

Rent Arrears policy

Housing Management policy HM03

Keniston Housing Association

1. Introduction

Keniston's financial health depends on tenants paying their rent promptly. We aim to have sufficient staffing resources to function efficiently and effectively so that we can help tenants whilst protecting our rental income. We will pursue all sources of income including service charges, garage rents and recharges. Rent should be paid in advance in accordance with the Tenancy Agreement. However, we recognise that sometimes tenants have problems with paying their rent on time. We aim to maximise rental income through a prompt, effective and proportionate approach to recovery of rent arrears. We aim to prevent arrears arising wherever possible and minimise rent arrears where they cannot be prevented. We adopt an approach to arrears management which is firm but also considers tenants' individual circumstances.

2. Legislation and Regulation

Welfare Reform Act 2012
Localism Act 2011
Housing Act 1985, 1988, 2004 and 1996
Protection from Eviction Act 1977
Commonhold & Leasehold Reform Act
Regulator for Social Housing regulatory framework – Rent Standard
Civil Procedure Rules for Pre-action Protocol for Possession Claims for Rent Arrears

Equality Act 2010
GDPR & Data Protection 2018

3. Pre tenancy work

Prior to the allocation of a tenancy, we assess whether the property's rent is affordable to that person. We explain to the prospective tenant(s) the need for regular prompt payment of rent, methods of payment, and will assist those who claim Housing Benefit or Universal Credit. We establish any special circumstances e.g. support needs or translation requirements and make referrals to appropriate agencies. We risk assess new tenants to check vulnerabilities and whether further discussion or support is needed.

4. Preventative Action

We set annual targets for rent arrears performance. We monitor performance in achieving these targets and in other areas of arrears management: monthly by the Management Team and quarterly by the Board.

We will allocate properties appropriately in accordance with Keniston's Selection & Allocations policy.

We emphasise the importance of paying rent in advance and tenants contacting their Rent Income Officer if they foresee any problems. We ask applicants to pay one week's rent at the start of the tenancy. If unable to do so, we ask them to enter a payment plan to pay by instalments.

We assess a resident's financial capability to make up any shortfalls and provide support or refer to appropriate agencies. We support tenants and give advice, assisting tenants to maximise their income and manage their money effectively. Flexible ways of paying rent make it as easy as possible for residents to make payments.

We issue rent statements annually and when requested. Residents can also access their rent accounts online via 'My Tenancy'.

5. Restrictions to tenancy

We advise tenants applying for a transfer that unless in exceptional cases, their application will not normally be considered unless they clear their arrears and maintain a clear rent account for 6 months. For residents wishing to downsize, the same principle applies as above. In addition, where tenants are subject to genuine financial hardship due to under-occupation, Keniston will consider requests on a case-by-case basis through the Complaints & Resolutions Panel. (see Selection & Allocation Policy)

Any rent arrears must be cleared on the old joint tenancy before a sole tenancy is granted, as the new tenant cannot be held responsible for any debt that accrued whilst the tenancy was a joint tenancy.

Certain planned replacements in the stock reinvestment programme (new kitchens and bathrooms) will not be undertaken for residents who are in arrears or where a sundry debt is owed. This means in most cases that the improvement is deferred, and the decision reviewed for consideration in the following year's programme. Exceptional issues regarding incentives will be agreed at the Complaints and Resolutions meeting.

6. Information and Support for those in arrears

We recognise that some tenants experience financial hardship. Keniston seeks to provide support to those in arrears due to financial hardship to help prevent arrears increasing which may lead to eviction. We actively encourage tenants to claim benefits to which they may be entitled.

We work in partnership with other organisations who offer a range of options such as skills training programmes, CV writing and interview preparation and refer residents where appropriate.

Because of vulnerability certain recovery actions may not be appropriate in individual circumstances. It is important in cases involving vulnerable residents that all relevant facts are taken into consideration and that all appropriate agencies are involved.

7. Action to Recover Arrears

We will adopt a firm but sensitive approach to rent arrears recovery. We identify tenants in arrears who are vulnerable and tailor our approach appropriately to their needs.

Keniston will take early arrears recovery action and will seek a realistic repayment arrangement to clear arrears having regard to the tenant's income and outgoings. We will expect low level debts to be cleared in a single payment and will only agree to instalments which do not exceed 6 months.

A decision to proceed with action to recover possession of the property and outstanding debt will only be taken when all other means of recovery of the rent arrears have been exhausted, or when the tenant has failed to engage or respond and rent arrears continue to increase or have not reduced.

We will adhere to all the requirements of the Pre-court action protocol for possession claims.

We apply for court costs when we obtain an order for possession. We will ensure a money judgement is included in the order.

Eviction is the last resort in managing rent arrears. Every eviction requires the approval of the Chief Executive.

We will oppose any application to 'stay' the execution of the warrant unless payment to clear the arrears, including court costs, is made in full.

We work in partnership with Local Authorities to avoid evictions and homelessness. We make appropriate referrals to homelessness and other housing advice services when taking possession action.

8. Ground 8

Ground 8 can legally be used where the tenant has arrears of more than 8 weeks rent at the date of service of the Notice of Seeking Possession and at the date of the hearing. The court has no power to stay or suspend it.

We will consider using Ground 8 on an exceptional rather than routine basis. Before using Ground 8, we will review the tenant's whole situation and first pursue all other reasonable alternatives to recover the debt. We will comply with the requirements in the rent arrears pre-action protocol taking possession action only as a last resort. Wherever possible, we will ensure that the tenant understands the significance of a Ground 8 notice.

9. Housing Benefit and Universal Credit claims

We stress to tenants that it is their responsibility to ensure any claim is applied for and pursued. Where authorised to do so we will contact Housing Benefit offices and seek prompt payment of any outstanding claim / reassessment of benefit where arrears have reached a level of legal action.

We encourage tenants paying in arrears via Housing Benefit to make payments to bring their rent accounts into credit, in accordance with their tenancy agreement.

10. Former tenants

We always pursue the recovery of debts left by former tenants. We may use tracing agents and debt collection agencies where our own actions have been or are unlikely to be successful.

Any action we take to pursue and recover former tenant arrears must be cost effective. Former tenants' arrears may be written off when actions according to the procedure have been unsuccessful in recovering the debt.

The decision to take legal action to recover former tenant arrears is a judgement based on the information available concerning the former tenant's current circumstances, the level of the debt, how these impact the likelihood of collection and the costs of legal action.

11. Credit Balances

We check rent accounts in credit on a quarterly basis and advise tenants in credit to amend their payment and we arrange any refunds.

In accordance with the tenancy agreement rent is payable in advance and we may not refund credit on account where this will result in arrears before the next payment is expected.

12. Leaseholders

Keniston recognises that at times our leaseholders may suffer from financial hardship that makes it difficult for them to meet their commitment to pay the service charge. We will ensure a consistent approach whilst considering individual circumstances.

If a leaseholder fails to repay the debt, we will seek to recover the debt more formally. This may include writing to a mortgage provider to repay the debt, application for a money judgement or when all other measures have failed, an application to court for forfeiture of the lease.

Equality, Diversity and Inclusion

Everyone at Keniston, our external partners and customers are required to:

- Treat people fairly, give equal access to jobs, homes, services and contracts without discrimination, harassment, bullying and prejudice, and meet diverse needs through reasonable adjustments whenever possible and appropriate.
- Not discriminate against any individuals or groups, not tolerate attitudes and behaviours that amount to or could result in discrimination and swiftly handle any reports of victimisation, bullying or harassment.
- Acknowledge and value the differences by recognising people's individual circumstances, unique aspirations and needs and responding appropriately.
- Comply with relevant legislation, statutory codes and guidance designed to promote equality of opportunity and eliminate discrimination, such as the Equality Act 2010, Housing and other Regulatory Standards, and the Housing Ombudsman's Complaints Handling Code.

This policy was agreed by Agreed by Management Team on 12 September 2024

Next review date: September 2027

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