



RENT ARREARS POLICY

1 Introduction

Solon South West Housing Association provides housing for those households in housing need, many of whom are in receipt of benefits or on low incomes. However, it is necessary to maximise our rental income in order to continue to provide good quality, well maintained homes. A reasonable balance is therefore needed between acknowledging the difficulties of those tenants facing hardship, and ensuring that Solon maintains its financial viability.

1.1 Rent arrears are also a key performance indicator by which we are judged by the Housing Corporation and our peer associations.

1.2 Solon's Business Plan Objectives 1 & 8, state respectively that we will,

"provide cost effective, good quality, customer focused and responsive housing management services which meet the needs and expectations of tenants and applicants and maintain efficiency of the business"

and will

"remain a viable social business and maintain a secure income stream"

1.3 It is also acknowledged that allowing tenants to continue to remain in debt and not assisting them to budget and clear their arrears effectively is an indication of failure.

2 Key Commitments

2.1 Prevention is key to arrears control and Housing Officers will endeavour to advise tenants as soon as arrears accrue.

2.2 Housing Officers will make personal contact with tenants to discuss arrears, where possible, making use of 'phone calls and visits in addition to using both standard and personalised letters.

- 2.3 During the sign up for a new tenancy, the requirement to pay rent will be emphasized, together with details of the help available if difficulties arise.
- 2.4 Arrears will be monitored on a weekly basis with Housing Officers aiming to consider every case in arrears at least once each fortnight.
- 2.5 All actions taken will be recorded on the Housing Management computer system and all notes and letters filed on the appropriate tenancy file immediately.
- 2.6 Advice and assistance will be offered on maximising income and if necessary referrals made to the appropriate debt advice agency e.g. Citizens Advice Bureau, Bristol Debt Advice Agency.
- 2.7 Assistance will be given regarding Housing Benefit applications and ongoing claims although tenants will also be encouraged and supported to take responsibility for their own entitlement to Housing Benefit.
- 2.8 Repayment of arrears by installment will be offered and agreed between the Housing Officer and the tenant. Agreements will be flexible taking regard of any changes in the tenant's circumstances.
- 2.9 Any agreement made to clear arrears will be confirmed in writing.
- 2.10 Other than in exceptional circumstances, agreed with the Housing Manager, NOSP's will not be served without a letter being sent to advise that the NOSP will be served and without personal contact being made with the tenant or an attempt to contact at the time of the service.
- 2.11 Solon will liaise with appropriate support agencies to ensure those facing hardship receive appropriate help.
- 2.12 Housing Officers will act in accordance with the key stages listed below but will recognise that arrears accrue in different patterns so will apply the appropriate action to each circumstance and not simply follow a formulaic approach. If a decision is made to deviate from the procedures, this will be approved by the Housing Manager and noted on the tenancy file.
- 2.13 Housing Officers will be expected to check credit accounts quarterly and arrange for any refunds either directly to the tenant or to Housing Benefit as appropriate and as agreed with the Housing Manager.
- 2.14 As a last resort Solon will evict tenants for non-payment of rent but will not use distress or bankruptcy procedures to recover arrears.
- 2.15 Authority to evict will be sought from the designated Board member prior to requesting a Warrant for Possession.

3 Key Stages

- *New Tenancies:* The sign up procedure for all new tenancies stresses the responsibility to pay rent and the consequences of non-payment together with the help available if difficulties arise with benefits or meeting payments.
- *Initial arrears:* As soon as arrears accrue the tenant will be advised and payment requested. Payment by installment will be offered where appropriate.
- *3-4 weeks arrears:* If no, or inadequate, response is received a reminder will be sent stressing the importance of addressing payment.
- *4-5 weeks arrears:* A home visit will be arranged, where possible and the tenant will be advised that a Notice of Seeking Possession (NOSP) will be served if arrears are not paid.
- *6 weeks or £250 arrears:* A NOSP will normally be served. On expiry of the notice, if the arrears have not been paid or an arrangement to pay agreed, a final warning will be sent and, where appropriate, an application will be made to the court for possession.
- *Court Hearing:* The association will normally seek a postponed possession order (PPO) with an order to pay the outstanding arrears by regular specified installments, the level depending on the tenants ability to pay and the agreement of the Judge hearing the case. The terms of the PPO should also be agreed with the tenant before the hearing wherever possible.
- *PPO breached:* If the terms of the order are not met, a final chance to bring payments in line will be given and if this is not successful, following the authorisation from the nominated Board member, an application to the court bailiffs will be made.
- *Eviction:* Only when all reasonable means to recover the debt and persuade the tenant to adhere to the terms of the order have been exhausted, will an eviction proceed. Outstanding arrears will be pursued as a former tenant debt.

4 Monitoring and performance

- 4.1 The Housing Manager will monitor each Housing Officer's performance on a monthly basis and provide a summary of all cases requiring specific action.
- 4.2 Weekly reports will be produced by the Housing Manager listing performance, overall and on a patch-by-patch basis.

- 4.3 Arrears owed to the association will be reported to each board meeting by the customer Services Director, with more detailed reports presented three times a year showing performance against agreed targets.
- 4.4 The Management Team will review arrears performance on a monthly basis in order to identify and address any issues of concern.