

Rent Arrears for Rented Homes Policy

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Approved by	Operations Director
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1. Scope and Aims

- 1.1. This policy outlines Hexagon Housing Association's (Hexagon's) approach to the collection of rent including service charges which are included within rental charges and sub-unit arrears.
- 1.2. The principles of this policy apply to all rented tenure types including: Assured, Secure, Starter Assured Shorthold, and Assured Shorthold, and includes tenancies on social rents and market related rents (affordable rents), along with Shared Owners. New residents with a Starter Assured Shorthold Tenancies are subject to a 12 month review period, however, during which the resident is expected to demonstrate they are able to meet the obligations of the tenancy with rent payments of the highest priority. Significant breaches of the responsibility to ensure the rent is paid by a Starter Tenancy resident may lead to the termination of the tenancy in line with the Starter Tenancy Procedure.
- 1.3. The efficient collection of rent and service charges enables Hexagon to invest in the maintenance of our homes. We will provide a range of payment options suitable to our tenants which maximise our rent and service charge collection rates whilst ensuring that we can sustain tenancies and support the most vulnerable.
- 1.4. We will work with residents to address outstanding arrears and ensure that difficulties are resolved without court proceedings wherever possible. Our approach will remain focused on preventative action and early intervention to prevent the initial accrual of arrears.

2. Equality and Diversity

- 2.1. This Policy will be enacted in line with our Vulnerable Residents and Reasonable Adjustments Policy. Hexagon offers, on request, a translation service, face-to-face meetings, documents in large print, Braille, or spoken word, and we will contact you by your preferred method. Hexagon's office has an Induction Loop System and we can arrange a sign language interpreter or lip-speaker.
- 2.2. The additional needs and vulnerabilities of the resident will be given due regard before any legal action is initiated.

3. Policy Statement

- 3.1. We will offer a range of payment and contact methods suitable to our residents. This may include direct debit or standing orders; payment card which can be used at Paypoint Outlets/Post Offices; Telephone payments using debit/credit cards; and Internet payments and/or bank transfers.

- 3.2. We will provide residents with access to printed rent statements on request and debt advice in relation to their rent account. (We are currently working on building a resident portal that will allow residents access to view their accounts online and will advise residents when this facility becomes available).
- 3.3. Our approach to rent collection will take account of our policy and procedures relating to the identification, assessment and recording of vulnerabilities and/or disabilities. Where appropriate, we will tailor our service to meet our residents' needs and/or help them to access support.
- 3.4. Consideration will be given to the needs of an individual when we communicate with them. We will use a variety of contact methods to communicate with tenants; these include letters, emails, telephone calls and home and/or office visits. This is to ensure we are fully compliant with pre-action protocol.
- 3.5. We will provide welfare benefits and financial advice to tenants to help manage money and ensure they are claiming their correct entitlements. We may also refer tenants with unmet support needs to either internal care and support services or external provisions.
- 3.6. We will try to work with the tenant to resolve any arrears which are the result of a problem in claiming Housing Benefit or Universal Credit, including verification of whether a claim has been made. We may also pursue other options, including applying for an Alternative Payment Arrangement and/or Managed Payment, where we believe the tenant's arrears are the result of vulnerability-related issues.

4. Rent Collection and Repayment Plans

- 4.1. We will aim to contact a resident by phone if they accrue at least one week of rent or sub-unit arrears. If we fail to establish contact by phone we will follow-up by another appropriate method of communication. This will include: Email, SMS Messaging, Letter.
- 4.2. We may agree a repayment plan with a resident who is unable to repay their rent arrears in full, providing that they are willing to engage with us and our services around their financial circumstances. Our advice and engagement with individual residents will also be dependent on their level of engagement with us.
- 4.3. We may decide to serve a resident with the appropriate statutory notice before seeking possession, if they fail to sufficiently address their rent arrears by making a suitable repayment plan/arrangement that is maintained.
- 4.4. We will attempt to contact a resident in writing and/or via telephone call(s) once a notice has been served, and prior to applying to court for possession of a

property. This is to address their rent arrears without having the need to make a formal court application.

5. Applying to Court

- 5.1. We may apply to court for possession of a property if a resident fails to sufficiently address their rent arrears once a notice has been served.
- 5.2. We will write to a resident to provide them with details of an impending court hearing relating to possession proceedings against them.
- 5.3. Possession proceedings for rent arrears will not be started against a resident who can demonstrate that they have:
 - 5.3.1. Provided the Local Authority/Department for Work and Pensions with all the evidence required to process a Housing Benefit claim/Universal Credit claim; or
 - 5.3.2. Paid other sums due not covered by Housing Benefit/Universal Credit.
- 5.4. We will consider whether a resident who is particularly vulnerable has the mental capacity to understand legal proceedings – if they do not, we will make an application for the appointment of a litigation friend if there is no appointee in place.
- 5.5. If contact is made prior to the court hearing and the resident makes a reasonable arrangement to pay by instalments and starts making payments as agreed, we may agree to adjourn court proceedings (either generally or for a fixed period) so long as the resident keeps to such agreement.
- 5.6. We may apply for an adjourned hearing to be restored if a resident fails to address their rent arrears and keep the arrangement/payment plan agreed.
- 5.7. If full payment of the arrears is made by the resident, we may write to the Court asking for the proceedings to be dismissed with an order for costs incurred for having to make said application. However, if the resident has a history of serious continual arrears, we may continue to seek possession of the property on that ground.
- 5.8. We will request the appropriate order at court depending on the circumstances of the case. Where appropriate, we will apply for, the following at court in relation to outstanding rent arrears and court costs: a money judgement and an appropriate order.
- 5.9. We will write to a resident to notify them of the outcome of a court hearing relating to possession proceedings.

6. Possession

- 6.1. We may apply for a warrant of possession if a resident fails to rectify a breach of the terms of their court order and/or agreement. Requests for a Warrant for eviction are authorised by the Customer Accounts Manager and Head of Housing Services.
- 6.2. We may execute a warrant of possession unless a resident repays their arrears in full or keeping to the arrangement/payment plan set at court hearing.
- 6.3. We may postpone possession proceedings if a resident successfully makes a debt relief order (DRO), bankruptcy order or an individual voluntary arrangement (IVA).
- 6.4. We may still seek possession of a property (based on the total amount of arrears owed prior to the DRO, Bankruptcy Order or IVA) or if a resident accrues further arrears once a debt relief order, bankruptcy order or an individual voluntary arrangement has been agreed, although the amount set within those orders will be unrecoverable to Hexagon.

7. Data Protection

- 7.1. This Policy will be enacted in line with our Data Protection policies and procedures.
- 7.2. We may use analytical and predictive techniques on the data to implement a variety of collection strategies.

8. Legal Framework

- 8.1. Housing and Regeneration Act 2008
- 8.2. Housing Act 1985, 1988 (as amended by section 101 of the Housing Act 1996)
- 8.3. Protection from Eviction Act 1977
- 8.4. Equality Act 2010
- 8.5. Human Rights Act 1998
- 8.6. Homelessness Reduction Act 2017
- 8.7. Pre-Action Protocol for Possession Claims by Social Landlords
- 8.8. Human rights at home: Guidance for social housing providers (Equality and Human Rights Commission Guidance)

9. Related Hexagon policies, strategies and procedures

9.1. Rent Policy

9.2. Rent Collection Procedure

9.3. Tenancy Policy

9.4. Data Protection Policy