

# RENT COLLECTION

## Policy Statement

### 1.0 Introduction

- 1.1 This policy outlines HYELM's ("us", "our", "we") approach to the collection of rent including service charges and council tax which are included within the monthly rental charges.
- 1.2 Further information about rent setting is contained in the Rent Setting Policy.
- 1.3 Further information about dealing with bad debts is set out in the Credit Control & Bad Debts Policy.
- 1.4 We are committed to challenging discrimination and promoting equality of opportunity in every area of our work. This policy is written from an equal opportunities perspective.
- 1.5 This policy, and others, if requested, are available in different formats, such as languages, large print and recorded form.

### 2.0 Scope and Objectives

- 2.1 The efficient collection of rent and service charges enables us to develop and invest in the maintenance and services within our properties.
- 2.2 We will provide a range of payment options suitable to our residents which maximise our rent and service charge collection rates whilst ensuring that we can sustain tenancies and support the most vulnerable.
- 2.3 We will work with residents to address outstanding arrears and ensure that difficulties are resolved without court proceedings, wherever possible. Our approach will remain focused on preventative action and early intervention to prevent the initial accrual of arrears.

### 3.0 Related Documents

- 3.1 This policy should be read in conjunction with:
  - Tenancy Agreement.
  - Guide for Residents.
  - Rent Collection Procedures.
  - Rent Setting Policy.
  - Credit Control & Bad Debts Policy.

## 4.0 General Approach

- 4.1 We will offer a range of payment and contact methods suitable to our tenants. This may include standing order and debit card.
- 4.2 We will provide residents with access to digital rent statements. Printed rent statements will be available on request.
- 4.3 We will conduct an Affordability Assessment on all new lets to ensure prospective residents who may be at risk of financial difficulty are offered the appropriate advice.
- 4.4 Our approach to rent collection will take into account the needs of any vulnerable residents. Where appropriate, we will tailor our rent collection service to meet these needs and/or help these residents to access support.
- 4.5 If requested, we will provide welfare benefits and financial advice to tenants to help manage money and ensure they are claiming their entitlements.
- 4.6 Consideration will be given to the needs of an individual when we communicate with them. We will use a variety of contact methods to communicate with residents. These may include letters, emails, telephone calls and in person meetings.

## 5.0 Rent Collection

- 5.1 Rent is payable one month in advance and should reach our account by the last day of the preceding month.
- 5.2 We may agree to change the payment due date, to a later date within one month of a rent payment becoming due, to take account of when a resident's salary is paid. We will only consider this if a resident does not have available funds to make payments in accordance with the Tenancy Agreement.
- 5.3 It is a resident's responsibility to inform us if they will be late in making a rent payment.
- 5.4 If a resident goes into rent arrears, and the **arrears is less than one month's rent**, we will contact the resident to discuss the arrear.
- 5.5 We may agree a repayment plan with a resident who is unable to repay their rent arrears in full, providing they disclose details of their income and expenditure. Our advice and engagement with individual residents will depend on their level of engagement with us.
- 5.6 If a resident fails to make rent payments and the **arrears are more than one month's rent** and fails to sufficiently address their rent, we may decide to serve the resident with the appropriate statutory notice before seeking possession.
- 5.7 We will attempt to contact the resident in writing or by telephone before a notice is served, and prior to applying to court for possession of a property, to address their rent arrears without court action.
- 5.8 We will try to work with the resident to resolve any arrears which are the result of a problem in claiming Housing Benefit or Universal Credit, including verification of whether a claim has been made. We may also pursue other options where we believe the resident's arrears are the result of vulnerability-related issues.

5.9 We will send the resident a copy of pre-action protocol for possession claims after we have served notice and prior to applying to court for possession.

## **6.0 Repayment Plans**

6.1 As a guideline, an acceptable repayment plan is one which does not allow a resident to go more than two months in arrears at any one time and one which aims to repay the arrears in full within the following three-month period.

## **7.0 Applying to Court**

7.1 We may apply to court for possession of a property if a resident fails to sufficiently address their rent arrears once a notice has been served.

7.2 Possession proceedings for rent arrears will not be started against a resident who can demonstrate that they have:

- Provided the local authority/Department for Work and Pensions with all the evidence required to process a Housing Benefit claim/Universal Credit claim; and
- Paid other sums due not covered by Housing Benefit/Universal Credit.

7.3 We will consider whether a tenant who is particularly vulnerable has the mental capacity to understand legal proceedings. If they do not, we will make an application for the appointment of a litigation friend.

7.4 If contact is made prior to a hearing and the resident agrees to a reasonable repayment plan, and starts making payments as agreed, we may agree to adjourn court proceedings (either generally or for a fixed period) so long as the resident keeps to the repayment plan.

7.5 We may apply for an adjourned hearing to be restored if a resident fails to address their rent arrears.

7.6 If full payment of the arrears and legal costs is made by the resident, we may write to the court asking for the proceedings to be dismissed.

7.7 Where court proceedings remain necessary, we will request the appropriate order at court depending on the circumstances of the case. Where appropriate, we will apply for, or enforce, the following at court in relation to outstanding rent arrears:

- A possession order.
- A money judgement.
- Interest on late payment.
- A costs order.
- An order for attachment of earnings.
- A charging order.
- A third-party debt order.
- A bankruptcy order.

## **8.0 Former Resident Arrears**

8.1 We **will** pursue former resident arrears.

- 8.2 We will consider seeking a county court judgement for the arrears and interest on the late payment of the rent and enforcement action such as an Attachment to Earnings Order or other such action as considered appropriate in the circumstances.
- 8.3 We may consider passing debts of former residents to a Debt Collection Agency.

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