

Policy

1. Purpose and scope

Rent arrears control is an important part of our Housing Management function to ensure both the viability of the service and the sustainability of tenancies. It is vitally important to achieve effective debt control to ensure there is a balance between the welfare of our tenants and maintaining a high-quality level of service provision.

Rent is due weekly in advance. Where payments are made in a different cycle, e.g. monthly, this will also be made in advance to prevent an account going into arrears. Payment is expected to be made in line with the Tenancy Agreement.

The Policy clarifies how the Housing Management Team manages rent arrears across our affordable housing whilst maintaining the legal and regulatory responsibilities of a Registered Provider of Social Housing.

The Policy sets out our approach to rent collection and arrears recovery including the options that are available to facilitate payments and contact with the Housing Management Team

The Policy covers current arrears for all tenures with regard to the control of and the clearing of any debt, failures to adhere to alternative solutions and the termination of the tenancy agreement, use and occupation licence or lease. In addition, it also covers former tenant arrears and related debts outstanding following the end of a tenancy/occupation of a property.

2. Policy statement

The aim of this policy is:

- To prevent rent arrears wherever possible by ensuring that tenants are aware of their obligation to pay rent and the methods by which they can do this by providing them with appropriate advice and assistance.
- To optimise rental income to ensure that the Trust can meet its financial obligations and operate effectively.
- To set out legal and non-legal methods of ensuring rent is paid in line with this policy and tenancy agreements.
- To ensure possession of a tenant's home is sought as a last resort and only when all possible actions with due regard to the rent arrears procedure have been exhausted.

- To set out that we will communicate with tenants with rent arrears at the earliest stage and through any subsequent stages to ensure they are informed of what action is being taken.

New Applicants/tenants

Where appropriate, new tenants will be assisted with completion of Housing Benefit/Universal Credit applications, where this is not possible; they will be signposted to an appropriate agency/organisation for further guidance. Consideration of a person's income or entitlement to benefits will be discussed with an applicant prior to allocating a property to mitigate against an applicant accepting a home that they are unable to afford. We will consider if an affordability assessment is appropriate during the allocation process.

All tenants will be required to pay the first week's rental charges by the start date of the tenancy and/or agree to a schedule of payments to establish an appropriate level of prepayment.

For starter tenants, or fixed term tenants still in their probationary period, we will consider how the rent account has been managed during the starter/probationary period when deciding whether the tenancy is sustainable. If we decide that it is not sustainable, the starter/probationary period may be extended, or the tenancy may be ended.

Early stage rent arrears action

The Housing Management team will monitor rent payments on a weekly basis and are committed to resolving arrears issues at the earliest opportunity. The rent arrears procedure is followed in all cases where the tenant is in rent arrears or is at risk of falling into arrears.

High level Arrears

Where attempts to manage rent arrears under an arrangement fails, the Trust will look to take legal action to recover the outstanding amount either through a court ordered agreement or other suitable means, or by taking possession of the property. Actions are requested and granted from the appropriate court. Each case will be individually assessed before this action is taken through a proportionality review and impact assessment, with consideration given to protected characteristics as defined in the Equality Act.

For shared owners, further action will involve liaising with the relevant mortgage provider, which may delay a court application as the lender may be willing to pay the arrears. However, shared owners will be advised if this course of action is taken. Under the terms of the mortgage agreement may

be regarded as a further loan which will have to be paid back with interest within the term of lending. In the event of no payments forthcoming, Papworth Trust reserves the right to seek forfeiture of the lease.

At all stages the preferred outcome will be the payment of the debt owing in full or a payment arrangement agreed with the tenant that enables the arrears to be cleared over a 12-month period.

Court orders and evictions

The Trust will take legal proceedings to recover possession of the property where all other actions have been reasonably exhausted.

Former tenant arrears/debts

Former tenant debts can take the form of rent arrears or costs incurred by the Trust following the ending of a tenancy where these costs were the former tenant's liability. We will seek to minimise these debts by providing written confirmation or statements as appropriate and by following up outstanding debts within six weeks of the tenancy ending where a forwarding address is known.

Where arrears remain following the death of a tenant, these will be pursued through the deceased's estate.

Where no payment is forthcoming the case will be passed to the Finance team who will undertake formal debt collection proceedings.

Death of a tenant

The full rent for a property remains payable following the death of a tenant until possession of the property is returned to the Trust (the keys are returned with vacant possession) where there is no successor to the tenancy. Any welfare entitlement will likely cease at the end of the week after the date of death.

We will seek to recover outstanding rent from the deceased's estate where appropriate. Where no payment is forthcoming the case will be passed to the Finance Team who will undertake formal debt collection proceedings.

Where there is a successor to the tenancy with outstanding rent arrears the successor will become responsible for the repayment of any debt and any arrears owed by the deceased will remain on the tenancy and will be recoverable by the successor once the tenancy is assigned. This includes responsibility for complying with any undischarged court order.

Bankruptcy/Debt relief orders

The Trust will deal with each case in line with any court orders and in conjunction with associated procedures, regulations, legislation and guidelines.

The Court of Appeal made it clear in the Harlow v. Hall case (2006) that possession proceedings are not counted as an action for debt under the terms of the Insolvency Act 1986.

If a tenants Debt Relief Order is discharged, the Trust shall write off any arrears covered by the order as required.

Arrears Prevention

- Before granting a tenancy, we shall seek to make sure that the prospective tenant:
 - Has the ability to pay the rent regularly and in line with the tenancy agreement.
 - Has a bank account and can pay the rent in full without reliance on welfare benefits; or
 - Will arrange for any housing element of their welfare benefits to be paid directly to Papworth Trust and can pay any shortfall
- Prior to granting a tenancy we will assess the applicant's ability to pay the rent due. Where an applicant cannot afford to pay the rent (taking welfare benefit entitlement into account) we reserve the right not to grant a tenancy.
- We will give tenants a variety of ways to pay.
- To demonstrate the link between entering into a tenancy agreement and being the person responsible for paying the rent (including those who will seek help with rental obligations by claiming welfare benefits) we will require one weeks rent payment to be made upon the start of the tenancy.
- To promote independence, we will require a commitment from the tenant to have (or work towards) an appropriate prepayment in line with their chosen payment cycle (this includes offsetting any arrear arising from welfare payments made in arrears)
- To prevent debt or resolve existing debt, no credit from one service area will be issued to tenants where there is an outstanding debt to the organisation. In cases where a credit from one area is being used to offset a debt in another area, the Trust will inform the tenant of the action being taken.

Tenancy Transfers

We will not normally permit management transfers for tenants with rent arrears.

In exceptional cases, where a tenant is under-occupying a property and there is evidence that the transfer will improve the sustainability of the tenancy and reduce the repayment of the debt, a management transfer may be permitted.

Any outstanding rent arrears will be included as a tenancy condition on the new tenancy.

Joint tenants

Joint tenants are jointly and separately liable for any arrears that occur. This means that each joint tenant is individually and separately responsible and any tenant can be pursued for rent arrears in full, e.g. where one tenant leaves without terminating their tenancy the remaining joint tenant will be liable for all of the rent, not a 50% share and vice versa. For this reason, we will not permit any assignments where there are arrears on the account.

We will contact joint tenants separately in the event of arrears occurring and prior to and during any possible or actual legal action.

Vulnerable tenants

The purpose and intent of this policy is to ensure that rental obligations are met; however, in certain exceptional circumstances movement from this policy may be required. Where exceptional circumstances require movement away from the guidelines in this policy they will be considered on a case-by-case basis.

Where we are aware of circumstances or vulnerabilities which may impact upon a tenant's ability to manage their finances in relation to their tenancy, we will signpost them to the help and assistance that may be available in their area at the earliest opportunity.

Reviews/appeals

Any request for reviews will be considered in line with the Review of Decisions policy.

Legislation

The Trust's rent arrears policy is in line with current housing regulations and legislation and the standards of the Regulator of Social Housing.

3. Roles and responsibilities

Roles	Responsibilities
Housing Officers, Team Leaders, Surveyors and Housing Income Officer	<ul style="list-style-type: none">To familiarise themselves and work in accordance with the contents of this policy, associated procedure, and documents
Managers (Housing Team)	<ul style="list-style-type: none">To make sure staff are familiar with this policy and associated procedure and documents where their role may require them to be involved in/with rent arrears cases
Finance Team	<ul style="list-style-type: none">Undertake formal debt collection proceedings and support with legal action

4. Monitoring and review

The following Key Performance Indicators (KPI's) are reported each month:

- Current Rent Arrears
- Former tenant Arrears
- Rent Collection

KPI's are monitored continually, formally on a monthly basis and are submitted to the Board of Trustees every quarter.

This policy will be reviewed every 3 years in line with the review date in section 6, or sooner if changes in practice or legislation require it.

5. Further Information

Policies and Procedures	
<ul style="list-style-type: none">• Starter Tenancy Policy• Fixed Term Tenancy Policy• Rent Policy• Lettings Policy	<ul style="list-style-type: none">• Complaints Policy• Review of Decisions Policy• Rent Arrears Procedure• Mutual exchange Policy
Forms	
<ul style="list-style-type: none">• None	
Guidance	
<ul style="list-style-type: none">• None	
External web links	
<ul style="list-style-type: none">• Regulator of Social Housing - GOV.UK (www.gov.uk)• Homes England - GOV.UK (www.gov.uk)• Home Housing Ombudsman Service (housing-ombudsman.org.uk)	

6. Document control

Owner	Business Manager- Housing Management
Consulted	Tenant Scrutiny Panel
Approver	Senior Business Manager- Property
Date approved	July 2024
Next review date	July 2027
Ratified by	N/A

7. Version tracker

Version number	Date	Approved by	Comments/Reason for issue
1.0	July 2015		New policy
2.0	July 2016		Standard revision
3.0	July 2018	Director of Operations	Standard revision
4.0	July 2021	Director of Operations	Standard revision
5.0	July 2024	Senior Business Manager-Property	Standard revision