

TITLE	Rent and Service Charge Collection and Arrears Recovery Policy
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This Policy relates to the collection of rent and other charges and the recovery of arrears by WM Housing Group and its partner housing associations.

1. Policy Statement

1.1 WM Housing Group is committed to the following objectives in how it collects rent and other charges and how it recovers any arrears.

- To ensure that it is easy for customers to make rent payments and other charges, offering a range of ways for customers to pay.
- To maximise the collection of income and minimise arrears, recognising that lost income impacts the services that we can provide to our customers.
- To provide clear information about rent and other charges, both at the start of any contract and on a regular basis thereafter.
- To ensure good advice is available to customers including help to claim benefits that they are entitled to, payment options and money management advice.
- To have effective policies and procedures in place that are firm but fair and that ensure early action to prevent the accumulation of arrears.
- To ensure our services respond to the needs of individuals, particularly vulnerable customers and the diverse communities that we are working with.
- To ensure that legal action to repossess the property is only taken as a last resort when other actions to recover the debt have been unsuccessful.
- To work in partnership with other statutory agencies and advice agencies to ensure good practice and seamless services.
- To develop a financial inclusion strategy that is geared to ensure tenancies and leases are sustained.
- To adopt best practice in this area of work and benchmark our services and performance against other housing providers.
- To deliver excellent customer care.

2. Policy Purpose and Aims:

2.1 This policy provides a framework within which our partner Associations

(Whitefriars Housing Group, Harden Housing Association, Kemble Housing and Nexus Housing) will implement operate and monitor procedures for the collection of rent, other charges and the recovery of arrears.

This policy seeks to contribute to the Group's vision "Creating places where people are PROUD to live and work" by ensuring that income is maximised to reinvest in services and by sustaining tenancies. We aim to provide good quality services that help ensure our customers are not excluded from the wider community due to problems with paying rent and other charges or by being burdened with debt.

2.2 WM Housing Group has four core values. These are:

Providing excellent services
Acting with integrity
Delivering creative solutions
Valuing people.

This policy provides the framework for the delivery of these values via our staff dealing with rent and other charges.

2.3 This policy meets the requirements of the Tenant Services Authority's existing Regulatory Code and Guidance and the draft National Standards that will replace the Regulatory Code in April 2010. This policy has been developed in consultation with our customers.

This policy is in line with our legislative duties as a social property owner. Particularly the Housing Act 1988 (as amended by the Housing Act 1996) in relation to assured tenancies and the Landlord and Tenant Act 1985 in relation to long leases.

3. **Our Policy**

3.1 Policy Framework

WM Housing Group through its partner housing associations works in many communities. This policy sets out the framework within which our partner housing association will operate. The policy recognises that partner housing associations may operate differently within the framework of this policy and have different procedures. This allows each partner housing association to respond to the communities we are working in and respond effectively with its staff, customers and partners to best meet the aims and values of the Group.

3.2 Payment

Rent is payable in advance. However, we recognise that customers paying their

rent via Housing Benefit may not be able to pay their rent in advance.

Rent is normally due for 48 weeks a year at Whitefriars and 52 weeks at Harden, Kemble and Nexus, although each Association has exceptions to the norm. Partner association boards can agree any revisions to these arrangements. We will advise customers annually of the weeks for which rent is not charged. There are also some monthly and quarterly tenancies and payments are expected on the 1st day of the month/quarter.

Service charge payments provided for by leases or freehold transfers will be billed in advance or arrears according to the terms of the contract. We will ensure this is clear at the start of the agreement.

WM Housing Group and its partners are committed to making it easy for customers to pay rent and other charges. We will ensure that customers can pay rent and other charges via a number of methods:

- By Direct Debit through a bank or building society
- By standing order through a bank or building society
- By swipe card at post offices designated shops and other outlets
- Debit card payments.
- Direct from some employers
- Direct payment from Housing Benefit
- Online via our web site
- 24 hour payment line

WM Housing Group encourages customers to pay rent and other charges in the easiest and most efficient way. We encourage the use of direct debit, as this is the cheapest and easiest way for us to receive rent and is a good way for customers to ensure regular payments and budget effectively.

Partner housing associations will send regular statements to customers. This will be quarterly to all tenants and at least annually to all leaseholders and leasehold transferees. Statements are also available on request.

3.3 Arrears Prevention

WM Housing Group recognise that arrears can be avoided by providing clear information to customers, having effective services and early intervention when payments are not made.

WM Housing Group will promote and develop a culture of good payment and will take positive action to ensure arrears are not considered as acceptable.

Partner housing associations will provide new customers with clear information about their rent and other charges, how they are calculated, their eligibility for housing benefit or other welfare benefits, as well as their responsibility to pay their rent and other charges on time.

We will give ongoing advice to customers about entitlements to Housing Benefit and other welfare benefits. Our staff will assist customers with Housing Benefit claims, change of circumstances and proactively work to ensure take up of other welfare benefits.

Our staff will make contact with all new tenants within 6 weeks of their tenancy start date, to ensure that they have settled into their new home and their rent is being paid correctly. We will target particular help to those most vulnerable customers to ensure that their tenancy is sustained.

Partner housing associations will look to understand who and why customers are falling into arrears. This information will be used to improve our services and target our work to prevent customers getting into debt.

WM Housing Group and its partners will work with other statutory and voluntary organisations to reduce barriers to accessing financial services. This will include working closely with housing benefit sections, Citizens Advice Bureau, Law Centres and other agencies. We will formalise arrangements with regular meetings and Service Level Agreements where we believe this is necessary.

3.4 Arrears Recovery

Partner housing associations will have procedures in place that are reviewed every two years. The procedures will adopt a staged arrears recovery and monitoring process that includes prompt written notification of the level of debt to the customer. We will make every attempt to make personal contact with customers through home visits, by telephone and offering office-based interviews. We are committed to reaching affordable and realistic repayment agreements with our customers.

We will take enforcement action depending on individual circumstances and ensure staff dealing with outstanding debts are given discretion to determine the appropriate action to recover any debt within guidelines outlined in our agreed procedures.

Responsibility for making Housing Benefit applications, ensuring claims are paid and reporting any subsequent changes in circumstance to the Local Authority rests with the customer. However, our staff will provide help and support with their claim. Whilst Housing Benefit is outstanding, rent arrears recovery action will still be progressed if the customer has not provided the Local Authority's Housing Benefit section, with all of the information required to progress their claim.

Court proceedings will only be instigated if other options have been unsuccessful. We will comply and actively support the Civil Procedures Rules issued by the Ministry of Justice known as the "pre court protocol". These rules seek to ensure effective actions are taken before court action is pursued and that court action is

prevented wherever possible.

When we are considering possession proceedings we are required to state which ground(s) of the Housing Act 1988 that applies. We will not normally use Ground 8, this ground would allow us to repossess the property where there are over 8 weeks rent outstanding. This Ground includes mandatory possession, unlike other grounds that are available, which leaves the discretion with the court to decide if possession is reasonable. We do not normally use ground 8, as we are committed to sustaining the tenancy wherever possible and this means looking for an agreement at court with possession suspended, whilst payments are made in accordance with the court order.

We may use Ground 8 for Intermediate Market Rented properties, and for standard tenancies in exceptional circumstances. Use of ground 8 must be approved by an Assistant Director or Head of Service and must allow a review process where the customer has the opportunity to question the facts of the case and the need for possession of the property.

When we take legal action for possession of the property, tenants will be encouraged to attend Court and seek independent legal representation. We will work with local law centres to ensure legal representation is available to our customers.

We will work with the courts to ensure good services and to minimise delays. We will seek to reduce court costs by training our own staff to be able to present cases at court, wherever this is possible.

Applications for eviction warrants and service of notice for lease forfeiture proceedings will require the approval of the appropriate senior manager as set out in the procedures of our partner housing associations.

3.5 Assured Shorthold Tenancies

Where we have Assured Shorthold Tenancies and need to initiate legal action for possession of the property due to non payment of rent, we will normally use a section 8 Notice Seeking Possession, in line with our standard practice for Assured Tenancies. We will only use a Section 21 Notice Seeking Possession (with mandatory possession powers) where the tenancy is an Intermediate Market Rented property, where there are arrears as well as serious anti social behaviour or in other exceptional circumstances. Any service of a Section 21 notice must be approved by an Assistant Director or Head of Service and must allow a review process where the customer has the opportunity to question the facts of the case and the need for possession of the property.

3.6 Former arrears.

WM Housing Group will take action to collect all outstanding former

tenant/leaseholder arrears with the exception of

- Accounts where the balance is less than £10.
- Accounts where the tenant has died or gone into residential care and the balance owing is less than one weeks rent.

We will regularly review the operation of external contractors for the recovery of former arrears against an in house provision. Any external agency will be subject to a competitive tender process, with the approach and service standards agreed. We will involve customers in this process.

3.7 Write Offs

WM Housing Group will seek to write off any former debts that are considered non recoverable, following all attempts to pursue the debt in line with this policy and agreed procedures.

Authority levels for approval of write offs of debt are:

Under £100 Service Manager

Under £2,500 Executive Director

Over £2,500 Respective partner housing association boards.

Debts are not considered written off when applicants approach partner housing associations for rehousing. In these cases, we would expect the arrears to be cleared; however, each case will be considered depending on circumstances and in accordance with our Lettings Management Policy.

We do not consider writing off current arrears unless:

- the customer has been declared bankrupt and therefore the debt cannot be pursued or
- at the discretion of the relevant service manager, the debt is less than £10, the debt has been static for a period of at least 12 months, and we have pursued the debt without success.
- the outstanding balance cannot be substantiated or there are exceptional circumstances which are approved by the relevant manager inline with authority for write offs.

3.8 Credit balances

Customers will receive regular statements (as outlined in section 3.2) and this will advise of their right to request a refund.

Former customers with a verified credit balance will be sent a cheque within 8 weeks of their tenancy/lease ending.

Checks will be undertaken prior to refunding any credit to ensure the balance is correct including ensuring any housing benefit payments are correct. If the customer is terminating their tenancy or a transfer is planned we will await the

inspection of the property before refunding any credit balance.

Where no forwarding address has been provided and the credit is more than £100, reasonable steps will be taken to trace the whereabouts of the former occupant. Where the credit is under £100 or where it is more than £100 and reasonable efforts to trace the debts have failed, we will write off the balance.

If following the writing off of a credit balance, we have contact from a customer requesting their credit, we will reverse the write off and credit them the balance minus any administration fee incurred. Administration fees will be set out in an appendix to our procedures.

3.9 Garage Arrears

Failure to pay garage rent is not acceptable and action will be taken in line with our procedures; a Notice to Quit will be served and the garage license ended if arrears are not cleared.

Applications to rent a garage will not be pursued if the applicant has any outstanding debts to WM Housing Group or its partner housing associations. Any exception to this should be approved by the relevant Assistant Director or Area Services Manager.

4. Equality Impact Assessment

4.1 This policy has been subject to an Equality Impact Assessment. Our staff working across the Group have considered the impact of this policy on different groups and communities that we work with. We have sought to ensure in framing this policy, that we will not discriminate adversely against any group and will respect the diversity of the communities we are working within.

4.2 We will not discriminate on grounds of race, ethnicity, religion, sexual orientation, disability, gender or age.

4.3 We will be aware of other factors in delivering services, so that where a person suffers with poor mental health, has limited literacy skills or other vulnerability we can deliver services that are sensitive to these issues.

5. Performance Measures and Targets

5.1 Performance will be monitored on a monthly basis with teams regularly monitored and accountable on their performance against agreed targets.

5.2 Quarterly performance reports will be taken to Group Board and partner housing association boards.

Reports will include the overall level of debts outstanding, the proportion of the debit collected and the current arrears as % of the debit. We will also monitor arrears actions to ensure equal treatment, for example the number of evictions by ethnicity.

- 5.3 Business planning will include the setting of key performance indicators, these will be reviewed each year. Targets will be set looking to achieve top quartile performance on national performance indicators.

6. Monitoring and Review

- 6.1 WM Housing Group aims to deliver continuous improvement in its services related to the collection and recovery of rent and other charges. We use advice and guidance from the Audit Commission amongst other tools to compare and review our services. We will use the Audit Commissions 'Key Lines of Enquiry' (KLOE) to ensure our services are responsive to customers and are good value for money. KLOEs are a set of questions that provide the Audit Commission with a consistent criteria for assessing and measuring the effectiveness and efficiency of a service, when they carry out an inspection.

- 6.2 This policy will be reviewed every three years, unless legislation or sector developments require an earlier review. This is to ensure that the policy continues to represent best practice and the objectives of the Group.

- 6.3 We will consult with our customers across the Group on any review of this policy.

7. Responsibility

- 7.1 This effective implementation of this policy is the responsibility of the Housing and Communities Director

8.0 Associated Documents/Policies

- 8.1 List of documents/associated policies/publications.

- Housing Act 1988 (as amended by the Housing Act 1996)
- Housing Act 1985 (for secure tenants)
- Landlord and Tenant Act 1985
- Customer Care Policy
- Lettings Management Policy
- Homeowners Management Services Policy
- Equality and Diversity Strategy
- Value for Money Strategy
- Tenant Services Authority Regulatory Code/ National Standards
- Audit Commission Key Line of Enquiry - Housing Income Management