



Rent Collection Policy

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References

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1 Introduction

- 1.1 This Policy sets out the approach Framework will follow to collect rent and service charges. The objectives seek to balance the individual needs of our residents who are often vulnerable and / or dependent on benefits or are in low paid employment; with the low operating margins of Framework and the need to maximise rental collection to ensure the ongoing sustainability of the services and homes we provide.
- 1.2 In working with our customers we are committed to providing early intervention, advice and support to help maximise personal income and pay the rent and services when due. We also support with money management focused on the financial responsibilities of running a home as part of the preparations for independent living.
- 1.3 This policy covers all Framework residents.

2 Policy Objectives

- i. To ensure support and signposting are available to residents to help them meet their rent payment obligations
- ii. To tailor our services to meet the needs of individuals whilst ensuring a consistent approach to support and enforcement to ensure fair treatment for all.
- iii. To ensure early identification and intervention, and to support residents to prevent rent arrears and provide sustainable occupancies
- iv. To work with stakeholders to ensure their views are represented.
- v. To ensure that unsustainable occupancies are ended appropriately and in a timely manner.
- vi. To collect rent and provide associated support in the most efficient and effective way.

3 Rent and Service Charges

- 3.1 Rent charge levels are set to cover the legal and financial commitments of the organisation. Service charges are set to cover service and management costs, make proper provision for future repairs, and to ensure financial viability of services after taking account grant funding or other income receivable.
- 3.2 Changes in rent and service charges will be conducted in line with the tenancy/licence agreement and statutory and regulatory requirements. In practice, rent charges will not be increased more often than at twelve month intervals. Service charges may be reviewed not more than twice in any one year.
- 3.3 Service charges will be reviewed should the services offered change significantly.
- 3.4 Framework will provide formal notice of at least 28 days of any rent and/or service charge increase.



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4 Arrears Prevention

- 4.1 By preventing rent arrears, Framework helps residents avoid the risk of accumulating debt and also reduces the cost of collecting outstanding arrears. Framework considers rent to be a resident's most important financial commitment and believes that early prevention and education on money management is the most effective and efficient approach to rent collection.
- 4.2 Framework is dedicated to helping residents avoid rent arrears by enabling and promoting a 'payment culture'. We recognise that some of our residents are:
- i. Experiencing financial hardship
 - ii. Excluded from mainstream financial products such as a bank account
 - iii. Vulnerable and/or disadvantaged
- 4.3 To reflect this, and in order to minimise rent arrears, Framework will endeavour to regularly review the payment options available to our residents and work with stakeholders to highlight the challenges of standard practice and identify areas for change.

5 Early Identification and Intervention

- 5.1 To protect Framework and to prevent the resident building up debt, Framework will take a holistic approach to rent arrears. It will consider the resident's finances as a whole and assist the resident to ensure that any benefits and/or funds that the resident may be eligible for have been claimed.
- 5.2 Residents who may be experiencing multiple debt issues will be supported to prioritise their debt appropriately. Housing costs and rent arrears are deemed priority debt and should be addressed above other, non-priority debt.
- 5.3 Early identification allows Framework more opportunity to offer support and discuss options with residents to clear any arrears. Difficulty in paying rent may reflect wider problems which require support and a more flexible approach in settling the outstanding arrears. Resident will be encouraged to set up a realistic repayment plan to ensure sustainable and fair contribution to the arrears.
- 5.4 Information on how to get advice and assistance will be included in arrears correspondence, on the website and within tenant/service user information.

6 Active Service Involvement

- 6.1 Communication, collaboration and concise record keeping are the cornerstones which underpin the success of rent collection. The Housing Management Team, Support Workers and Service Managers will work consistently together in accordance with the Rent Collection Policy and the Pre Action Protocol to ensure rent collection benchmarks are achieved and the associated life skills for residents are addressed.



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- 6.2 If Service managers disagree with any rent collection processes or are unable to agree a way forward in relation to individual residents, the Director of Finance, Governance and Risk will be required to make a final decision.

7 Information Exchange with Local Authorities and DWP

- 7.1 Many of Framework's residents are entitled to Housing Benefit which covers part or all of their HB-eligible rent and service charge. Framework aims to build positive relationships with the relevant Local Authority Housing Benefit departments.
- 7.2 In order to identify those residents at risk of falling into arrears and to maximise Housing Benefit, Framework will share information regarding claims with Local Authorities in compliance with GDPR, data protection legislation and policy.
- 7.3 For those residents in receipt of Housing Benefit, direct payment of benefit from the Local Authority to Framework will be required.
- 7.4 Framework aims to build and maintain positive relationships with DWP and other funding agency staff to ensure clear communication around rent issues and specifically around the challenges of Universal Credit and other Welfare Reforms.

8 Enforcement

- 8.1 To achieve recovery of arrears Framework has a proactive and effective process for arrears escalation and recovery (see *Rent Collection Procedure*). Enforcement and support actions will be coordinated and progress focused on supporting the resident to pay rent in accordance with the occupancy agreement.
- 8.2 Framework will prioritise reasonable payment agreements over court action. When considering reasonableness Framework will consider not only the amount to be paid each week by the tenant but also the period of time in which the debt is to be cleared.
- 8.3 Where support intervention and early enforcement action has not been successful, Framework will pursue legal grounds to repossess the property. Framework will make applications for court orders as early as possible but only when satisfied that the steps detailed in the Pre-action Protocol for Possession Claims based on rent arrears have been followed.
- 8.4 When applying to court for possession, for Assured Shorthold and Assured Tenancies Framework will use the following grounds:
- Ground 8
 - Ground 10
 - Ground 11
- 8.5 For Licence Agreements Framework will issue a Notice To Quit.
- 8.6 These are not exhaustive and Framework may rely on other grounds.



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9 Former Residency Arrears and Repayment of Rent Arrears

- 9.1 A former residency arrear is any debt left owing to Framework when a tenancy/ licence has been terminated. It can include rent arrears, rechargeable repairs or court fees.
- 9.2 Recovering former resident arrears will be looked at on an individual basis recognising that the collection of former residency arrears is challenging and there are costs associated with the collection processes. However, if a resident owing Framework is re-housed the resident will be expected to address the previous debt accrued.

10 Write Offs

- 10.1 At the discretion of Framework where resident arrears are not likely to be recouped, the debt will be written off. If a resident returns to a Framework service and has a previous amount outstanding the debt will be discussed with the Service Manager and usually be reinstated.

11 Systems and Processes

- 11.1 Our systems and processes support the coordination of support and enforcement activities whilst providing flexibility to meet the varying needs of service users to ensure a consistent and fair framework.
- 11.2 Framework has invested significant resources in the housing management system. We are committed to the ongoing development of systems to deliver efficiencies, enhance coordination of activities and the sharing of information across our teams.
- 11.3 We will review our rent collection processes and procedures periodically which will include researching best practice and strategies deployed by others as part of our continual improvement approach.
- 11.4 We will encourage innovation from our staff and managers focused on enhancing people capacity, eliminating waste and duplication. We will seek to maximise information available to our workforce and customers to enhance the ability for our residents to sustain their home.

12 Monitoring, Reporting and Performance Targets

- 12.1 The Rents Team is responsible for monitoring the collection of rent and service charges, including arrears, by agreeing Key Performance Indicators and targets set in conjunction with the Senior Leadership Team.

Key Performance Indicators that will be measured are:

- i. Overall Rent and Service Charge Collection as a % of the charges due.
- ii. Housing Benefit Collection % of charges due.



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- iii. Ineligible Rent Collection % of Ineligible service charges due.
- iv. % Income lost through voids.
- v. Number of evictions during a year due to rent arrears.