robust approach to recovery of such arrears.

5. Equality and Diversity

- 5.1 We are committed to fairness and equality for all regardless of their colour, race, ethnicity, nationality, gender, sexual orientation, marital status, disability, age, religion or belief, family circumstances or offending history, as referred to in our relevant Group policies. Our aim is to ensure that our policies and procedures do not create an unfair disadvantage for anyone, either directly or indirectly.
- 5.2 Equality and data protection impact assessments have been undertaken in respect of this policy and which identified no negative impacts on any person/group with a protected characteristic. We will monitor action taken to tackle arrears to ensure that here is no adverse impact as a result of implementation of this policy.

6. Complaints

- 6.1 The Group aims to meet the needs of its customers by providing an excellent service. However, it is acknowledged that occasionally things go wrong and customers may wish to complain. Should the need arise to make a complaint, please refer to the Group's Complaints, Comments and Compliments Policy.

7. Monitoring and Review

- 7.1 Performance will be regularly monitored and targets will be set and reviewed annually in relation to benchmarking performance data.

8. Associated Documents/Policies

- 8.1 List of documents/associated policies/publications:

- Housing and Regeneration Act 2008
- Housing Act 1985, 1988 (as amended by section 101 of the Housing Act 1996)
- Protection from Eviction Act 1977
- Equality Act 2010
- Human Rights Act 1998

- Human rights at home: Guidance for social housing providers (Equality and Human Rights Commission Guidance)
- Homelessness Reduction Act 2017
- Pre-Action Protocol for Possession Claims by Social Landlords
- NHF – Commitment to Refer – Guidance for Housing Associations
- Regulator of Social Housing - Regulatory standards, procedures and guidance
- Debt Respite Scheme (Breathing Space)
- Safeguarding Vulnerable Adults and Children Policy
- Former Tenant Arrears Policy
- Complaints, Comments and Compliments Policy
- Data Protection Policy

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