



RENT COLLECTION PROCEDURE

1. Purpose of procedure

The following procedure is intended to assist housing officers in:

- Create a supportive, sensitive environment when a tenant has problems paying rent.
- Maximise rent collection.
- Understand legal and non legal remedies.

2. Related procedure

- Lettings Policy
- Floating support policy
- Former tenant Arrears Collection
- Eviction Policy
- Procedure for cash collection

3. Responsibilities

Overseeing the implementation will be the Director of Housing.

Implementation will be by Head of Housing and designated staff.

Reviewing and updating procedure is the Head of Housing and Neighbourhoods Manager.

4. Procedure

a. Proactive measures we will take to stop people getting into arrears

- a) Provide benefits advise at the outset of tenancy and assist with claiming housing benefit;
- b) Ensure tenants are aware of different payment methods;
- c) We will ask for 2 weeks rent payment in advance from all tenants that pay their own rent (tenants will be advised of this via their sign up letter);
- d) We will carry out a settling-in-visit within 2-weeks of the tenant moving. The purpose of the visit will be to ensure that all relevant HB claims have been made;
- e) We will send a rent statement every three months or as and when requested by tenant;
- f) Provide tenancy support to vulnerable tenants. Early referral to Tenancy Support Officer;

- g) Consider incentive schemes where rent payment or honouring of arrears repayment agreements is positively rewarded;
- h) Publicise the actions we take to recover arrears in tenants' newsletters;
- i) Encourage tenants to inform us when their personal circumstances change by creating a supportive environment where tenants feel able to report difficulties rather than avoiding them;
- j) Where possible we will set up formal referral arrangements with external agencies for tenants in need of debt counselling and welfare benefits services;
- k) We will ensure that staff are trained and know and understand welfare benefits, legal frameworks and sensitive approaches to debt collection.

Steps taken when tenants get into arrears

We want to ensure we create a supportive environment to tenants with problems of paying rent.

When tenants contact us, we will:

- a) Understand the situation and find out how we can help;
- b) Make a fair and realistic agreement using income and expenditure sheet;
- c) Advise tenants on claiming benefits or signposting to the relevant agency;
- d) Advise or refer to tenancy support officer on how multiple debts can be prioritised.

Or alternatively refer tenants to contact National Debt-line 0808 808 4000.

b. Collection Measures when tenants don't pay their rent and arrears

The aim of the stages is to progress our action in a clear and measurable way. The ad hoc visit letter and/or phone calls can be used if a home visit is required and the Housing Officer feels that it would be inappropriate to progress to the next stage. The aim behind each letter is to clarify the seriousness of the situation and encourage the tenant to make contact.


The Housing Officer should be proactive in their approach, using phone calls, text messages, letters, emails and office/home visits. Payments where there is a high risk of non-payment or the tenant fails to engage should be discussed with the Neighbourhoods Manager.

Where applying to Court or seeking eviction, the Housing Officer should proactively liaise with Housing Benefits to establish the status of any claim.

A1 STAGE - Reminder


When: At 1 weeks arrears, or the earliest opportunity thereafter.

Purpose: We will remind tenants about their obligation to pay rent.

**A2 STAGE – Home visit**

When: After A1 without response.

Purpose: To understand the tenants' circumstances, offer advice, signpost and come to an agreement

**A3 STAGE – Pre- NSP**

When: After A2 with no response.

Purpose: Advise tenant that NSP will be served in 7 days without contact.

**A4 STAGE – Notice of Seeking Possession**

When: If arrears are over £350 **or** the tenant has not contacted us


Purpose: This is a legal notice that allows us to take a tenant to court.

The standard NSP allows 4 weeks to clear debt before we will take further legal action. Unless the tenancy agreement specifically states that we will give 4 weeks, this can be amended to 2 weeks (for example if the £350 service target has been missed and there is a high risk of the arrears escalating).

If the tenant contacts us, we will take the following steps:


- **Make a SMART repayment plan which is signed by tenant based on income & expenditure** (using the agreement function of IBS)
- **Assist tenant in applying or chase any outstanding benefit claim.**
- **Signpost tenant** to relevant agencies for assistance.
- **Refer tenant** if vulnerable to tenant support service

The NSP remains in place for 12 months or until the account is brought into credit , during which time we act on the Notice.

**A5 STAGE – Pre-court home visit letter**

When: At the expiry of the NSP; If no agreement is reached

Purpose: To discuss the consequences of legal action (i.e. they may lose their home, incur court costs, and county court judgement registered against them). The aim is to make fair agreement using income & expenditure details, and if an agreement is maintained then we will not take further action.



A6 STAGE - CRT Court letter

When: Arrears £650 - £800; if no agreement is reached, no confirmation of HB claim

Purpose: If no contact or arrangement is made we will write to tenant and inform them that an application has been made to court. At the same time make an online possession claim at www.possessionclaim.gov.uk/pcol/. This is a good time to negotiate 'lump sum' payments where possible.

Advise the Local Authority Housing Options Team that we have made an application to court and ask them to arrange a phone call or letter of intervention.

At this stage it may be unclear what type of order we will be seeking, eg outright possession, a suspended possession order, an agreement to adjourn the case (for example if the tenant makes sum lump sums to bring the arrears below £650), to strike out (if debt is cleared). If the arrears are escalating and there is a high risk on non-payment this is the time start putting together the approval document to seek outright possession. Housing Officers should make risk assessments on cases in conjunction with the Neighbourhoods Manager – Remember we can always withdraw or adjourn our case but we can't go back in time if we never made the application!



COURT

1. Upon receipt of the Court date The Housing Officer should use the **ad hoc Pre-Court letter** to arrange an appointment to discuss the arrears with the tenant. The aim is to negotiate payments with the tenant and sign to a formal agreement, and to make note of the information required ahead of the Court date (see Court Day proforma). The Neighbourhoods Manager, Housing Manager should be advised of the date of the hearing;
2. A rent statement must be sent to the tenant 10 days before the Court date;
3. A copy of the tenancy agreement and NSP must be taken to the hearing. Ideally these will be sent to the Court by fax or post to be received at least 48 hours before the hearing. Ideally a letter confirming recent payments, our recent attempts to resolve the matter, and our intentions (what order we are requesting). This should be agreed with a manager in advance of the hearing. **See Court Day Script**

COURT ORDERS

At court the judge will decide what happens based on the facts presented by BCH (the claimant) and the tenant (known as the defendant). We will seek an outright possession with Director/Board approval. Otherwise we will apply for *Postpone Possession Order (PPO), the tenant will be ordered to pay weekly rent, plus an amount off the debt. We will also request the Court costs and also a money judgement (CCJ) for the total arrears. A money judgement essentially means we can still chase the debt subsequent to any repossession. If the Court Grants outright possession we can apply for an **eviction warrant** on or after the 'possession date' quoted on the order.

The court will make a fair decision based on hearing from us, the claimant, and the tenant 'defendant'. Likely outcomes; struck out, adjourned <until a set date>, adjourned generally

<12 months>, postponed possession order, outright possession order

Before 2008 the Courts granted *Suspended Possession Orders – SPO*

Suspended possession order set the date for possession – if breached after that date the next stage is applying for the eviction warrant.

From 2008 the Courts grant *Postponed Possession Orders – PPO*.

Postponed possession order does not give a date for possession. Where a postponed possession order is granted we will commit the to the SPO stage on IBS to produce a letter advising the outcome of the hearing.

If PPO is breached:

1. Commit SPB letter informing the tenant they are in breach of the order and requesting contact.

2. After 14 days (but within 3 months of the SPB letter) apply to the court to fix a possession date, sending:

- N244 form (N244 and fee (£40):

N244 form – see guidance that accompanies form. Include the following:

- Date of our SPB letter and details of tenant's response (if any)
- Rent statement showing breach of order as appendix 1.

(if the eviction approval hasn't already been attained from the board (family) director (singles/couples) – the time to do it is now.. You can include the tenant's response to your SPB letter as part of your eviction approval report).

The Court will then set the possession date, based on the information supplied. Please note the tenant can subsequently make an application to set aside the possession date – if this happens there will be a hearing to decide whether the date stands or we revert back to the postponed order.



WARRANT

On breach of a SPO, or breach of a PPO (after we've obtained the possession date), a warrant for possession must be applied which allows us to evict the tenant. (cost £95) We must ensure that the Local Authority homeless department are informed when warrants are applied. Where children are involved, Social Services must be informed – see the pre-eviction checklist.



EVICTION

The county court bailiffs carry out evictions – a member of Housing and a contractor to change locks will be required. The tenant should still pay the debt they owe and may find it difficult to get another home. Eviction is a last resort.

CAM STAGE / USING IBS AGREEMENT FUNCTION- At whatever stage a tenant can stop the process by making an offer to repay the debt.

STOP CODES- using stop codes appropriately.

Document Library

A1-A6 letters are staged on IBS

Home visit & PreCourt visit letters are ad hoc letters on IBS

3rd party payments:

3rd party Payments – Trident House

3rd party payments – tenant authorisation

Court:

Court Withdraw Case

Court Payment Made after Warrant

Court Hearing Script

Approval Documents:

Approval for Outright Possession Order

Approval for Eviction

Proactive Measures:

Budgeting & debt Guidance

How can tenants pay off their debt?

Direct Debit allows us to claim payments (variable in amount and frequency) from the tenants' accounts.

Standing Order, is the tenants' instructions to their bank to pay a set amount, to the landlord, at regular intervals (say on the 1st of the month) – either for a specific period of time or until cancelled.

Allpay Swipe Card that can be used at a post office or pay point/zone.

Debit/Credit Card payments.

Payment at our office

Direct payments from benefits. If tenant is over 8 weeks in arrears we can apply to DSS for direct payments (If on JSA, Income Support, Incapacity Benefit etc). If under 8 weeks we require tenants' authorisation. Standard letters are available for this.

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