



## **RENT COLLECTION POLICY**

### **1.0 INTRODUCTION**

- 1.1 This policy describes how Almond Housing Association Limited (AHA Ltd.) will seek to maximise rent collection, prevent arrears of rent and/or service charges occurring and, when they do occur, take positive, pro-active action at an early stage with the aim of eliminating the arrears.
- 1.2 In taking action under this policy AHA Ltd. will aim to ensure that tenants do not lose their tenancy for non-payment of rent or service charges without first having received all possible advice and assistance, with any special circumstances being taken into account. Tenants will also be given a reasonable chance to increase their payments to repay arrears.
- 1.3 This policy is supported by detailed operational procedures.

### **2.0 RESPONSIBILITIES**

#### **2.1 Board of Management**

- To ensure that there is in place a Rent Collection policy which meets AHA Ltd.'s needs and complies with current regulations, guidance and good practice.
- To monitor performance regarding rent collection/rent loss against current targets.

#### **2.2 Management**

- Heads of Housing Management & Finance: To implement the policy and procedures on a day-to-day basis, advising the Board, other Heads of Section and all employees as required on specific matters.

#### **2.3 Employees**

- To ensure they have read and understood the policy and procedures, and to implement them as required in the course of their work.

### **3.0 PREVENTION OF ARREARS**

- 3.1 AHA Ltd. will aim to maximise rent collection and prevent arrears occurring through a combination of education and information, including:
  - a) raising initial awareness about the variety of ways rent may be paid, by displaying and publicising the leaflet 'Ways to Pay' in our office reception area, on our website and in the Almond View;
  - b) including advice in the Tenant Handbook on paying rent and on contacting us as soon as any financial difficulties arise;

- c) at the pre-allocation visit, emphasising the importance of making rent payments on time and discussing with the prospective tenant the method of payment best suited to them;
- d) providing comprehensive advice and information at the time of signing the Tenancy Agreement to ensure that the tenant understands the importance of keeping up to date with their rent payments, and the action AHA Ltd. will take if they do not;
- e) at the time of signing the Tenancy Agreement, providing information on the advice available from agencies that can assist with debt counselling, if required in the future;
- f) providing advice and assistance to tenants, in particular new tenants, in completing and submitting applications for Housing Benefit (including as part of any Universal Credit application), and checking that the application has been submitted;
- g) encouraging tenants in receipt of Housing Benefit to arrange for payment to be made direct to AHA Ltd.;
- h) encouraging tenants to contact their Housing Officer at an early stage if they begin to experience difficulties in meeting their rent payments.

#### **4.0 DEALING WITH ARREARS**

- 4.1 Through regular monthly monitoring of rent and service charge payments AHA Ltd. will identify any overdue amounts and will take swift action to eliminate them, including:
- contacting the tenant in the month a payment is missed;
  - reminding them of their responsibilities;
  - establishing the cause(s) of the problem;
  - seeking to agree measures to ensure payment is made;
  - providing bank pay-in facilities to assist in making additional payments.
- 4.2 AHA Ltd. will maintain regular contact with a tenant in arrears, discussing the reason(s), warning them of the action that may follow non-payment of rent, and identifying whether the tenant would benefit from changing their regular method of payment.
- 4.3 Where appropriate, AHA Ltd. will support tenants who are experiencing difficulty in managing their rent arrears by directing them to agencies that may be able to assist through debt counseling, including the Citizens Advice Bureau.
- 4.4 AHA Ltd. will normally agree to the establishment of a payment agreement, where the tenant requests this method of dealing with their arrears from the options available.
- 4.5 AHA Ltd. will take all necessary action, including legal action for re-possession of the property, where our efforts to achieve repayment are not successful.
- 4.6 AHA Ltd. will follow up former tenant arrears as actively as possible as detailed in our Debt Recovery – General procedure.
- 4.7 AHA Ltd. will ensure that arrears which are unlikely ever to be recovered are provided for and formally written off at regular intervals in accordance with current procedures.

## **5.0 CURRENT TENANTS**

5.1 Housing Management staff will take appropriate action in the case of current tenant arrears according to the following stages:

- First stage (where 1 month's rent payment has been missed)
- Second stage (where 2 months' payments have been missed)
- Serious arrears (more than 2 months' in arrears)
- Legal action (including court hearings)
- Eviction

5.2 Where a small amount of arrears has been outstanding for a considerable time and it would not be appropriate to seek legal action for possession, a small debt action may be used as an alternative method to enforce payment.

## **6.0 FORMER TENANTS**

6.1 AHA Ltd. will take the appropriate action to recover arrears due from former tenants, including seeking payment direct or via a debt collection agency, or taking legal action including the arrestment of wages.

## **7.0 TRANSFERS, EXCHANGES, ASSIGNATIONS**

7.1 AHA Ltd. will accept applications for transfers or exchanges from tenants with arrears where:

- the arrears are less than one month's rent and there is an appropriate arrangement in place to pay the amount due;

**OR**

- the arrears are greater than one month's rent but there is an appropriate payment arrangement in place which has been kept to for at least three months prior to the date of application.

7.2 AHA Ltd. will consider an application for the assignation of a tenancy with outstanding arrears where:

- the arrears are less than one month's rent and there is an appropriate arrangement in place to pay the amount due;

**OR**

- the person to whom the tenancy is being assigned agrees to take on the responsibility for the arrears and signs a payment agreement at the same time as signing their Tenancy Agreement.

## **8.0 TRAINING**

8.1 All employees who deal with arrears will receive the necessary training to ensure that they are able to implement this policy and the supporting procedures.

## **9.0 IMPLEMENTATION AND REVIEW**

- 9.1 AHA Ltd. will set an annual target for gross arrears (expressed as a percentage of total rent income receivable) and for net arrears (gross arrears less the amount of housing benefit we expect to be paid to us in the month).
- 9.2 The Senior Management Team will monitor performance against these targets on a monthly basis, with reports being submitted to the Board of Management on a quarterly basis as part of the current reporting arrangements.
- 9.3 On a quarterly basis the Audit & Finance Sub-Committee will review current arrears and will submit a recommendation to the Board of Management regarding any amounts to be written off.
- 9.4 The Head of Housing Management will ensure that this policy is reviewed by the Board of Management at least every 5 years.

<b>FIRST APPROVED IN</b>	<b>DECEMBER 1997</b>
<b>CURRENT VERSION 5.0 APPROVED IN</b>	<b>NOVEMBER 2016</b>
<b>NEXT REVIEW DUE BY</b>	<b>NOVEMBER 2021</b>