

---

## RENT ARREARS POLICY

---

### Lead Officer:

Ceri Lewis  
Director of Housing Services

Board approval: July 2009  
Next Review Date: July 2010

---

### 1.0 Statement of Intent

To provide a consistent approach to dealing with rent arrears, with emphasis on assisting tenants to maximise their incomes and manage their debts. The Association will be proactive in chasing debts at an early stage and will engage good practice approaches. The organisation will ensure it is compliant with legislation and regulation in maximising incomes. The Association incorporates key performance indicators regarding rent arrears in the performance management framework.

### 2.0 Background

The Association has a duty to maximise its rental income and achieves this by:-

- a) registering fair rents and reviewing/increasing assured rents at the correct time;
- b) offering early appropriate professional support and guidance to tenants to reduce rent arrears;
- c) assisting tenants to understand their HB entitlement and ensure any shortfall can be met, enabling them to meet their rental commitments;
- d) monitoring levels of rent arrears and have early intervention mechanisms in place to control current rent arrears and collect former tenant debts, in line with approved procedures; and
- e) taking appropriate action in accordance with the level of rent arrears.

In the context of recovering rent owed to the Association, we aim to treat tenants who are in arrears fairly, sympathetically and in a consistent way. However, the Association views rent arrears very seriously and will not hesitate to take appropriate action to collect rent that is due.

In carrying out the Association's obligation to pursue rent arrears, our staff will be sensitive to the personal circumstances of all tenants. We will provide assistance and support to tenants with any disability and those whose main language is not English. Our staff will carry out all necessary liaison with other agencies, such as Citizens Advice Bureau, Social Services and Age Concern and where appropriate, the Mental Health Team.

We will aim to create a “rent payment culture “amongst our tenants, so that they have a clear understanding of their obligations towards their tenancy agreement and an appreciation of our obligations to ensure that rents are collected to maximise income. This will commence at the tenancy sign-up and will continue through the application of the Rent Arrears Procedure.

The Operations Manager will provide advice and guidance to Housing Officers in the arrears recovery process for the most problematic cases.

Where appropriate we will refer tenants to a third party Debt Counselling Advisor.

When appropriate we will use a third party Debt Recovery Agency for the collection of former tenant debts.

### **3.0 Key Points**

- a) No level of arrears is acceptable to the Association.
- b) The Association will endeavour to provide a variety of rent payment methods with the aim of increasing convenience for customers and reducing collection costs.
- c) Waged applicants will be expected to pay the first month’s rent at the time that the tenancy agreement is signed. Deviation from this will need the approval of the Operations Manager, Customer Services Manager or Director of Housing Services.
- d) All new customers will be expected to pay rent by Direct Debit and this will be offered in the first instance as our preferred method of payment. However, cash, cheque, standing order, Debit Card and Post Office Giro will remain as alternative options.
- e) The Association will foster good working relationships with the various local authorities and other agencies that administer housing benefit payments. Their performance will be regularly reviewed and compared and where this is poor or below statutory standards, the Association will seek improvement by working in partnership with those affected.
- f) We will ensure that all tenants understand their own responsibilities for repayment of any rent debt, at all stages of the recovery process. All those in arrears will be given contact details for financial counselling and/or welfare rights advice.
- g) Housing management staff will make every effort to have personal contact with the tenants, to encourage better communications and to identify potential problems at an early stage to avoid the escalation of rent arrears and other debts. Utilising the Performance Management Indicator (PMI) Pack the housing staff will promptly identify and contact the new tenant where debt is occurring, hence tackling the issue at an early stage.
- h) The Association sets realistic arrears targets, which are regularly monitored and reviewed in the light of performance. These are listed in the PMI Pack produced monthly. There is also a rent standard within the Tenant Handbook.

- i) It is the intention of the Association, as part of continuous improvement in relation to rent arrears, to embark upon campaigns to encourage the reduction of debts in the future, the impact of which will then be assessed.
- j) If all else fails, the Association will not hesitate to take legal action to secure payment of rent and as a last resort, will initiate eviction proceedings.
- k) The Housing Management staff will ensure every effort is made to collect rent prior to the ending of any tenancy. The Association will consider as appropriate at which point to refer a case to a third party agency to chase former tenant debts. If and when this occurs, all details including forwarding address(es) will be passed onto a debt recovery agency to chase. This may include tracing the former tenant and/or completing financial profiles to ascertain whether there are any assets with which to off-set any debt(s).

#### **4.0 Diversity**

All current and former tenants of the Association will be treated equally and fairly in terms of rent arrears recovery procedures, irrespective of diversity, financial status or any other matter which causes a person to be treated with injustice.

The Association will monitor and review the effects of its Arrears Policy on diverse groups through an equality impact assessment.

The Association acknowledges the Human Rights Act 1998 and the Rent Collection and Arrears Management Procedure have been drafted with the intention of complying with the Act.

The Association respects and values the diversity of the people who apply for housing. The service will be responsive, accessible & sensitive to the needs of all.

#### **5.0 Associated Documents**

Audit Commission KLOE – Housing Income Management  
Housing Corporation Regulatory Circular 02/07 April 2007  
Housing Act 1985, Section 83 – for Secure Tenants  
Housing Act 1988, Section 8, as amended by section 151 of the Housing Act 1996 for Assured Tenants

---

#### **Reviewed by:**

Gillian Green  
Gillian Green

March 2008  
June 2009