



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 procedures

Lettings Policy
Floating support policy
Former tenant arrears 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

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.
- g) Provide 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 ensure:

- a) We understand the situation and find out how we can help
- b) Make a fair and realistic agreement based on an 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.

What we will do when tenants don't pay their rent and arrears?

A1 STAGE - Reminder

We will remind tenants about their obligation to pay rent.

A2 STAGE – Home visit

We will advise tenants of their debt and arrange a home visit.



A3 STAGE – Pre- NSP notice

We will write and inform tenant that we will serve a notice seeking possession if they do not contact us within seven days.



A4 STAGE – Notice seeking possession

If arrears outstanding are over £350 or the tenant has not contacted us, we will serve a notice of seeking possession. This is a legal notice that allows us to take a tenant to court.

The tenant usually has between 2 and 4 weeks to clear debt before we will take further legal action.

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

- Make a SMART repayment plan which is signed by tenant.
- 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



A5 STAGE – Pre-court home visit letter

If an agreement is maintained then we will not take further action. However, if the debt continues to increase, we will write to the tenant and arrange a home visit. We will attempt to make an arrangement with the tenant and warn about possibility and nature of legal action.



A6 STAGE - Court letter

If no contact or arrangement is made we will write to tenant and inform them that an application has been made to court, details of judgement sought, costs involved and what they can do.



COURT

At court the judge will decide what happens. 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. Court costs will also be requested and added to the debt and also a money judgement. A money judgement essentially means we can still chase the debt subsequent to any repossession.

** PPO apply to both secure/assured tenancies. A possession date, previously provided on suspended possession orders, creating problem of tolerated trespasser, is now postpone. To enforce a PPO, an officer is required to apply to court indicating how the tenant has breached and request a possession date. On receipt of a possession date, if tenant does not defend, then a warrant can be applied. Should a defence be lodged then a further court hearing will take place.*



WARRANT

If a tenant fails to make the payments ordered by the court, on breach a warrant of possession must be applied which allows us to evict the tenant. We must ensure that the Local Authority homeless department are informed when warrants are applied. Where children are involved, Social Services must be informed.



EVICTION

The county court bailiffs carry out evictions. The tenant will still have to pay the debt they owe and may find it difficult to get another home. Eviction is a last resort.

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

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.

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