

Policy title	Rent Arrears Policy
Directorate	Customers
Author	Shaheen Yousaf
Date First Approved	2018
Latest Date of Approval	2018
Next Review Date	April 2024
Policy Scope/Users	To ensure that Mosscares St Vincent's Housing Group's (MSV) rental income is maximised to sustain financial viability of the business whilst adhering to regulatory frameworks. This Policy applies to MSV's General Needs and Later Living properties.
Date EIA done	April 2022

1 Introduction/policy purpose

MSV aim to collect the maximum amount of rental income and service charges to deliver effective services to all our customers.

The collection of rent and service charges are a priority for MSV and we aim to create and embed a payment culture with our customers. We seek to build financial resilience in our communities and will ensure that customers are supported to manage and maximise their income and have the ability to pay their rent.

MSV is committed to the prevention of arrears through early action and this will have a positive impact in the prevention of homelessness and sustaining tenancies

The rent arrears process MSV will follow will be effective and efficient to ensure resources are maximised and that arrears are pro-actively managed. MSV will adopt a firm but sensitive and supportive approach to income recovery and be proactive in taking preventative action to avoid the accrual of high arrears.

It is MSV's objective that the whole organisation has a one team approach in the prevention of arrears and early intervention.

MSV recognises that customers get into difficulties through an inability to pay their rent and that there is only a small minority who will wilfully refuse to pay. MSV will tailor action to the individual circumstances of the customer and will take a firm approach on those who refuse to pay.

MSV's objective is to help and support all our customers who may need advice and support to enable them to effectively manage their rent account and therefore the following measures will be put in place to assist customers in maintaining a clear rent account as follows:-

- MSV will encourage all customers to pay by direct debit due to its ease and cost effectiveness, in addition to this we will offer a wide variety of payment methods for customers to utilise.
- Advice and assistance on paying rent, including claiming benefits and general advice will be available to all customers to ensure that income is maximised and to facilitate the payment of rent due.
- MSV will ensure customers have access to their rent account via their Self-Service Portal. Rent statements will also be available on request to enable customers to manage their tenancy.
- MSV will ensure that there is an audit trail for all actions carried out in line with this policy.

2 Description of the Policy

2.1 Prevention of arrears

MSV believes that customers should have the best possible start to a tenancy. MSV will ensure pre-tenancy work is undertaken to assess affordability and the customer knows the importance and their responsibility of paying their rent.

Prior to the tenancy sign up all customers are encouraged to make an advance rental payment according to their payment cycle e.g., one week's rent if going to pay weekly or a month in advance if they are going to pay monthly. Lettings Officers have discretion if they feel the new customer cannot pay/partially pay the required amount prior to the tenancy sign up, they will arrange for a realistic instalment arrangement to be set up, payable to MSV. We will encourage new and existing customers to make a regular payment to bring their rent account into advance according to their rent payment cycle if affordable.

2.2 Payment Culture

We aim to create and embed a payment culture with our customers. We seek to build financial resilience in our communities and will ensure that customers are supported to manage and maximise their income and have the ability to pay their rent.

2.3 Banking Offer

MSV is committed to supporting customers who may not have access to a bank account and will, where possible provide assistance setting one up.

2.4 Arrears Recovery

MSV will adopt the following principles in the recovery of current rent arrears outstanding:

- All action for the recovery of rent arrears will be prompt. Customers who fall into arrears will be identified quickly and in accordance with agreed procedures and guidelines.
- Legal action may be taken for the recovery of unpaid rent arrears if the customer refuses to set up or breaches any arrangement to pay or does not engage with MSV in reducing arrears
- Customers will be advised prior to any and each action that is taken, so that they are fully informed of the process and any implications of action taken.
- Any court costs awarded by the court in relation to rent arrears will be added to the customer rent account

- Court Orders will be monitored closely. Any rent accounts where the account is in arrears and the court order is due to expire. MSV will exercise their discretion and depending on the arrears may consider applying to the Courts for an extension of the Order.
- Eviction will be pursued as a last resort where a customer - fails to comply with any grounds of possession in the Court Order, fails to respond to attempts by MSV to provide them with support or fails to engage with MSV.
- Costs incurred in the pursuance of legal proceedings will be recharged to the customer
- For Supported Housing the collection of rent for direct tenants will be based on the arrear's recovery process with flexibility due to support needs of the customers. Where we have managing agents in Supported Housing they are invoiced by Finance, and any performance is monitored by the Supported Housing Team.

2.5 Debt Respite Scheme (Breathing Spaces)

Where a customer has entered into Breathing Space

(Standard or Mental Health Crisis)

MSV will suspend rent arrears actions for the prescribed protected period. For Standard Breathing Space this can be up to 60 days. For a Mental Health Crisis Breathing Space this will last for the duration of the mental health crisis treatment plus 30 days. A Suspended Possession Order for rent cannot be enforced in the moratorium period, provided the debt was included in the application. However, as Breathing Space doesn't stop liability for ongoing payments and/ or payments under the SPO should still be made. If the payments are not made, MSV may enforce the Order at the end of the moratorium period.

2.6 Ground 10 and 11

MSV will only use Grounds 10 and 11 for rent arrears which are discretionary grounds and give the Court discretion to make a court order.

2.7 Housing Benefit & Universal Credit

MSV recognises that a proportion of its customers are dependant on benefits to assist with meeting their rent charges. Benefit claims remain the responsibility of the customer and MSV will support the customer in liaising with the Housing Benefit Department/Department of Works and Pension and ensure their rental commitment is adhered to.

Customers, who receive housing benefit, will be encouraged to pay a regular payment to bring their rent account into 4 weeks in advance if affordable.

Customers, who receive Universal Credit, will be encouraged to pay a regular payment to bring their rent account into a month in advance if affordable.

2.8 Eviction

MSV regards eviction as the last resort. Permission will be sought from the court to apply for a warrant. A home visit will be made where possible by a Manager or the Head of Service to discuss the customer's circumstances and rent arrears. The application must be approved by the Head of Service and Executive Director of Customers.

2.9 Debt Relief Orders/Bankruptcy

Where a customer has obtained a Debt Relief Order or a Bankruptcy Order, MSV will use its discretion and may make an application for Possession. This will be considered on a case-by-case basis and the decision to proceed must be agreed by the Head of Service.

2.10 Rent Accounts in Credit

It is recognised that customers will, on occasion, overpay their rent leaving a credit balance beyond what would be expected under the terms of their tenancy and this may need to be paid back.

MSV aim to process all refunds within 28 days of the request, ensuring all relevant checks are carried out and evidence is collected, prior to submission for payment. In all cases where a credit has built up on a customers' account it is essential that the reasons for the accrual of this credit are investigated and identified to ensure that the credit is genuinely owed to the customer and that;

- There is no indication or suspicion of money laundering.
- Advanced payments are not refunded by mistake.
- There are no housing benefit overpayments that have led to the credit.
- There are no changes in benefits likely to impact on the customers' account.
- The customer is not misled into believing they are entitled to money back.

Once these checks have been completed and Officers are satisfied that a refund is owed, the customers identity and bank information will need to be verified in order that the payment can be made directly into the customers' account.

3 Roles, Responsibility and Policy implementation

3.1 Low level rent arrears (stages 0 to 4) will be the responsibility of the Income Officer

3.2 High level rent arrears (stage 5 to 11) will be the responsibility of the Neighbourhood Officers (NO)

3.3 Later Living Income Officer /Later Living Manager are responsible for all stages in rent collection at the Later Living Scheme, Extra Care, HAPPI and Category 1 schemes

3.4 Scheme Co-Ordinators – are responsible for assisting with rent queries for older people.

3.5 Everyone working on rent arrears will adhere to all the related processes and create a payment culture enabling customers to sustain their tenancy and reduce the risk of eviction.

3.6 Neighbourhood, Later Living and Customer Support Team roles are to support customers to maximise their income enabling them to sustain their tenancy and reduce the risk of eviction.

3.7 Lettings Team carry out pre-tenancy work alongside the Neighbourhood, Later Living and Customer Support Team to ensure customers can afford a property with MSV, if not and where possible signpost to other appropriate agencies for rehousing.

3.8 Neighbourhood Officers are responsible for carrying out relevant checks where there is a credit on the account and the Income Team are responsible for processing the credit refund.

3.8 All staff must ensure all attempted contacts with a customer are recorded and relevant documents are available on the housing and document management system. This is to ensure any legal action is presented with the full audit trail of a case. Failure to provide this has a compliance and financial impact on recovery of rent arrears.

4 Monitoring, Review and Evaluation

This policy will be reviewed every 2 years or more frequently if there is a significant change in legislation/operation.

Key performance indicators will be reported to Board and Customer and Communities Committee and will include the following areas:

- Rent Collection
- Rent Arrears
- Evictions

5 Related documents

- 5.1 Allocations Policy & Procedure
- 5.2 Starter Tenancy Procedure
- 5.3 Tenancy Termination
- 5.4 Financial Inclusion Strategy
- 5.5 Rent Arrears Procedure
- 5.6 Abandonment Procedure
- 5.7 Hardship Fund Procedure
- 5.8 Decant Policy and Procedure
- 5.9 Mutual Exchange Policy and Procedure
- 5.10 Succession Policy & Procedure
- 5.11 APA procedure

6 Appendix

- 6.1 *Equality Impact Assessment.*

Appendix 6.1 – Equality Impact Assessment

EQUALITY IMPACT ASSESSMENT

Name of Policy	Rent Arrears Policy
Date of Assessment	1 st April 2022
Name & Role of Assessors	Shaheen Yousaf, Neighbourhood Manager North

What are the desired outcomes of the policy?	To ensure that Mosscares St Vincent's Housing Group's (MSV) rental income is maximised to sustain financial viability of the business	
Who are the main stakeholders in relation to the function?	Customers, applicants, staff partner agencies and board	
Who will be consulted and what types of consultation will be carried out?	Staff, Welfare Action Group members, Customers and Board	
Summarise any evidence considered	Regulatory framework for collection of rent arrears. Pre Action Protocol for rent arrears and legal action. Increase in cost of living impacting on customer ability to pay their rent.	
Could the function have a differential impact on:	Yes / No	What evidence exists to support your analysis?
Race Consider language and cultural factors	Yes	We work in diverse communities where English is not the first language
Gender reassignment Consider people proposing to or have undergone a process of having their sex reassigned.	No	
Disability Consider physical, visual, aural impairment, mental, learning difficulties	YES	Accessibility maybe an issue for those who are housebound or with severe disability. Customers with mental health issues may struggle with their rent payment and access to Benefits.
Age Consider Elderly or young people	No	
Sexuality Either know or perceived	No	
Gender	No	
Religion or belief Consider religious or cultural observance including non-belief, practices of worship	Yes	At the time of religious festivities customers more likely to get in arrears.
Other protected or vulnerable characteristics: <ul style="list-style-type: none"> • marriage or civil partnerships • pregnancy or maternity? 	No	
<p>If the answer is NO to <u>all</u> questions and no differential treatment has been found there is no requirement for a full Equality Impact Assessment. Please go back regularly and review the cycle.</p> <p>If the answer is YES to any of the questions please complete the rest of the form.</p>		
In what areas could the differential identified be considered to have an	Availability of language line to address translation issues. Front line staff with valuable language skills.	

<p>adverse impact in this function and what solutions will be introduced to overcome these adverse impacts?</p>	<p>Supporting customers to maximise their income and help into work and training so they can pay their rent. Support customers with their budgeting and debt concerns. Different ways to pay rent. Officers will visit customers in their home if requested. Access to digital services. Rent statements sent out on request. Access to rent account via the Self Service Portal. Additional steps for customer engagement. Identify customers who have issues with reading and writing.</p>
<p>In what areas could the differential identified be considered a positive impact in this function and what strategies will be introduced to safeguard and spread these positive impacts?</p>	
<p>Which Action Plans have these solutions/strategies been transferred into?</p>	<p>MSV's Welfare Action Group</p>
<p>Who will be responsible for monitoring these Action Plans?</p>	<p>Head of Service</p>