Rent Collection & Arrears Recovery Policy

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Version	Date	Author	Change Description	Approved by	Date approved
1	September 2016	Income Collection Team Leader	No Changes	Leadership Forum	September 2016
2	October 2019	Income Collection and Tenancy Sustainment Manager	Amends to Section 3	Leadership Forum	October 2019
3	April 2023	Head of Income	Changes to job titles	Assistant Director of Housing	April 2023
4	Oct 2026	Assistant Director of Neighbourhoods	Comprehensive policy review undertaken to align with current legislation, regulatory expectations and good practice. New sections added covering tenancy sustainment, vulnerability and domestic abuse, homelessness prevention, eviction approval, former tenant debt recovery, debt write-off, data protection and insolvency arrangements. Structure, governance and monitoring provisions updated.	Customer, Colleague and Culture Committee	

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TWO RIVERS HOUSING

Rent Collection and Arrears Recovery Policy

1. Statement of Intent

1.1 Two Rivers Housing (TRH) aims to collect the maximum amount of rental income and other charges due from its tenants and former tenants and it intends to collect this income promptly in order to safeguard the provision of its services.

1.2 TRH aims to prevent tenants getting into arrears and then assist tenants to reduce outstanding arrears. TRH will take prompt action with a reasonable and consistent approach to the recovery of rent arrears or any other debt owed to TRH. It will make realistic and affordable repayment arrangements with its tenants and former tenants.

1.3 TRH will take account of individual customer circumstances, vulnerabilities and support needs when applying this policy and determining appropriate recovery action.

1.4 TRH is committed to ensuring eviction is always considered a last resort. The primary objective of arrears recovery activity is to sustain tenancies, maximise income and support customers to resolve financial difficulties wherever possible

1.5 Where rent arrears persist, TRH will take the relevant legal action at the appropriate stages in its rent arrears recovery process in accordance with the court pre-action protocol and, in the case of current tenancies, repossess the property if necessary.

1.6 TRH will comply with all relevant legislation, regulatory requirements, Consumer Standards issued by the Regulator of Social Housing and its own policies and procedures in implementing this policy

1.7 TRH will deliver services in accordance with the Equality Act 2010 and will ensure that no person is disadvantaged on the grounds of a protected characteristic. Reasonable adjustments will be considered and implemented where appropriate.

1.8 This policy should be read in conjunction with the Tenancy Management Policy, Allocations Policy, Equality and Diversity Policy, Anti-Money Laundering Policy, ASB Policy, Abandonment Policy, Domestic Abuse Policy and any associated procedures relating to rent collection, arrears recovery and tenancy sustainment.

2. Payment of Rent

2.1 TRH will advise tenants of their obligation to pay rent and of the various payment methods available. TRH will provide information, advice and signposting to help customers maximise their income, access welfare benefits and obtain independent debt advice where appropriate. Assistance may also be provided with Housing Benefit and Universal Credit claims.

2.2 TRH will advise tenants of any change to the rent payable promptly and in accordance with the terms of its tenancy agreement and/or any statutory notice periods. Rents and service charges will be set in accordance with the rent setting and service charge policy. Tenants can request a rent statement at any time or obtain a rent statement on-line from the TRH website address www.tworivershousing.org.uk

2.3 TRH recognises that a tenant's personal circumstances can sometimes affect their ability to maintain rent payments. Where appropriate, TRH will take account of individual circumstances and work with customers to identify sustainable solutions to prevent or reduce rent arrears.

2.4 When tenants are in arrears with their rent, TRH will act promptly to prevent arrears increasing. TRH will seek to engage with tenants through a range of communication methods, including letters, telephone calls, emails, text messages, digital channels and home visits where appropriate. TRH will take reasonable and proportionate action, including legal action where necessary, to recover arrears and sustain tenancies wherever possible.

3. Prevention and Early Intervention

3.1 TRH recognises that the prevention of rent arrears is more effective than recovery action.

3.2 The organisation will take a proactive approach to identifying and addressing potential financial difficulties at the earliest opportunity.

TRH will:

3.3 Carry out appropriate affordability, tenancy sustainment and support needs assessments before the commencement of a tenancy to identify any barriers to successful tenancy sustainment and ensure appropriate interventions are considered.

3.4 Discuss rent payment responsibilities during the tenancy sign-up process and reinforce the expectation that rent is paid in advance.

3.5 Identify opportunities to maximise household income through welfare benefits, support and other sources of financial assistance.

3.6 Promote direct debit and other convenient payment methods to encourage regular rent payments.

3.7 Offer support and advice to customers experiencing financial difficulties before arrears become unsustainable. Where appropriate, customers will be referred to TRH's Welfare Benefits and Debt Advice (WBDA) team to access specialist welfare benefits, income maximisation and debt management support.

3.8 Assist customers with benefit applications, Universal Credit claims and, where appropriate, requests for Alternative Payment Arrangements (APAs) or third-party deductions and Housing Benefit.

3.9 Promote digital inclusion and support customers to access online services where required.

3.10 Encourage customers to contact TRH at the earliest opportunity if they are experiencing financial hardship or changes in circumstances that may impact their ability to pay rent.

4. Vulnerability, Support Needs and Domestic Abuse

4.1 TRH is committed to sustaining tenancies wherever possible and recognises that rent arrears may arise as a result of vulnerability, ill health, disability, domestic abuse, economic abuse, bereavement, unemployment or other significant life events.

When managing arrears cases, TRH will:

4.2 Seek to identify vulnerabilities and support needs at the earliest opportunity.

4.3 Take account of individual circumstances when determining appropriate recovery action.

4.4 Adapt communication methods where required to meet customer needs.

4.5 Work collaboratively with internal teams, local authorities and support agencies to provide appropriate support and interventions.

4.6 Consider the impact of domestic abuse and economic abuse on a customer's ability to manage their financial commitments.

4.7 Ensure decisions regarding legal action and enforcement take account of any known vulnerabilities, safeguarding concerns or support requirements.

4.8 The existence of vulnerabilities will not remove a customer's responsibility to pay rent; however, it will inform the approach taken by TRH in managing arrears and seeking sustainable solutions.

5. Credit Balances

5.1 TRH tenancy agreements require rent and any applicable charges to be paid in advance. Consequently, rent accounts should ordinarily maintain a credit balance equivalent to the tenant's payment frequency.

5.2 TRH will manage rent account credit balances appropriately and may undertake checks prior to authorising refunds to ensure compliance with legal, regulatory and anti-money laundering requirements.

5.3 TRH will run a monthly report to identify current tenant credit balances and review accounts where the credit exceeds the average monthly rent. TRH will investigate how the credit accumulated, including whose card was used for card payments, and contact tenants to offer refunds where appropriate. Relevant benefit providers will be notified where necessary to reclaim any credit due to them. Before any refund is authorised, consideration will be given to any known vulnerabilities, support needs, safeguarding concerns, anti-money laundering requirements and any outstanding debts owed to TRH.

5.4 Former accounts credit balances are monitored, and action taken as applicable.

5.5 If a tenant's current or former account shows a credit, TRH will:

5.6 Calculate the balance, taking into consideration rent in advance, the amount of rent in advance is based on frequency of rent payments.

5.7 TRH will liaise with the relevant Local Authority Housing Benefit Department and the Department for Work and Pensions (DWP), where appropriate, to make sure there are no outstanding adjustments or overpayments due.

5.8 Check for any other outstanding balances with TRH, if any debts are identified the credit balance will be used to clear / reduce this amount in the first instance.

5.9 Refunds will normally be made by BACS transfer or cheque in accordance with TRH financial procedures and service standards.

6. Arrears Recovery and Legal Action

6.1 TRH has detailed procedure governing the management and recovery of rent arrears – SOP (Standard Operating Procedure). This procedures ensure a consistent, fair and proportionate approach to arrears recovery whilst taking account of individual circumstances and support needs.

6.2 TRH will:

6.3 Make early contact with customers when arrears arise.

6.4 Encourage realistic and affordable repayment arrangements.

6.5 Maintain regular communication through letters, telephone calls, text messages, emails, interviews and home visits where appropriate.

6.6 Provide information and signposting to debt, budgeting and welfare benefit advice services.

6.7 Keep accurate records of customer contact, support offered and actions taken.

6.8 Comply with all relevant legal requirements, including the Pre-Action Protocol for Possession Claims by Social Landlords.

6.9 Where repayment arrangements are not maintained and arrears continue to increase, TRH may commence legal proceedings where appropriate and proportionate, having considered the tenant's circumstances, support needs and engagement with efforts to resolve the arrears.

6.10 TRH will manage rent arrears in accordance with its approved arrears recovery procedures, including the use of staged interventions, customer contact, repayment arrangements, notices seeking possession and legal action where appropriate.

7. Homelessness Prevention

7.1 Prior to seeking possession of a property, TRH will consider its homelessness prevention responsibilities and will work with relevant local authority services and partner agencies where there is a risk of homelessness. Customers will be encouraged to engage with appropriate housing advice and support services at the earliest opportunity.

8. Approval of Eviction Action

8.1 TRH believes eviction should only occur where all reasonable alternatives have been exhausted and where tenancy sustainment is no longer achievable.

8.2 Before any application for possession warrant or eviction is made:

8.3 A full review of the case will be undertaken.

8.4 Consideration will be given to the customer's circumstances, vulnerability, support needs, engagement and repayment history.

8.5 All available prevention and support measures will be assessed.

8.6 Approval must be obtained from the appropriate Head of Service and/Assistant Director / and Director in accordance with TRH's delegated authority framework (Standing Orders and Financial Regulations).

8.7 A written case summary will be completed detailing the action taken, support offered and reasons why eviction is considered necessary and proportionate.

8.8 Where possession proceedings or tenancy termination are being considered, TRH will also have regard to the principles and requirements set out within the Tenancy Management Policy and associated procedures.

9. Former Tenant Debt Recovery

9.1 TRH will seek to recover debts owed by former tenants where it is reasonable, proportionate and represents value for money to do so. This may include rent arrears, court costs, rechargeable repairs and other housing-related debts.

TRH may:

9.2 Contact former tenants to agree repayment arrangements.

9.3 Use tracing agencies, including the National Anti-Fraud Network (NAFN) and other appropriate data sources, where lawful and proportionate to do so.

9.4 Pursue recovery through legal remedies where considered proportionate.

9.5 Offset credits against outstanding debts where legally permissible.

9.6 Recovery action will take account of the individual's circumstances, the likelihood of recovery and the costs involved.

10. Write-Off of Former Tenant Debt

10.1 Debts may be considered for write-off where:

10.2 Recovery action has been exhausted.

10.3 The debtor cannot be traced.

10.4 The costs of recovery exceed the likely value of recovery.

10.5 The debtor is deceased and there are insufficient funds within the estate.

10.6 Exceptional circumstances apply and authorisation is provided in accordance with TRH's financial regulations.

10.7 Any debt written off may remain recoverable should circumstances change and recovery become possible in the future.

11. Data Protection and Confidentiality

11.1 TRH will ensure that all information obtained during the management and recovery of rent arrears is handled confidentially and in accordance with applicable data protection legislation and organisational policies.

11.2 Information will only be shared where there is a lawful basis to do so, including where required for safeguarding purposes, legal proceedings, fraud prevention or partnership working intended to support tenancy sustainment.

12. Debt Relief Orders and Individual Voluntary Arrangements

12.1 If at any stage a customer should seek to enter a debt relief arrangement or insolvency such as a Debt Relief Order (DRO) or Individual Voluntary Arrangement (IVA), TRH will follow the legally required steps related to the debt.

12.2 For a DRO, TRH will freeze the debt until it can be written off, usually after 12 months. However, if there is a Suspended Possession Order in place before the DRO is complete, TRH will consider whether eviction action may be required. Any eviction action will require approval from Senior Management through an eviction request report.

12.3 In the case of an IVA, TRH will consider all proposals received. As rent arrears are a priority debt and non-payment may place the tenancy at risk, TRH will not normally agree to the inclusion of current tenant rent arrears within an IVA. Each case will be considered on its individual merits and in accordance with legal and regulatory requirements.

13. Implementation

13.1 TRH has detailed procedures for the collection of rent and the recovery of rent arrears and other debts for current and former tenants and non-tenants.

13.2 It is the responsibility of relevant TRH employees to ensure that this policy and associated procedures are applied correctly.

13.3 TRH will provide training in rent collection, arrears management and related issues to ensure that this policy is implemented by experienced and competent staff.

13.4 The Head of Income is responsible for monitoring the effectiveness of this policy and ensuring it is correctly applied. Operational monitoring may be delegated to appropriate managers.

13.5 TRH will ensure that all relevant details about rent arrears cases and actions taken are recorded routinely and accurately.

13.6 Performance and case management information will be reviewed at least quarterly to ensure actions are consistent, proportionate and compliant with this policy and associated procedures.

14. Review

14.1 The Head of Income is responsible for ensuring that reviews of this policy are carried out.

14.2 TRH will undertake a review of this policy whenever there are relevant changes to legislation, case law or good practice that may impact it.

14.3 In the absence of any other trigger for review, the policy will be reviewed at least every three years or sooner where required by legislative, regulatory or organisational change.

14.4 The controlled procedures relating to this policy will be maintained and periodically reviewed, taking into account any operational issues that arise, and the need to maximise the amount of rent collected from rent that is due