



RENT PAYMENT AND ARREARS RECOVERY: POLICY AND PROCEDURE

RENT PAYMENT AND ARREARS RECOVERY POLICY

Definitions and Authorities

Rent is the charge made to a tenant for exclusive possession of a dwelling for the use and occupation of that dwelling granted under the terms of a tenancy agreement.

Rent may also include a service charge for services provided to a property, as long as these are detailed in the tenancy agreement. The service charge may also include a support charge, introduced from April 2003, covering housing related support. This primarily affects residents of sheltered housing.

Rent is also a charge for the use of a garage.

The term 'rent' also includes in this policy "mesne profits" which is a charge made for the use and occupation of a property when no tenancy exists.

Arrears of rent means any rent not paid in accordance with the terms of the tenancy agreement. The term includes repayments of housing benefit which have arisen during the tenancy. Rent arrears does not include court costs.

The *Housing Officer* (rents) and, for lesser amounts, *Housing Officers* are the officers responsible for taking action under this policy.

The Head of Housing is responsible for monitoring performance and reporting to the Board.

The Board gives delegated authority for the Managing Director, or any officer authorised by the Managing Director, to take legal action for the recovery of debt and possession, such action to be reported to the Board.

Aims and Objectives

Rental income enables Redland to achieve its strategic goals of providing affordable homes and achieving excellence in the management and maintenance of those homes.

We recognise that a high proportion of our tenants are on low incomes and the financial difficulties which result from this.

The key objectives of this policy are therefore

- To maximise the Associations rental income, by providing an efficient and effective rent collection service
- To prevent tenants falling into arrears with the rent
- To respond to tenants who are in arrears in a way which is transparent, fair and positive
- To meet the key performance standards of the Housing Corporations Regulatory Code, “The Way Forward: Our approach to regulation” (January 2002), Section 3:
 - 3.2 Housing Associations must have management arrangements resources, skills and systems which are appropriate to their circumstances, scale and scope of operation, and ensure that their activities:
 - 3.2.1 are adequately line monitored
 - 3.2.2 are undertaken efficiently and effectively
 - 3.2.3 are backed by proper systems of assurance for internal control
 - 3.3 Housing Associations must aim to deliver continuous improvements and value for money in their services
 - 3.5 Housing Associations must provide good quality housing services for residents.....”

The following principles are considered to be the means of achieving these aims and objectives

Payment Methods

Redland will provide a range of rent payment methods which are easy for residents to use and which give choice and flexibility.

The range of rent payment methods will be cost effective for Redland to provide.

The detailed procedure, appendix 1 to this document, sets out the range of payment methods available.

Redland will provide regular and accurate information to tenants about their rent and service charge accounts.

New Tenancies

Redland will ensure from the outset of a tenancy that residents are aware of the importance of meeting rent payment obligations.

Redland will provide assistance with Housing Benefit advice, information about rent payment methods, encouragement to contact the association in the event of difficulties and at the same time stressing the consequences of a failure to meet rent payment obligations.

A detailed procedure, attached at appendix 2, sets out the way in which a relationship is established at the start of a new tenancy.

A prospective tenants ability to pay the rent is not a factor considered by the Association under its tenant selection policy. A prospective tenant may be excluded if arrears of rent are outstanding with a former landlord, sufficient to warrant possession action, and there is no current repayment agreement in place.

Arrears Recovery

Redland will provide an effective recovery service, which aims to help tenants avoid serious debt.

Redlands objective is to *manage* rent arrears, considering eviction as a last resort and recognising that effective rent recovery is more likely to be achieved if the tenant stays in their home.

Redlands approach to arrears recovery will be pro-active, seeking to reach realistic agreements for repayment at each stage, recognising that tenants cannot control delays in the payment of Housing Benefit, seeking to visit tenants before legal action is undertaken and keeping tenants fully informed of the Associations actions and intended actions.

Redlands detailed arrears recovery procedure is attached as appendix 3, setting out actions which will be taken and on what timescale.

The Association has procedures for dealing with former tenants arrears (appendix 4) and bankruptcy (appendix 5).

Benefit Advice and Support

Redland will encourage tenants with financial difficulties to contact the Association at an early stage.

We will provide advice to tenants about entitlement to Housing Benefits and be able to refer tenants to specialist debt advice services.

We will provide intensive advice and support, through referrals to our housing support worker, where appropriate.

We will provide details of debt advise organisations, and the services of our Housing Support Worker, with all letters about rent arrears.

Data Protection

Redland will ensure that personal information is handled in accordance with the provisions of the Data Protection Act, and that sensitive information remains confidential.

Monitoring and Review

Performance information will be provided to the Associations Board and to its tenants.

Performance information will monitor

- Average weekly gross rents for all dwellings owned
- Average increases in weekly gross rents
- Percentage of rent available that was collected
- Rent arrears of current tenants, gross and net of Housing Benefit arrears
- Unpaid rent written off.

The Associations Board and the Tenant Liaison Committee will review this policy at least once every three years.

Equality and Diversity

The Association aims to apply this policy, and its associated procedures, fairly and equitably. We will monitor it's effect to ensure that there are no discriminatory consequences, even of an unintentional nature, and that no minority group is or feels disadvantaged by our procedures.

We will monitor key trigger points, including the service of notices and evictions, and overall satisfaction levels.

This policy is effective from: Jan 2005 (updated April 07)

The policy is due for review by: Jan 2008

The responsible Officer is ; Head of Housing

The responsible Focus Group is: