

Rent Arrears Policy
Policy Owner: Director of Operations
Approved by: HFL Homes Board
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1. Statement of Intent

- 1.1 HFL need to maximise income from its properties in order to deliver services to residents. The prevention of rent arrears is key to this ambition. HFL's Arrears policy sets out the steps that will be taken to prevent, intervene and enforce cases of rent arrears.

2. Scope of Policy

- 2.1 This policy applies to all HFL tenants living in HFL properties.
- 2.2 Rent arrears in the context of this policy relates to:-
- All arrears of rent owed by current HFL tenants and other service charges, legal costs or sundry debts.
- 2.3 HFL recognise the need to ensure that there are effective measures in place to enable the service to appropriately manage rent arrears and achieve the objectives of maximising income collection and minimising rent arrears to ensure ongoing service delivery to residents.
- 2.4 This policy complies with various statutory and legislative obligations included the Regulator for Social Housing Consumer Standards, The Housing Act 1988 including the Pre-Action Protocol of 2015. In addition this policy references the Coronavirus Act 2020 as it relates to possession action against tenants.

3. Policy

- 3.1 This policy is designed to assist HFL and its managing agent in the management of rent arrears, to achieve our objectives of maximising income, minimising arrears and facilitating top quartile performance.
- HFL will ensure residents have the information and the support they need to maximise their income and sustain their tenancies/leases.
 - HFL will keep levels of rent and service charge arrears to a minimum through frequent account monitoring and early intervention.
 - Supporting residents to sustain their tenancies.
 - Working with residents to enable financial inclusion and ensure that residents have access to welfare benefit advice together with support to access jobs and training opportunities.

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- HFL will make it easier for customers to pay charges owed by offering a variety of payment methods
- HFL will offer residents realistic and affordable payment plans to enable them to pay any arrears in addition to their current charges over a period of time.
- HFL will recognise the needs of vulnerable residents and ensure that appropriate support is delivered via the Managing Agent or referrals to statutory and voluntary agencies.
- HFL will establish effective partnership arrangements with Lambeth Council's Revenues and Benefits Service and the Department for Work and Pensions to keep abreast of changes to the delivery of welfare benefits. In addition, this will enable complex cases to be escalated.
- Effectively recover rent arrears in a timely manner, where eviction is seen as a last resort.
- Act consistently and in accordance with the principles of the protocol for rent arrears possession claims.
- Monitor and respond to short notice legislative changes such as the Coronavirus Act 2020 and associated regulations.

4. Resident Obligations

- 4.1 Rent is a priority debt and residents are responsible for paying their rent and service charges as set out in the tenancy agreement.
- 4.2 The tenancy agreement states that rent must be paid in advance irrespective of the method of payment. Housing Benefit and Universal Credit is usually paid in arrears. HFL will work with residents to ensure they retain a credit balance.

5 Pre-Tenancy

- 5.1 Ensuring residents comply with their legal rent payment obligations from the start of the tenancy is essential to ensure tenancies are sustained in the long term. HFL will
- Complete an affordability assessment at sign up so the resident is aware of the cost of their new home and any associated charges.
 - Requirement to pay an advance rent payment. Exceptions will be made where the applicant can evidence extreme financial hardship
 - Where a resident is claiming Universal Credit and is identified as vulnerable in accordance with definitions set out by the Department for Work and Pensions, an immediate request for an Alternative Payment Arrangement (APA) will be made to enable direct payments to the 3rd Party Managing Agent.

6 Promoting a Payment Culture

- 6.1 The prevention of residents falling into arrears by encouraging early payment is a key prevention measure to minimise the use of enforcement action. The preferred method of

payment is Direct Debit, however alternative payment methods will be accepted according to need.

- We will encourage residents to keep themselves informed about their rent account via the online portal delivered via our managing agent.
- Publicise the consequences of accumulating arrears via newsletter and other resident communications.
- Encourage residents in receipt of Universal Credit direct to pay their rent directly to the Managing Agent out of their Universal Credit payments.

7 Providing Intervention for Residents in Arrears

7.1 If arrears arise we will engage with the resident to identify and tackle the causes. One missed payment, no matter how small, could place low income households in a financial position that is difficult to recover from. HFL will

- Present information in easily accessible formats and ensure residents understand that they are in arrears and what this means
- Understand the personal circumstances of the resident and any household members through personal contact.
- Complete income and expenditure forms and provide budgeting advice
- Reach affordable repayment agreements with the resident to repay the arrears within a set time period.
- Accept third party deductions from legacy benefits of income support/job seekers allowance and seek direct payments from Universal Credit where agreements to repay arrears have been broken.
- Providing housing options advice where rent arrears have arisen due to a change of circumstances such as underoccupation.

8 Enforcement Action

8.1 HFL will only take possession proceedings when all other steps have been taken and all reasonable options to tackle the debt have been attempted.

- HFL will use the grounds for possession as set out in the Tenancy Agreement.
- Identify any vulnerability before any proceedings are issued paying particular regard to the Equality Act 2010.
- Consider alternatives to possession action at all stages of the process and take all reasonable steps to prevent evictions from occurring.
- Encourage residents to attend any court hearings.

- Notify Lambeth Council homelessness teams of any households at risk of homelessness.
- HFL will not normally issue proceedings for arrears if
- The resident is complying with an arrears repayment agreement; or there is a reasonable expectation that the welfare claim will be paid within an acceptable period.
- The resident has provided the local authority or the DWP with all the necessary supporting information to enable their claim to be processed.

9 Payment Methods

9.1 HFL is committed to providing a wide variety of rent payment methods for its tenants. These take into account both traditional and more modern payment options and are designed to meet the needs of all our tenants.

9.2 Methods of payment include:

- Direct Debit
- Standing Order
- Internet payment via our website
- Payment Card

6.1 We will develop our payment options with the aim of actively promoting the most cost effective methods of rent collection.

10 Other Debts

10.1 Residents in rent arrears may also owe other debts to HFL, such as court costs, rechargeable repairs and other sundry debts. Where multiple debts exist debt repayment will be prioritised in the following order.

1. Current Rent and Service Charge Arrears
2. Any rechargeable repairs costs
3. Court Costs, former resident arrears and any other miscellaneous debts.

11 Compensation/Rent Refunds

11.1 Where a resident has been awarded compensation or a rent refund, we may offset any such payment against any outstanding rent arrears or debt.

12 Performance Monitoring

12.1 HFL will agree annual performance targets for the management of income and rent arrears with the HFL Homes Board. Performance in relation to the management of rent arrears will be monitored to ensure that progress is being made against the annual performance targets. This information will be shared in a variety of formats to meet the requirements of stakeholders. This will include:

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- The provision of regular reports to the Board.
- The provision of regular information to residents through area newsletters, our annual report and our website.

13 Equalities, Diversity and Inclusion

- 13.1 We do not discriminate against residents regardless of their race, religion, language, ethnicity, gender, sexuality, age, health or disability, location, political or immigration status.
- 13.2 We recognise that vulnerable tenants have housing related support needs and will work with agencies to equip those needs.
- 13.3 HFL and its managing agent will work in accordance with the organisation's Equality and Diversity Policy, ensuring that appropriate advice and assistance is given to those disadvantaged in the community, and that adequate translation and interpretation facilities, large print material, Minicom, induction loops etc are available.

14 Training and Promotion

- 14.1 We recognise that the success of this policy and the proper implementation of a Rent Escalation Procedure is largely dependent upon the knowledge and ability of the staff delivering it.
- 14.2 HFL will publicise this policy to staff and its managing agent and residents through the use of its website, and through policy briefings during dedicated training sessions.

15 Definitions

We follow plain English guidelines. Specified words or terms within this policy are explained here.

Word or Term	Meaning of Word or Term
Alternative Payment Arrangement	An arrangement where Universal Credit can be paid in an alternative way to one monthly payment, this may include paying the Universal Credit more often than monthly, splitting it between the claimant and their partner, or paying Universal Credit directly to HFL's managing agent.
Coronavirus Act 2020	Emergency legislation introduced to manage the national impacts of the Global Pandemic. Section 81, schedule 29 applies to residential tenancies in England and Wales and is the Protection from Eviction regulation except in exceptional circumstances.

16 Legal & Regulatory Framework

List relevant legislation or regulation, such as social housing regulation
Equality Act 2010
Housing Act 1988, including the Pre-Action Protocol 2015
Coronavirus Act 2020

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17 Related HFL Policies

This policy links to the following HFL policies:

- Rent Arrears Escalation Policy
- Rent Setting Policy

18 Version Control

Version Number	Revision Date	Summary of Changes	Author
1.0	2018	New Policy	Head of Operations
v.2.0	2021	Streamlined, improved resident focus, added reference to Coronavirus Regulations	Director of Operations