

Rent Arrears Policy

Introduction

Grand Union Housing Group (GUHG) has a responsibility to safeguard its financial viability and is required to ensure that the payment of rent and other charges is made in line with the customers' obligations within the tenancy agreement. It is important that we receive rent payments promptly.

Policy statement

A main aim of GUHG is to maintain rents and other charges at an affordable level. We acknowledge that in providing affordable housing some customers may have difficulties from time to time in making regular rent payments. Every assistance will be offered to overcome these difficulties by advising them of benefits available, and encouraging them to seek advice from their housing officer, the money advice service, our welfare benefits advisor, employment support or tenancy support officer and independent services such as the local citizen's advice and other advice centres.

Rent statements are issued to all customers **every quarter** and are available on request or via the website on-line service "My GUHG" account.

Objectives

The key objectives of the Rent Arrears policy are as follows:

- to prevent rent arrears accruing
- to clarify the process for dealing with current customer arrears
- to detail the assistance GUHG can offer to customers to tackle arrears
- to clarify the process for dealing with former customer arrears
- prevention of homelessness and tenancy sustainment.

Other related policies/documents

- Allocations Policy
- Anti-Fraud , Corruption & Bribery Policy
- Complaints Policy
- Data Protection and Confidentiality Policy
- Equality, Diversity and Customer Care Policy
- Rent Arrears Recovery Procedure Guide
- Rent Policy
- Safeguarding from Abuse Policy
- Shared Ownership Procedure
- Starter Tenancy Procedure

- Tenancy Support Procedure
- Welfare Benefits and Money Advice Policy
- Welfare Strategy

Performance targets

Performance targets for current and former customers' arrears are included in the performance targets agreed on an annual basis and are continually monitored. Individual targets are also agreed with staff during the appraisal process.

Arrears prevention

GUHG acknowledges that prevention of rent arrears is of prime importance. Emphasis on the importance of rent payments and identifying vulnerabilities will take place during various forms of pre-tenancy work and throughout the course of tenancies.

Current customer arrears

Assured Tenancies (including Affordable Rents & Assured Shorthold Fixed Term)

Rent (and other charges such as service charges and support charges) is payable in advance, based on a 48 week annual collection cycle for general needs and retirement/sheltered housing. For independent living properties, rent is charged on a 52 week annual collection cycle. From 1 October 2018, all new general needs and sheltered housing tenancies owned by GUHG will be based on a 48 week collection cycle, together with independent living accommodation tenancies, and payment by direct debit is required by new customers unless we agree that an alternative method can be used.

Information is available on our websites about our benefits and money advice services, and briefly how we deal with rent arrears. This is also explained to new customers during pre-tenancy work, the new tenancy sign-up interview and subsequent new tenancy visits.

GUHG regularly reviews IT software, for example, looking to improve payment methods available to customers and management of rent accounts.

A Rent Arrears Recovery procedure guide is in place and is reviewed on a regular basis. This provides detailed guidance for staff when dealing with arrears cases and complies with the Pre-Action Protocol for Possession Claims by Social Landlords. GUHG will endeavour to reach an agreement with the customer to clear the arrears. If the customer fails to comply with the arrangement to clear the arrears or is persistently in arrears, the housing officer will consider serving a Notice of Seeking Possession, which may lead to court action.

Where the tenancy agreement allows, the housing manager may approve serving the Notice Seeking Possession using Ground 8 (Section 8 of the

Housing Act 1988) in addition to Grounds 10 and 11. Ground 8 is a mandatory ground providing the customer was eight weeks in arrears at the time the Notice was served and at the time of the court hearing. In this circumstance the court does not have discretion and should grant an outright order. The procedure guide provides examples where Ground 8 may be used and circumstances where it will not be used.

If court action is necessary, the housing officer will ask the court for costs to be awarded against the customer. These costs will be added to the existing debt.

Where it is considered necessary for us to seek an outright possession order rather than a suspended possession order/postponed possession order or a warrant of possession for eviction, the approval of the housing manager will be required.

Provided it is reasonable and proportionate we will not renew an assured shorthold fixed term tenancy where the customer has a history of rent arrears. A Section 21 Notice Seeking Possession will be served and the accelerated possession procedure for assured shorthold tenancies used. The team leader will be required to approve this course of action and be satisfied that such steps are appropriate.

Assured shorthold tenancies

We will consider serving a Section 21 Notice Seeking Possession where there are arrears and use the accelerated possession procedure for assured shorthold tenancies, including for keyworker, intermediate and market rent tenancies. The team leader will be required to approve this course of action and be satisfied that such steps are appropriate. The housing manager will consider appeals against the decision to serve a Section 21 Notice Seeking Possession.

Where a Notice under Section 21 cannot be served during the term of the tenancy, a Notice may be served under Section 8 of the Housing Act 1988 using Grounds 8, 10 and 11. As Ground 8 is a mandatory ground, providing the customer was eight weeks in arrears at the time the Notice was served, and at the time of the court hearing, the housing manager will be required to approve cases where this Ground is used.

For tenancies where we hold a deposit, we aim to retain this deposit if the account is left in arrears.

Starter tenancies

Starter tenancies allow swift enforcement action to uphold conditions of the tenancy agreement. We may consider extending the starter period or serving a two months Section 21 Notice Seeking Possession and use the accelerated possession procedure. The team leader will be required to approve this course of action and be satisfied that such steps are appropriate.

The housing manager will consider appeals against the decision to extend or end the starter tenancy.

Where a Notice under Section 21 cannot be served during the first four months of the tenancy, a Notice may be served under Section 8 of the Housing Act 1988 using Grounds 8, 10 and 11. As Ground 8 is a mandatory ground, providing the customer was eight weeks in arrears at the time the Notice was served, and at the time of the court hearing, the housing manager will be required to approve cases where this Ground is used.

Shared ownership

Rent and other charges for shared ownership are usually payable monthly in advance depending on the provisions contained in the lease. A procedure guide is in place providing guidance when dealing with arrears cases. GUHG will endeavour to reach a payment agreement to clear the arrears with the customer or their mortgage lender. Notice must be served on the customer's mortgage lender prior to any possession or forfeiture proceedings being taken. The team leader/ housing manager will be required to approve possession or forfeiture proceedings and be satisfied that such steps are appropriate.

Shared ownership flexible tenure

Flexible tenure allows shared owners, at risk of repossession, to decrease the equity in their home. There is no right to flexible tenure and it will be dependent on circumstances and subject to our approval. **All other options** need to have been exhausted with flexible tenure being the only way to prevent repossession.

Following assessment, GUHG buys back a share of the home releasing equity to allow principle mortgage debts to be reduced and to reduce housing cost to an affordable level. No other debts can be repaid.

This option only applies to GUHG customers who currently own less than 100% of the property and pay rent (not just ground rent and service charges) on the unsold equity. It is not available for other owner occupiers including former shared owners or those who have bought property through a discount or incentive scheme such as Right to Buy or Right to Acquire.

Emergency/temporary accommodation for homeless

Rent and other charges for homeless emergency/temporary accommodation is based on a 52 week annual collection cycle as occupation of these properties is usually short term.

The housing officers manage the arrears recovery processes for these properties in accordance with procedures.

Benefits

Housing staff advise and support customers to claim benefits where entitlement may exist. They will advise customers and prospective customers about income and expenditure, money and benefits, and assess support needs. They offer assistance, including during pre-tenancy interviews, the new tenancy sign-up interview and at any stage during the tenancy where an entitlement may exist.

GUHG will seek the payment of housing related benefit to the organisation where appropriate. Where benefit payment is made direct to the customer, we will expect rent payment is made in advance in accordance with the terms of the tenancy agreement. However, we acknowledge that most customers receive benefit on a four-weekly or monthly basis and we will therefore be willing to work together with them to come to an arrangement allowing additional payments to be made in excess of the rent due within reasonable timescales, in order for the rent account to reach a month in advance. In terms of the allowed time period, individual circumstances will be taken into account to avoid causing severe hardship within the household.

GUHG provides advice about welfare changes to all customers, for example:

- Advising those affected by benefit cap changes, including what is likely to happen and whether any exemptions may apply.
- On-line claims for universal credit and helping with practical steps such as working out a personal budget plan.
- Initiatives to increase skills and employability of residents.
- Options available to customers who have their benefit reduced because they have spare bedroom(s) and supporting them to find solutions such as moving to smaller accommodation.

Where rent arrears accrue as a result of such benefit changes, GUHG will take recovery action in accordance with the Rent Arrears Recovery procedure guide.

Benefits/money advice service

Across GUHG, we offer a benefits/money advice service to provide support and advice to customers (including shared owners and leaseholders) to maximise their income and to assist them in the management of their tenancy/lease and other financial liabilities. An agreed procedure is in place to identify customers or prospective customers requiring this service, in conjunction with staff and other agencies as appropriate.

Employment support

We offer support for customers who are currently unemployed and looking to get back into work or who are seeking additional or alternative employment options. This support includes a range of options such as skills

training programmes, digital inclusion initiatives, CV writing and interview preparation.

Tenancy support service

We also offer a tenancy support service to provide support to customers who are less able to manage their tenancies. An agreed procedure is in place to identify customers or prospective customers requiring this service, in conjunction with staff and other agencies as appropriate.

Joint tenants

Joint tenants are jointly and severally responsible for arrears that accrue. If we cannot recover arrears by agreement, appropriate legal action will be taken. Where possession proceedings are started, both customers will be notified separately.

Garages

Where rent accounts are in arrears and the customer has failed to clear them despite having been notified, we will serve a Notice to Quit on the garage. If the account is not cleared at the expiry of the Notice to Quit we may change the garage locks. The customer will be given notice to remove any belongings remaining in the garage, after which they will be disposed of and the garage will be re-let.

GUHG will endeavour to recover from the former customer the cost of changing the garage lock and removing items from the garage.

Rent 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 accruing before the next payment is expected. For example where:

- Housing related benefit is paid four weekly in arrears, we aim to retain four weeks credit on the rent account to cover the period from when housing related benefit payment is received until the next expected four weekly housing related benefit payment. Where universal credit is paid monthly in arrears, we aim to retain at least four weeks credit on the rent account to cover the period from when the customer or DWP has paid until the next expected monthly rent payment.
- A customer chooses to pay rent on a monthly basis, for example because they receive a monthly salary, we aim to retain at least four weeks credit on the rent account to ensure the account does not show arrears between monthly payments.

Former customer arrears

GUHG will pursue former customer arrears providing it is economical and where staff resources permit. Any amount, no matter how small, will be considered for recovery against these criteria. Board have agreed that the executive management team can write off amounts up to £10,000.

Complaints

Complaints and appeals will be dealt with in accordance with GUHG's Complaints policy.

Monitoring and review

The policy will be reviewed in accordance with the policy review programme.

Customer consultation:	December 2018
Equality Impact Assessment carried out:	Initial screen
Person responsible for review:	Director of Customer Experience
Supported by:	Housing Manager
Ratified by:	Leadership Team 28 January 2019
Date of review:	January 2019
Date of next review:	January 2022