



Headrow

RENT ARREARS POLICY

(Updated December 2007)

LEEDS OFFICE
INGOTS BUILDING
CEMETERY ROAD
LS19 7UP
TEL: 0113 2504337

GOOLE OFFICE
19 DELAMERE WALK
HOOK ROAD
GOOLE
DN14 5LN
TEL: 01405 766073

E-MAIL ADDRESS: admin@headrow.org.uk
WEB: www.headrow.org.uk



Rent Arrears Policy

Rent collection from our residents is the main source of income. It is therefore essential that we keep rent arrears to a minimum.

We recognise that arrears do occur, and we will endeavour to advise and assist residents who are experiencing genuine financial difficulties. However, we will take a serious view against residents who are unwilling to pay their rent.

This policy aims to clarify the approach Headrow will take in tackling rent arrears.

Rent Arrears Action

As soon as arrears arise, the Association will make contact with the tenant, and to find out the reasons why the rent has not been paid and to make arrangements to clear the arrears.

Our officers will regularly monitor rent accounts, generally on a weekly basis, and take the appropriate action.

It is important that if the tenant is experiencing problems paying the rent, that contact is made with the Association to discuss rent payments.

(If there is a joint tenancy, a letter/statement will be sent to both tenants)

1st STAGE

Initial Correspondence

If a tenant's rent is unpaid for a period of 2 weeks, the customer services team will make contact with the tenant either by telephone, text, e-mail or letter.

All telephone calls will be followed up in writing, confirming the details of the telephone conversation. We will try and establish why the rent has not been paid and agree on action to be taken.

If after the next rent period the rent remains unpaid, the customer services team will contact the tenant again either by telephone, text, e-mail or letter. This contact will warn the tenant that if no payment or agreement is made the Association will consider beginning legal action. All telephone calls will be followed up in writing, confirming the details of the telephone conversation.

2nd STAGE

Visits & Notice of Seeking Possession

We will make contact with the tenant at least twice prior to serving a Notice of Seeking Possession, to try and reach an arrangement to clear the arrears. If these attempts fail, the case will be passed to the Income Generation Officer for further action.

A NOSP should be served if rent still remains unpaid after letters RA1 to RA4 have been sent, unless there is a Housing benefit claim outstanding and we have received confirmation that housing benefit will be paid to us and the amount payable. Consideration should always be given to the client's age, vulnerability when serving a NOSP.

A Notice of Seeking Possession will be served by the Income Generation Officer, who will visit the tenant and hand deliver the notice. The purpose of this visit is to try and reach an agreement, advise the tenant of any benefits they may be entitled to, and explain the Notice and what may happen if rent still remains unpaid. Additionally a check will be carried out on who is currently occupying the property.

A financial analysis will be carried out to assess a reasonable agreement. It may also be necessary to refer the tenant to an Independent Debt counsellor. The NOSP contains details of independent debt agencies and details of these can be found at the end of this policy. Residents will also be referred to independent debt management agencies e.g. Stonham.

If an arrangement has been made and is being maintained, the Income Generation Officer may use their discretion whether or not to serve the NOSP.

Wherever possible all Notices will be served by hand, but where it is not possible to visit, it will be posted by recorded delivery

If arrears are still outstanding on the rent account 12 months after the original notice was served, then a NOSP must be re-served.

3rd STAGE

Failure to pay after Notice of Seeking Possession

Once the Notice of Seeking Possession is effective we will monitor the rent account closely.

It is very important that the arrangement is maintained. Should the tenant default from the arrangement they will be visited and written to, to ascertain the reasons why rent has not been paid. The tenant will be asked to catch up with the arrangement. If the default is not rectified, the tenant's case will be considered for court action.

Prior to taking court action the resident will be telephoned or visited to ascertain the tenant's current circumstances and a financial assessment will be carried out. We will then re-negotiate an affordable payment plan. It may be necessary to refer the tenant to an independent debt-counselling advisor. (Details can be found at the end of this policy)

4th STAGE

Court Action

If, after attempts to resolve the arrears fail then the Association will be left with no alternative but to apply for a court hearing. If an agreement is made and maintained prior to the court date, we will apply for a Suspended Possession Order.

Prior to applying to court, we will visit the tenant at least twice.

All cases that go to court must be approved by the Operations Manager or the Neighbourhood Services Team Leader and RA6 letter sent with another appointment to try and resolve the problem.

Please refer to the rent arrears pre-action protocol to ensure compliance – See Appendix1

Court action is a last resort and will only be taken when previous action has failed. A letter will be sent to the tenant advising them of our intention to apply to the court. Subsequently a letter will be sent confirming the court papers have been sent off.

Even once we have applied to the courts, it is not too late and we will work with tenants to resolve the arrears problem.

Once we have received a court date the tenant will be written to and advised of the date and to make contact with us, to discuss the arrears.

We would usually request a Suspended Possession Order; this means no further court action will be taken against the tenant providing the agreement imposed by the court is maintained.

5th STAGE

After the court date

The tenant will be written to, advising them of the outcome of the court hearing, and will be advised how much they need to pay and when payments should commence. The tenant will also be advised of the consequences should they fail to maintain the court order. The tenant's account will be monitored closely.

FINAL STAGE

Eviction Proceedings

Should the tenant fail to maintain the terms of the Suspended Possession Order, we will then consider eviction proceedings.

The tenant will be given the opportunity to bring the arrangement up to date, however if this fails, we will be left with no alternative but to request a Warrant for Possession.

The Operations Manager or the Operations - Housing Management Committee will approve all eviction cases.

Once a decision has been made regarding eviction the tenant will be written to and advised of this. One final opportunity will be given to stop eviction, if the total arrears amount outstanding and court costs are paid in full. Payment will only be accepted in cash, if there is insufficient time for a cheque to clear.

Housing Benefit

Where housing benefit is expected, the Customer Services Team will contact the Local Authority to check the HB claim form has been received, and that all information required to process the claim has been received.

If the HB section still requires further information, Customer Services will either telephone or write to the tenant advising them to take in the missing information immediately to the Local Authority.

On a regular basis thereafter, a further check by the Customer Services Team will be carried out to see if the Local Authority has received the missing information. If the information has not been submitted, further contact will be made with the tenant asking them to submit the missing information.

If the tenant does not provide the required information to the housing benefits section, then the Association will pursue further action, in accordance with the arrears procedure.

If the housing benefit section confirms the date and the amount of benefit to be paid to us, then no further action will be taken against the tenant.

When a tenant's rent account is eight weeks or more in arrears, the Association can request for the benefit to be paid direct to the Association (if it is not paid already).

It remains the tenant's responsibility to ensure that the housing benefit claim is dealt with, and that rent is paid to the Association.

Agreements

All agreements made with the tenant will be realistic and affordable, with the aim to have regular weekly payments, which are achievable, whilst gradually reducing the arrears.

All agreements will be confirmed in writing, stating the amount outstanding, the amount payable and when the arrangement will commence. The tenant will sign and return the form agreeing to the arrangement

All arrangements will be recorded and monitored on a frequent basis.

Failure to maintain an arrangement may result in the next stage of the arrears procedure being pursued.

Direct Deductions

Where the tenant is in receipt of income support and is in arrears of 8 weeks or more, the Association should instruct the DSS to make a direct payment from the tenant's income support to the Association.

Tenants whose account is less than eight weeks in arrears can make a written request for direct deductions to be made to repay arrears. This should be encouraged wherever possible.

Reporting

All cases where legal action is to be taken or is current will be presented to the Operations Committee.

Occasionally, if there are exceptional circumstances, the Association will use its discretion to deviate from the policy. All such cases will be discussed with the Operations Manager.

Credits

All accounts will be checked by our Customer Services Team every 2 months for credits, any account that has a refundable credit will be reimbursed.

Persistent non-payers of rent

Residents who have arrears greater than 2 weeks, more than twice in any 6-month period will move onto the next stage of the arrears procedure.

Cash

In order to comply with the Money Laundering Regulation 2003, under no circumstances should a member of staff accept a cash receipt of £5,000 or more.

If a member of staff is offered a cash receipt of £2,000 to £5,000, they must obtain approval from the Director of Operations.

Low Level & Static Arrears Action

There are occasions where a static debt occurs on an account. In some instances Headrow is unable to prove the debt as computer records are not available. All records will be investigated to prove the debt, including house file records, manual records where available and previous court action, however where investigations reach an impasse, the following guidelines will be used:

Where the debt is under £200.00 AND predates the computer system AND no other supporting documentation exists to prove the debt a write off form will be completed.

Where the debt is over £200.00 and any part predates the computer system AND no other supporting documentation exists to prove the debt a write off form will be completed for that part of the debt ONLY, the remaining debt will be pursued as per the policy and procedure.

Where the debt is under £200.00 and can be proven all attempts will be made to recover the debt, including arrears direct should the debt equal more than four weeks arrears.

Where the debt is between £200.00 and £500.00 and can be proven the policy and procedure will be applied up to court application. If the debt remains unpaid and no agreement exists a court application will be made.

All low level and static debts written off under these guidelines require approval from the Director of Operations.

Rent Collection Methods

We would prefer tenants to pay their rent by direct debit. However we welcome rent payments in a variety of ways: -

Direct Debit

Direct debits allow you to pay your rent easily and conveniently.

A direct debit is permission you give to your bank or building society to make regular payments to Headrow at our request.

Headrow have authority to collect amounts authorised by you, and only on or after a specified and pre-notified date, this forms part of the Direct Debit Guarantee by which we are bound.

Should your rent amount due alter, Headrow will instruct your bank to amend the amount due, as per the direct debit mandate. We will notify you in writing before the alteration.

Standing Orders

Standing orders allow you to pay your rent easily and conveniently.

A standing order is permission you give to your bank or building society to make regular payments to Headrow at your request.

Headrow has the authority to direct a set amount authorised by you, on a specific date (if this date falls on a weekend, the amount will usually be debited on the Friday).

Unlike a direct debit Headrow cannot instruct your bank to vary the amount payable.

Allpay

A new method of paying your rent.

Payment cards will be issued to customers, which are similar to the plastic cards used to pay utility bills. You will be able to pay your rent where ever you see the sign for Pay Zone, Post Office, Epay and Pay Point. This makes it a lot easier for those of you who prefer to use cash to pay your rent. The service is free to residents. We will be sending out further details once we have the implementation date.

At the office

You can come into the office and pay your rent by cash, cheque or credit/debit card, over the counter at our reception. You will receive a receipt.

Switch/Delta or Credit Card

Switch, delta or credit card payments can be made either over the telephone or direct to our office.

Through the bank

You must first request a paying in book from Headrow Limited; this will have your own unique reference number. Once you have a paying in book you can then pay your rent at any branch of Natwest or through your own bank. Some banks may charge for this service, please check with your local branch.

Through the post office

You must firstly request a paying in book from Headrow Limited; this will have your own unique reference number. Once you have received your paying in book, you may pay your rent at the post office.

Independent Debt Counselling Services

National Debt line
The Arch
48-52 Floodgate Street
Birmingham
B5 5SL

Tel no. 0808 808 4000
Fax no. 0121 703 6940
www.nationaldebtline.co.uk

Consumer Credit Counselling Service
Wade House
Merrion Street
Leeds
LS2 8NG

Tel no. 0800 138 1111
www.cccssecure.co.uk/ew/home.htm

Legal Services Commission
Leeds Regional Office
City House
New Station Road
Leeds
LS1 4JS

Tel no 0113 3907405
www.legalservices.gov.uk/partners/

Money Advice Association (MAA)

Tel no. 01476 594 970
www.m-a-a.org.uk

AdviceUK

Tel no. 0207 407 4070
www.adviceuk.org.uk

www.justask.org.uk

CHAS (Bradford)
City House
21-27 Cheapside
Bradford
BD1 4HR

Tel no. (01274) 726790

CHAS (Dewsbury)
Units 8 and 9
Empire House
Wakefield Old Road
Dewsbury
WF12 8DJ

Tel no. 01924 324990

CHAS (Leeds)
301 Roundhay Road
Harehills
Leeds
LS8 4HT

Tel no. 01132 492 484

APPENDIX 1

RENT ARREARS PRE-ACTION PROTOCOL CHECKLIST

Indicate as appropriate

Yes/No/Not applicable

1	<u>Have quarterly rent statements been sent?</u>	Y	N	
	<ul style="list-style-type: none"> • Make sure dates are available 			
2	<u>Has contact been made/attempted prior to Notice Seeking Possession?</u>	Y	N	
	<ul style="list-style-type: none"> • Letters sent (dates): 			
	<ul style="list-style-type: none"> • Visits (dates): 			
	* Where joint tenancy – have separate letters been sent to each joint Tenant?	Y	N	NA
	<ul style="list-style-type: none"> • Details (and date) of any arrangement(s) made: 			
	* Was letter sent confirming Tenant's obligations under arrangement?	Y	N	NA
3	<u>Are you aware of any disability/special needs?</u>	Y	N	NA
	<ul style="list-style-type: none"> • Language or reading difficulties? 	Y	N	
	<ul style="list-style-type: none"> • Under 18/mental capacity issues/other disabilities? 	Y	N	
	<ul style="list-style-type: none"> • Outline steps taken if relevant: 			
4	<u>Housing Benefit</u>			
	<ul style="list-style-type: none"> • Have you offered to assist with Housing Benefit claim? 	Y	N	NA
	<ul style="list-style-type: none"> • Have you worked with Tenant to resolve Housing Benefit problems? 	Y	N	NA
	<ul style="list-style-type: none"> • Have you arranged for direct deductions? 	Y	N	NA
	<u>Check</u>			
	<ul style="list-style-type: none"> • Is there a reasonable expectation of eligibility for Housing Benefit? 	Y	N	NA
	<ul style="list-style-type: none"> • Has Tenant shown that required information provided to Housing Benefit department? 	Y	N	NA
	<ul style="list-style-type: none"> • Has Tenant arranged to pay other sums not covered by Housing Benefit? 	Y	N	NA
	<u>NB</u> If "Yes" to all these, the protocol states that possession proceedings should <u>not</u> be commenced.			
	<u>Also</u>			
	* Landlord must attempt to establish ongoing liaison with Housing Benefit department and (with Tenant's consent) make direct contact with Housing Benefit department before taking enforcement action.			
	<ul style="list-style-type: none"> • Can you confirm that the above HB requirements have been complied with? 	Y	N	NA
5	<u>Have you advised Tenant to seek assistance from CAB/Advice Agencies?</u>	Y	N	NA
	<ul style="list-style-type: none"> • Give date(s) of relevant letter(s) 			

Indicate as appropriate

Yes/No/Not Applicable

6 After service of Notice			
* Has contact with Tenant been made/attempted to discuss arrears/Housing Benefit issues?	Y	N	
• Letters sent (dates):			
• Visits (dates):			
* Has an agreement been reached for payment of arrears?	Y	N	NA
• Details:			
* Has the Tenant complied with the agreement?	Y	N	NA
* If Tenant has defaulted, have you warned of the intention to issue proceedings and given time limit for compliance?	Y	N	NA
• Letters/visits (dates):			
* NB If the Tenant is complying with agreement the Landlord should agree to postpone Court proceedings			
7 Alternative Dispute Resolution			
• Are there issues which could be resolved by ADR? (eg. by negotiation, mediation)	Y	N	NA
• Have you considered/suggested/implemented ADR?			
• Give details			
8 After issue of proceedings			
* Letter must be sent to Tenant no later than 10 days before hearing date with the following:			
• Up to date rent statement			
• Current Housing Benefit position as known to you			
• Date/time of hearing and order to be sought			
• Advise Tenant that home is at risk and should attend hearing			
* Has this letter been sent?	Y	N	
• Date			
<p>NB</p> <p>* If Tenant complies with any agreement made after issue of proceedings the Landlord should agree to postpone (adjourn) the proceedings.</p> <p>* In the event of breach, the Landlord should then write warning of intention to restore and giving time limits for Tenant to comply.</p>			
<p>NB</p> <p>* When issuing proceedings you will need to confirm compliance with the Protocol in paragraph 5 of the Particulars of Claim.</p> <p>* This checklist should be available at the possession hearing along with copies of any letters referred to.</p>			