



Rent Arrears Policy

Department: Housing

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1. INTRODUCTION

- 1.1. Hill Homes adopts a firm and fair approach to rent arrears recovery.
- 1.2. Hill Homes accepts a tenant's personal circumstances may change and that this is something that can sometimes make it difficult to pay the rent. Hill Homes will take into account a tenant's financial circumstances when making arrangements for the payment of arrears.
- 1.3. This policy is designed to set out Hill Homes' position and approach to the management of rent arrears.

2. DEFINITIONS

- 2.1. Hill Homes refers to the group of companies comprised of Hill Homes Housing Association, Hill Homes Care Ltd and Hill Homes Care Services Ltd.
- 2.2. For the purposes of this policy, "tenant" refers to all tenants of Hill Homes Housing Association.

3. AIMS AND OBJECTIVES

- 3.1. Hill Homes' objective in managing rent arrears is to:
 - inform tenants promptly of changes to their rent charges;
 - make early personal contact with tenants whose accounts go into arrears; and,
 - ensure tenants receive advice on benefit entitlement.
- 3.2. Hill Homes will:
 - adhere to the Regulator of Social Housing's relevant standards and circulars; and,
 - generally follow the National Housing Federation's model standards.
- 3.3. Hill Homes aims, wherever possible, to sustain tenancies rather than end them.
- 3.4. Hill Homes aims to emphasise a proactive and preventative approach to rent arrears in respect of existing tenant and new tenants. It aims to instil a rent payment culture ensuring tenants are aware of the connection between rent payments and Hill Homes' ability to deliver high quality services.
- 3.5. Hill Homes procedures for rent collection and arrears management ensure that all tenants are aware of their obligation to pay their rent the amount owing and the methods by which they can make payments. In addition, tenants who may be eligible to claim housing benefit, or other benefits, will be informed of their potential eligibility.
- 3.6. Hill Homes will encourage tenants in respect of housing benefit and pension credit to agree to have their benefit/housing costs element paid directly to us. Hill Homes will work to identify Universal Credit claimants who may be financially vulnerable with the aim of seeking direct payment from the DWP to Hill Homes in these instances, with the agreement of the tenant.

3.7. Hill Homes aims to work closely with the local authority benefits team in terms of payment of housing benefit and will ensure effective liaison takes place prior to enforcement action being taken.

4. **POLICY STATEMENT**

4.1. Hill Homes aims to ensure that all payments of rent are received when they are due and that they are for the amounts required.

4.2. Hill Homes will ensure tenants are advised of any changes to the rent payable promptly and in accordance with statutory notice periods.

4.3. Hill Homes is aware that many of its tenants are on low incomes and may, from time to time, have difficulties in making regular rent payments. As a result, it is acknowledged that tenants may accrue arrears. Hill Homes will offer tenants to assistance to help them overcome difficulties in making rent payments, at to ensure that any arrears accrued are cleared. Such assistance will include:

- the provision of, or referral for, benefits advice with a view to maximising tenants' income;
- the establishment of arrangements to enable tenants with arrears of rent to pay off the debt over a number of weeks; and,
- referral/signposting to providers of independent advice such as the Citizens Advice Bureau, welfare rights specialists etc.

4.4. Hill Homes will act to support and sustain tenancies and only where tenants fail to make, or keep to, arrangements for clearing arrears will we consider taking legal action to seek possession of their homes.

4.5. Where tenants fall into rent arrears, Hill Homes will take a sympathetic and fair approach, but will always take appropriate action to recover the rent owing.

4.6. Hill Homes will arrange a meeting with any tenant

- whose arrears equates to four weeks or more of gross rent;
- where consideration is being given to service of a Notice Seeking Possession; and,
- at service of Notice stage.

4.7. Hill Homes will consider a Notice Seeking Possession when the arrears total equates to four weeks or more of the gross rent payable, unless there are extenuating circumstances - for example, hospitalisation of the tenant, death of a member of the household, or other illness or infirmity.

Where an outstanding Housing Benefit or Universal Credit or Pension Credit exists, a Notice will generally only be served where the claim has not been processed due to the tenant's failure to supply requested information or if the tenant(s) fails to pay personal contributions and or arrears are not covered by the outstanding claim.

4.8. Hill Homes will consider commencement of court action for possession when the outstanding debt equates to eight weeks or more of the gross rent, and no arrangement has been made, or complied with, to clear the arrears.

Hill Homes may commence a court action for possession if the outstanding debt is less than eight weeks or more of the gross rent where the tenant will not engage with Hill Homes and/or comply with arrangements to make payment, and where this action is approved by the CEO.

- 4.9. The 'reasonableness' of the action will be assessed before a decision is made to refer a case to the County Court. Hill Homes will not refer a case for possession action in circumstances where the tenant can demonstrate that they have:
- a reasonable expectation of eligibility for housing benefit or the housing costs element of Universal Credit or Pension Credit, to cover either all the outstanding arrears or sufficient to reduce them to below eight weeks' gross rent;
 - provided the local authority or Department for Work and Pensions (DWP) if applicable, with all the evidence required to process a housing benefit or Universal or Pension Credit claim (housing costs element); and,
 - paid any required personal contributions towards the charges.
- 4.10. Hill Homes will ensure that cases referred for possession action will comply with the requirements of the 'Pre-Action Protocol' as provided by the Ministry of Justice, particularly with regard to pre-action contact between the parties.
- 4.11. Prior to taking action, Hill Homes will enquire as to whether other agencies are working with the tenant e.g. social services, and, if so, these agencies will be contacted with the tenant's knowledge. Hill Homes may make contact with the London Borough of Haringey's homelessness team when a case is referred to the Court for possession action. In all cases the tenant will be advised of the referral.
- 4.12. Hill Homes will usually request a Suspended Possession Order at court hearings. If the tenant has entered into, and complied with, a repayment agreement prior to the Court hearing, Hill Homes will give consideration to requesting an adjournment on terms.
- 4.13. Hill Homes will seek a Full Possession Order if the tenant is believed to have left or abandoned the property or fails to contact or communicate with Hill Homes.
- 4.14. Hill Homes will generally seek to sustain tenancies rather than end them and evict tenants; however, it recognises that there will be circumstances where preventative and supportive actions have not been successful and the ending of a tenancy is necessary.
- 4.15. Hill Homes will notify Adult Social Services and the homelessness team at London Borough of Haringey prior to any eviction of a vulnerable person. This notification will be made in compliance with the requirements of GDPR.
- 4.16. All requests for eviction will be approved by the CEO.
- 4.17. If possessions and/or goods remain in the property following an eviction, these will be inventoried and stored for a maximum period of three months from the date of eviction. If the former tenant's whereabouts and/or contact details are known they will be advised of this storage and the maximum duration of the storage, after which the goods will be disposed of. Hill Homes will charge the cost of storage to the former tenant.

4.18. Hill Homes will not use 'distress' or 'distrain' as a means of recovering rent arrears.

4.19. Hill Homes will treat all joint tenants as jointly and severally responsible for rent arrears on the account.

4.20. Former tenant arrears may occur because of the death of the tenant, abandonment of a property, eviction or as a result of a transfer to other accommodation. Hill Homes will attempt to pursue all debts.

- where the former tenant has moved to another of Hill Homes' properties the debt will be transferred to their new account and detailed separately from their current rent. An agreement will be reached with the former tenant for the repayment of the debt. If the tenant(s) has been rehoused in exceptional circumstances and large arrears exist, the repayment of this debt will be included as a condition of the new tenancy and failure to pay could result in the new tenancy being lost.
- where the former tenant has moved away, if no forwarding address is known, Hill Homes will actively seek information to determine a new contact address. If contact is made with the former tenant, an arrangement will be entered into for repayment of the debt. If no contact can be made, or the former tenant will not make an arrangement for repayment, consideration will be given to referring the debt to an external debt collection agency.
- before any referral to a debt collection agency for tracing/collection is made, cases will be assessed in terms of any vulnerability or special circumstances etc.
- in cases where a debt is returned from the debt collection agency as unsuccessful in recovery terms, a decision based on information from the company, amount of debt and action already taken will be made in respect of whether further action will be taken or whether write off will be recommended.
- if there are no funds available to pay the arrears, consideration will be given to writing off the debt.
- if the tenant has died, contact will be made with the executor of the estate/next of kin. If it is confirmed that there are no funds in the estate, the recommendation will be to write off the debt.

4.21. Hill Homes may consider the write off of a debt where there is little chance of recovery or where the debt is low. Circumstances where write off may be considered are:

- the debt is low, and it would not be economical to pursue;
- the tenant has died and there is no estate from which to recover the debt;
- the case has been returned by the debt collection agency where the former tenant cannot be traced;
- there are no funds available to pay the arrears;

- where the steps outlined in this policy have been taken and it is unlikely that further action will be successful and where the level of debt has been a factor in this decision.

5. LEGISLATION, REGULATION AND GUIDANCE

5.1. Housing Act 1988

5.2. Regulator of Social Housing's Standards

5.3. National Housing Federation's model standards

5.4. Ministry of Justice Pre-Action protocol

5.5. General Data Protection Regulation, tailored by the Data Protection Act 2018

6. CONFIDENTIALITY

6.1. All information will be handled in line with relevant GDPR legislation.

6.2. Details of arrears will be discussed with individual tenants with information being handled sensitively. Personal information will not be shared beyond those with a need to know.

7. MONITORING AND REPORTING

7.1. The Finance Team is responsible for processing all rent charges and payments on Pyramid, the housing database. This information will be kept up to date on a weekly basis, for access by the Housing Team.

7.2. The Housing Team provides tenants with a rent statement on a quarterly basis.

7.3. The Finance Team prepares a monthly debtors report; they will highlight to the Housing Manager any tenant whose outstanding balance has reached the arrears level highlighted in this policy.

7.4. A debtors' report is included within the management accounts pack prepared for the Finance, Risk and Audit Committee (FRAC) and the Board.

7.5. A paper of recommended write offs will be presented to FRAC on at least an annual basis. FRAC will make recommendations to Hill Homes Board whose members have the final authority to agree any write off.