



## **Langstane Housing Association**

### **Rent Management Policy**

Senior management team approval	01 October 2020
Board / Committee	Senior Management Team
Implementation date	01 October 2020
Review date	01 October 2023
Review period	3 years
Version	3

<b>Policy Version</b>	<b>Date of Approval</b>	<b>Changes made to Policy</b>
Version 1	31 July 2009	New policy
Version 2	3 March 2017	Changes made to focus on arrears prevention and income maximisation.
Version 3	SMT (October 2020 for approval)	Updated Policy Template
		Performance Indicators Amended
		Tidying up of wording

## 1. Introduction

Langstane Housing Association is a Co-operative and Community Benefit Society and a registered social landlord with charitable status.

The Langstane Group (the Group) consists of Langstane Housing Association Limited and its wholly owned subsidiaries: Langstane Property Ltd, Langstane Developments Ltd and Langstane Maintenance Ltd

This policy applies to Langstane Housing Association.

Tenants have a responsibility to pay their rent on time. It is recognised that arrears arise for different reasons and therefore, recovery procedures should be flexible and responsive to individual circumstances. However, there will be occasions when failure to pay the rent may result in more serious action being taken. This includes court action and eviction.

The effective and efficient collection of rent and other debts is essential to protect the financial requirements of the association balanced against the social needs of the tenants.

Supporting tenants to sustain their tenancies is essential and eviction is viewed as a last resort. For this reason, the emphasis of this policy is on a preventative approach to rent management and arrears recovery.

The term "arrears" applies to all charges, including rent, occupancy payments, service charges, heating charges and other recoverable charges (costs associated with repairs, legal fees, and management fees)

## 2. Policy Statement

The purpose of this policy is to minimise the loss of income by ensuring efficient and effective systems of arrears recovery are in place. These systems are based on legal and good practice guidance.

### Objectives

- To prevent arrears through early intervention
- To minimise the level of current and former tenant arrears and sundry debts
- To reduce evictions
- To reduce any barriers to making payments to the Association by offering a variety of payment methods and options
- To promote the diversity of customers to staff, and ensure that all customers are treated equally
- To produce communication that is clear, and in a format consistent with the tenant's requirements
- To ensure that tenants are provided with suitable information and advice in relation to managing their rent payments.

### 3. Links to Other Policies

- Rent and Service Charge Setting Policy
- Rechargeable Repairs Policy
- Former Tenant Debt Recovery Policy
- Privacy Policy

### 4. Arrears Prevention

The Association will employ a number of measures aimed to prevent arrears. These will include:

- Pre-tenancy advice and assistance to make it clear to new tenants that paying rent is a priority
- Ensuring that tenants are given advice regarding housing benefit/universal credit and where necessary assist tenants in the completion of appropriate forms
- Promotion of a payment culture, including information on income maximisation for all eligible benefits
- Promote the use of Direct Debits as a default method of payment
- Service Level Agreements with partner agencies specialising in debt management to ensure that tenants with multiple debt problems are in receipt of the best advice, and have access to appropriate financial services
- Early intervention aimed at supporting tenants before they reach a stage where arrears become unmanageable
- Informing tenants of increases in rent, and where applicable reminding them of the responsibility to update any claim with the Department of Work and Pensions (DWP)

### 5. Controlling Arrears

Arrears recovery is based on a staged process of escalation actions, up to and including repossession for non-payment of rent. The separate stages are based on timescales that are achievable. Emphasis is placed on management and personal contact when arrears are at a low level, in order to prevent the escalation of arrears. However, procedures also include clearly defined stages and circumstances at which legal action will be pursued, with a view to minimising the overall timescale required to successfully complete recovery action, if this is necessary.

The Association therefore ensures that tenants are contacted regarding arrears as soon as is practical when arrears occur. Timescales for contact are clearly set out in the arrears control procedures, and performance against these targets is monitored regularly.

Proactive measures are adopted. These include rent account management advice at the point of signing for a tenancy, and support to ensure income maximisation at the earliest sign that a tenant either has, or is at risk of having, arrears. Any agreed action to reduce debt is within a specific timescale that is realistic for the Association, and manageable for the tenant.

Tenants at risk of arrears due to changes to the welfare system are supported as far as possible to find ways to reduce any negative impacts, taking into consideration government support and funding.

In addition, staff will signpost tenants to relevant agencies where it is established that there are multiple debts and issues that require specialist advice or assistance. Throughout the tenancy, efforts are made to ensure that rent is recognised as a priority debt, and to encourage payment in advance.

Where appropriate, tenants are offered the opportunity to create a repayment plan that allows them to manage and reduce arrears in a sustainable manner.

Where confirmation is received that there is an outstanding housing benefit application or a Universal Credit application is pending staff will use discretion when escalating arrears actions.

The Association has an escalating procedure that allows tenants opportunities at every stage to address rent arrears, and offers a range of internal and external support measures where this is appropriate.

There are detailed procedures in place for Arrears Collection, Court Action, Eviction Process, Housing Benefit and Universal Credit.

Arrears letters will:

- provide a clear message to the tenant that they are in debt
- show an accurate current arrears balance including dates
- provide information about different payment options available
- emphasise the need for the tenant to establish early contact with the Association, and encourage the tenant to seek early advice in clearing arrears
- advise that tenants can seek assistance from specialist resources such as Citizens Advice Bureau and the in house Tenant Welfare Adviser
- make clear that Housing Benefit/Universal Credit may be available to help with housing costs
- set out any arrangements made, as well as reminders of any that have been broken
- state the seriousness of failure to reduce/clear arrears
- All arrears letters will ensure that they adhere to Pre- action requirements

All confidential Personal or Sensitive Personal Data along with requests from third parties will be handled in line with the Privacy Policy.

## **6. Staff Resources and Training**

Housing Services staff implements the policy.

Training includes:

- regular ongoing training in the legal framework affecting arrears control, including equalities legislation, data protection and human rights, as well as housing and debt related legislation
- regular ongoing training in Housing Benefit/Universal Credit regulations, including benefit fraud and on going changes to the welfare system
- Summary Cause and Small Claims procedure and process
- interview skills
- dealing with difficult situations
- debt counselling and welfare advice

## 7. Monitoring and Review

The following key performance indicators are monitored and reported on:

- Gross rent arrears (Current and Former) against target
- Rent Collection as a percentage of rent due

These figures are monitored and reported to the relevant committee on a monthly basis, in line with standard performance monitoring procedures.

The arrears control procedures are reviewed regularly in order to monitor positive outcomes, and to identify patterns and trends. This allows for adjustments to working practice to be identified to improve performance.

### Right to Complain

In the event you are not satisfied with the service you have received, please contact the Association for a copy of the Complaints Policy, which can also be viewed on the Association's website – [www.langstane-ha.co.uk](http://www.langstane-ha.co.uk)

### Equality and Diversity

The Association is committed to promoting equality and diversity across all areas of its work, and discrimination or harassment of any kind is not tolerated

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