

# Rent Payment and Arrears Recovery Policy

Originator:	Policy and Strategy Team
Executive Management Team Approval Date:	August 2020
Review date:	August 2021

<b>1</b>	<b>Introduction</b>
1.1	One Vision Housing (OVH) is committed to ensuring it maintains financial viability at all times, including maximising the income it generates from rents.
1.2	<p>This Policy sets out the provisions OVH has in place to:</p> <ul style="list-style-type: none"> <li>• Ensure customers are aware of their responsibilities to pay rent</li> <li>• Make it easy for customers to pay rent by providing a number of accessible payment methods</li> <li>• Provide information and support to customers to ensure they are ‘financially included’, that arrears are prevented and that they receive any welfare benefits they may be entitled to</li> <li>• Provide information and support to customers who may be affected by changes introduced through Welfare Reform measures</li> <li>• Act firmly but fairly when arrears occur and make assessments of capacity to understand actions being taken</li> <li>• Recover former arrears</li> </ul>
1.3	<p>In operating this Policy, OVH meets the requirements of the Regulatory Framework for Social Housing, adopted by the Regulator for Social Housing (RSH), in the following ways:</p> <ul style="list-style-type: none"> <li>• Registered providers shall charge rents in accordance with the government’s direction to the regulator of May 2014 and the Rent Standard Guidance</li> </ul>
1.4	<b>Access and Communication</b>
1.4.1	OVH is committed to ensuring that our services are accessible to everyone. OVH will seek alternative methods of access and service delivery where barriers, perceived or real may exist, that may make it difficult for people to work for OVH or use its services.
1.5	<b>Equality, Diversity and Human Rights</b>
1.5.1	OVH is committed to ensuring that no person or group of persons will be treated less favourably than another person or group of persons and will carry out our duty with positive regard for the following core strands of equality; Age, Disability, Gender, Race, Gender

	<p>Identity/ Gender Expression, Sexual Orientation, Religion and/or Belief, Civil Partnership and Marriage, Pregnancy and Maternity.</p> <p><b>1.5.2</b> OVH also recognises that some people experience disadvantage due to their socio economic circumstances, employment status, class, appearance, responsibility for dependants, unrelated criminal activities, being HIV positive or with AIDS, or any other matter which causes a person to be treated with injustice.</p> <p><b>1.5.3</b> OVH will also ensure that all services and actions are delivered within the context of current Human Rights legislation. OVH will ensure as far as is possible that staff and others with whom OVH works, will adhere to the central principles of the Human Rights Act (1998).</p> <p><b>1.6</b> <b>Complying with the Money Laundering Regulations 2017</b></p> <p><b>1.6.1</b> OVH will ensure there is a designated person on the Board of Management that has responsibility for ensuring compliance with the Money Laundering Regulations 2017 and that they have received appropriate training and guidance to fulfil this role effectively.</p> <p><b>1.6.2</b> The designated Board member will seek assurance that OVH has appropriate procedures in place to check the provenance of any large payments that are received or offered in relation to OVH financial transactions. This will apply especially where customers or third parties have difficulties in explaining the origins of the finances and will make appropriate alerts in conjunction with the Money Laundering Reporting Officer, as required. For full details see the OVH Anti-Fraud, Corruption and Money Laundering Policy.</p> <p><b>1.7</b> This Policy should be read in conjunction with the:</p> <ul style="list-style-type: none"> <li>• OVH Financial Management Framework</li> <li>• Property Pool Plus Allocations Policy</li> <li>• OVH Rent Setting Policy</li> <li>• OVH Market Rent Policy</li> <li>• OVH Starter Tenancy Policy</li> <li>• OVH Recharge Policy</li> <li>• OVH Anti-Fraud, Corruption and Money Laundering Policy</li> </ul>
<b>2</b>	<b>Statement of Intent</b>
	<p><b>2.1</b> OVH’s primary aim in operating the Rent Payment and Arrears Recovery Policy is to ensure it maximises all income that is due from rent of its properties for domestic use. This is necessary for OVH to maintain viability and to ensure:</p> <ul style="list-style-type: none"> <li>• Loan covenant and on-going management costs can be met</li> <li>• It continues to provide a full range of excellent services that meet or exceed customers’ expectations</li> <li>• It has the capacity for growth and business expansion to develop new housing and related services</li> <li>• Customers have the information and support they need to maximise their income</li> <li>• It meets the requirements of the Homes and Communities Agency’s Regulatory Framework for Social Housing</li> </ul>

<p>2.2</p> <p>2.3</p> <p>2.4</p>	<p>OVH will operate a ‘firm but fair’ approach to rent collection and arrears management by providing convenient and easily accessible methods of payment and an emphasis on prevention, early intervention, support and advice where arrears occur.</p> <p>OVH will offer support and advice for tenants who have genuine difficulties in paying rent or other debts owed to the Association and will take swift and decisive action against those who refuse to engage and reach agreements on ways to reduce outstanding debts (where they are deemed to have sufficient capacity to understand and act accordingly to warnings given).</p> <p>OVH operates a hierarchy for debt pursuance where multiple debts exist and will always prioritise debts owed by customers in the following order:</p> <ol style="list-style-type: none"> <li>1. Current rent and service charge arrears</li> <li>2. Former tenant arrears</li> <li>3. Court costs, and miscellaneous debts</li> <li>4. Recharges</li> </ol>
<p><b>3</b></p>	<p><b>Policy</b></p>
<p>3.1</p> <p>3.1.1</p> <p>3.2</p> <p>3.2.1</p> <p>3.2.2</p>	<p>This Policy covers the provisions OVH has in place for payment and pursual of any arrears associated with rent, including any service charges but does not cover payment or debts owed due to ‘recharges’ (see the OVH Rechargeable Works Policy for further details).</p> <p>Detailed below are the ways in which OVH will approach the issues of rent collection and arrears management from the perspective of a tenants journey with OVH, that is:</p> <ul style="list-style-type: none"> <li>• From being a housing applicant seeking accommodation with OVH</li> <li>• Signing up for an OVH property</li> <li>• Time as an OVH tenant</li> <li>• Ending an OVH tenancy</li> <li>• After an OVH tenancy has ended where arrears or other debts are outstanding</li> </ul> <p><b>Before an OVH Tenancy Commences</b></p> <p>As an administering Scheme Partner within the sub-regional choice based lettings scheme (CBL), Property Pool Plus-‘PPP’, OVH will put restrictions on the eligibility of housing applicants who owe arrears from former or current tenancies (either with OVH, other partners within the scheme or any other landlord).</p> <p>The restrictions on eligibility are as follows:</p> <ul style="list-style-type: none"> <li>• Where there are arrears of up to 4 to 8 weeks gross rent owing (where the rent is payable weekly) – the applicant for housing will be placed in Band F (reduced preference for housing) - until such time as the debt is cleared completely or reduced to a level below 4 weeks owing (when their application will be reassessed)</li> <li>• Where there are arrears over 8 weeks rent owing – the applicant will potentially be made ‘ineligible for housing’ – until such time as the debt is cleared completely, reduced to a level below 4 weeks owing or have kept to an agreed payment plan for 13 consecutive weeks (and will need to show evidence of continued payments before offers of accommodation are made)</li> </ul>

- 3.2.3** For all properties that are available to rent through CBL scheme, OVH will include information on rent and service charges payable on the adverts on CBL websites, its own website and weekly mailings to applicants (that have requested this facility). OVH will also make this information available for properties let outside the CBL scheme i.e. through direct lets.
- 3.2.4** Once an applicant(s) has been accepted on the housing register and is made an offer of accommodation, an OVH Officer will meet with them at the property for a viewing. At this stage the Officer will advise the applicant of the rent and any service charges payable on the property.
- 3.2.5** At the viewing stage the Officer will also discuss with the applicant(s) their financial circumstances to determine how the rent will be paid i.e. in full (if they are working full time and earning over a threshold amount), in part (if their earnings from employment are below a threshold amount) or if they will be claiming welfare benefits for the full rental amount.
- 3.3 At offer of the Tenancy**
- 3.3.1** Should the applicant accept the property, a sign-up meeting will be held (for all forms of allocation) where the keys to the property will be exchanged. OVH view this meeting as an ideal opportunity to provide advice to new tenants on their rent liabilities, this will include:
- Information on the methods of payment available – for those paying full or part rent these are:
    - Online via the OVH website, secure ‘BillPay’ facility
    - At any Post Office Branch using the OVH payment card
    - Via direct debit
    - 24 hour payments by telephone by contacting 0300 365 1111
    - Using ‘Payzone’ and ‘Pay Point’ facilities available via a number of retail outlets
    - Provision of a bar-coded letters to accept payments to a holding account (until unique account specific payment cards are produced)
  - For tenants paying full rent, OVH will require one week’s rent payment in advance which can be paid in cash or via debit / credit card. Those setting up Direct Debits will be required to pay two weeks rent in advance and maintain payments until the Direct Debit takes effect
  - For those tenants eligible for partial Housing Benefit (HB) or Universal Credit (UC)
    - New tenants will be required to pay one week’s shortfall in advance. In cases where the shortfall is unknown the tenant will be required to pay a minimum of £10
  - OVH does, however, reserve the right to waive the requirement to pay rent in advance on sign-up at its discretion
  - Ensuring those that will be claiming full or part welfare benefits (Housing Benefit or Universal Credit) to pay their rent, have filled in the appropriate documentation and provided the necessary supporting evidence. Referrals will also be made when requested to OVH’s Financial Inclusion Officers who will help maximise income from any unclaimed benefits or entitlements
  - Provision of budget calculators to help planning of household expenditure
  - A clear message on the importance of paying rent and service charges as a condition of their tenancy agreement and that they run the risk of losing their home if they fail to pay regularly and in advance

<p><b>3.3.2</b></p>	<p>In addition to the above, where appropriate, OVH will provide all new tenants with information on the impacts of ‘Welfare Reform’ measures (effective from 1<sup>st</sup> April 2013). The principal changes that impact on housing include:</p> <ul style="list-style-type: none"> <li>• An ‘Under-Occupancy Penalty’ leading to a reduction in the amount paid towards housing support by 14% for a spare bedroom and a 25% reduction for two or more spare bedrooms</li> <li>• A limit on the total welfare benefit that households can receive (leading to reductions in the amount payable for housing support (Housing Benefits) if household income from benefits is over specified limits</li> <li>• Introduction of direct payments as part of the move to ‘Universal Credit’ – requiring those in receipt of welfare benefit to make arrangements to pay rent to OVH from their own bank accounts (most likely by Direct Debit)</li> <li>• The cap on the level of Housing Benefit or housing support element of Universal Credit to Local Housing Allowance rates and the potential shortfall this may create for certain rents and certain customers, depending on their age and claimant details</li> </ul>
<p><b>3.3.3</b></p>	<p>Whether in receipt of welfare benefits or not, OVH will advise all new tenants of these changes. Where new tenants will be under-occupying properties they will be required to sign a disclaimer accepting responsibility for any shortfall in rent payments not covered by benefit payments (should they rely on welfare benefits to pay their rent).</p>
<p><b>3.4</b></p>	<p><b>During the Tenancy</b></p>
<p><b>3.4.1</b></p>	<p>At the outset of the tenancy, OVH will carry out checks to see if the incoming tenant(s) has any former arrears with either OVH or other landlords. If former arrears exist, OVH will negotiate with the tenant(s) a repayment plan to suit their financial circumstances.</p>
<p><b>3.4.2</b></p>	<p>OVH will monitor all rent accounts on a weekly basis for any non-payments. Whenever this occurs, OVH will endeavour to make personal contact with the tenant(s) to make arrangements to cover on-going rent liabilities and any arrears that have occurred through non-payment.</p>
<p><b>3.4.3</b></p>	<p>OVH will endeavour to work with tenant(s) and may delay instigating possession proceedings where they can demonstrate that:</p> <ul style="list-style-type: none"> <li>• All evidence required to process a claim for Housing Benefit / Universal Credit has been submitted to the Local Authority / Department for Work and Pensions (DWP) and the reason for non-payment of rent is due to a delay in processing the claim</li> <li>• There is a reasonable expectation of eligibility for Housing Benefit or Universal Credit (housing element)</li> <li>• All other payments owed to the landlord not covered by Housing Benefit or Universal Credit are being paid</li> </ul>
<p><b>3.4.4</b></p>	<p>OVH will ensure compliance with the Coronavirus Act 2020 where it considers starting possession proceeding against tenants.</p>
<p><b>3.4.5</b></p>	<p>OVH will look to offer support to tenant(s) that miss payments, including:</p> <ul style="list-style-type: none"> <li>• Advice on money management</li> </ul>

- Referrals where appropriate to OVH's financial inclusion service to maximise income from welfare benefits
- Referral to OVH's tenancy support service or other external support agencies and advocacy groups, where the tenant(s) are identified as being vulnerable for any reason
- Providing support where there are known or suspected difficulties in comprehending written information e.g. where English is not a first language or there are mental health / learning difficulties
- Assessment of mental capacity by referral to professional practitioner where it is suspected they may not understand or are capable of dealing with money management / arrears actions
- Advice on appointing 'a Litigation Friend' where the tenant(s) is not judged to have sufficient capacity
- Signposting to suppliers of basic bank accounts (if tenants do not already have this facility)
- Time bound repayment plans to suit their financial circumstances

**3.4.6** As well as offering support, OVH Neighbourhood Services Officers will stress the importance to tenants of paying rent on time and that if non-payments persist, OVH may be forced to take court action to recover the tenancy.

**3.4.7** Where tenants that are in arrears refuse to engage with OVH via attempts at personal contact or fail to respond to warning letters that are sent, OVH will look to instigate court proceedings at the earliest opportunity. This will include serving Notices Seeking Possession (NSP) after three weeks of non-payment of rent.

**3.4.8** Once an NSP is served, OVH will have four weeks before an application for a possession hearing at court can be made. During this time and in the period leading up to the court hearing, OVH will continue to make every effort to contact the tenant(s), make arrangements to pay and clear any outstanding arrears in accordance with the 'Pre-action Protocol for Possession Claims for Social Landlords'. This will include supplying tenant(s) with:

- The date they will be expected to leave their property
- The reasons why they are being asked to leave
- Where they can go to get advice

**3.4.9** At least ten days prior to court action, OVH will also supply tenant(s) subject to the action with:

- Up-to-date rent statements
- Notice of the court date, the action that is being taken and advice that their home is at risk if they do not attend the court hearing or clear the outstanding debt

**3.4.10** For all cases that reach a possession hearing OVH will request a 'money judgement' from the courts to recover arrears and court costs, unless it is assessed that applying for costs would add to a customer's financial difficulties (determined on a case by case basis).

**3.4.11** Even where the courts award OVH with outright possession of the property, every effort will continue to be made to work with the tenant(s) to clear the debt and make regular payments.

3.4.12	Where tenants continue to refuse to engage with OVH and ignore the conditions of the court order, OVH will take the necessary actions to bring the tenancy to an end at the earliest opportunity. OVH will only ever considering eviction as a last resort when all other reasonable efforts have failed.
3.4.13	OVH will keep all tenants informed of their current rent balances throughout the course of their tenancy by sending them rent statements, in their preferred format on an annual basis. Tenants can also contact OVH’s Customer Service Centre to obtain a balance over the phone or by checking the OVH website with their unique log-on details at any time.
3.4.14	OVH will inform all tenants of any annual increases to their rent (in line with the OVH Rent Setting Policy) and service changes in writing (in their preferred format).
3.4.15	Where tenants are in credit on their rent accounts, they can request that a payment is sent to them at any time by contacting OVH. Any payments of credit on rent accounts will be less any other debts owing to OVH and subject to checks that no amounts are repayable to welfare benefits (Housing Benefits), where applicable. Credit payments will normally be made to tenants via cheque within 10 working days of the request being received by OVH.
3.4.16	<b>Grounds For Possession</b>
3.4.17	<p>Where OVH is forced to seek possession of a property due to rent arrears it will rely on the Grounds outlined in Schedule 2 of the Housing Act 1988 as follows:</p> <ul style="list-style-type: none"> <li> <p><b>Ground 10</b></p> <ul style="list-style-type: none"> <li>• Where rent that is lawfully due from the tenant has not been paid by the time the possession proceedings are started and was owed at the time the Notice Seeking Possession was served</li> </ul> </li> <li> <p><b>Ground 11</b></p> <ul style="list-style-type: none"> <li>• The tenant has repeatedly failed to pay rent that is lawfully due on time – there need not be arrears at the time the possession proceedings are commenced</li> </ul> </li> </ul>
3.4.18	In the above grounds OVH will need to provide sufficient evidence to ‘prove the case’ in court and it will be at the judge’s ‘discretion’ whether or not to grant a possession order.
3.4.19	<p>OVH may utilise <b>Ground 8</b> or the ‘Fast-track’ proceedings, if permissible, depending on the type and date of issue of the tenancy agreement that is in place. Ground 8 is a ‘mandatory’ possession ground and if the conditions outlined below exist, the judge in court must grant a possession order:</p> <ul style="list-style-type: none"> <li> <p><b>Ground 8</b></p> <ul style="list-style-type: none"> <li>• Where rent that is lawfully due is unpaid at the time of the serving of the Notice Seeking Possession and at the time of the hearing. In OVH’s case the arrears will be 8 weeks owing or more at both the serving of the notice and the time of the hearing</li> </ul> </li> </ul>
3.4.20	OVH may choose to use the above grounds in tandem when stipulated in the Notice Seeking Possession.
3.4.21	Where regaining possession of the property is of paramount importance, OVH may also serve Section 21 Notices where it is not necessary to site the ‘Grounds’ for possession.

- 3.4.22** Where this method is used OVH will apply to the courts for a separate money judgement for arrears as they are not included in the possession hearing.
- 3.4.23** If money judgement is issued and the person is employed, OVH reserves the right to apply to court for an 'Attachment of Earnings Order', which orders the tenant's employers to make a regular deduction from the salary to be paid towards their debt.
- 3.4.24** Where pursuing the arrears is of paramount importance and not possession of the property, OVH may at its discretion use the Small Claims Court to pursue the debt.
- 3.4.25** OVH may also consider instructing the High Court Enforcement Officer (bailiff service) to recover monies owed (if payments are not received as ordered) by removal and sale of possessions.
- 3.5** **Debt Relief Orders**
- 3.5.1** Where OVH tenants obtain Debt Relief Orders and other insolvency measures as a means of dealing with multiple debts, OVH will comply with the terms of the order, as instructed by the courts, where rent arrears are included.
- 3.5.2** OVH does, however, have legal powers to continue with possession proceedings where Debt Relief Orders (and other insolvency measures) are in place and can also pursue rent and arrears accrued after the date (including during any moratorium period) that the order was granted.
- 3.6** **At the end of the Tenancy**
- 3.6.1** Where there are any credits on the rent account at the termination of the tenancy, OVH will arrange for payments to be sent to the tenants forwarding address, less any amounts owed to OVH for other debts for example rechargeable repairs and court costs. Payments will normally be sent within 10 working days from the end of the tenancy.
- 3.6.2** Where there are arrears or other debts owing at the termination of the tenancy, OVH will pursue these with the former tenant at their new address, if known. Where tenants that leave OVH properties fail to provide forwarding address details, OVH will use credit checking facilities to trace their whereabouts and will pursue any debts owing at the new address, if found.
- 3.6.3** Where there are arrears outstanding at the end of a tenancy this will impact on the tenants' ability to obtain future re-housing with OVH or any of the other scheme partners in the sub-regional choice based lettings scheme, PPP (See section 3.2.2 for further details).
- 3.6.4** OVH will also provide information in regard to the status of former arrears to other landlords on request, outside of the PPP Scheme in line with Data Protection Act 1998 requirements.
- 3.6.5** On a case by case basis, and subject to available funding OVH may agree to write-off former arrears by matching a lump sum payment paid by its former tenant(s). This would normally be a one-off arrangement where it is in OVH's interests to do so. However, multiple matched payments may be accepted if this proves to be an effective means of reducing debt owed.

3.6.6	<p>OVH may also agree to write off former tenant arrears up to a matched, maximum value of £500 in an arrangement that has been established with Sefton MBC Housing Options Team. The details of the arrangement are as follows:</p> <ul style="list-style-type: none"> <li>• Sefton MBC Housing Options Team makes a referral to OVH when approached by a former OVH tenant with rent arrears at a level which means they are suspended from bidding within the PPP scheme</li> <li>• The applicant must be registered in Sefton and seeking re-accommodation with OVH</li> <li>• Sefton MBC Housing Options Team agree to pay OVH up to a maximum of £500 lump-sum, matched by OVH in write off against former arrears (subject to available funding from both parties)</li> <li>• The level of former arrears must not exceed £1,800</li> <li>• An arrangement to pay will then be made with the former tenant for any remaining arrears</li> <li>• OVH reserve the right to refuse to accept referrals from Sefton Housing Options Team for any applicant that would otherwise be excluded from the PPP waiting list for ‘unacceptable behaviour’ reasons</li> </ul>
<b>4</b>	<b>Implementation</b>
4.1	All OVH staff have a responsibility to be aware of the Rent Payments and Arrears Recovery Policy to be able to direct any customer enquiries they may receive.
4.2	<p>The following teams have specific responsibility for delivery of the Policy provisions:</p> <p><b>Neighbourhood Services Team</b></p> <ul style="list-style-type: none"> <li>• Providing advice to new tenants on rent liability and methods of payment at commencement of tenancies</li> <li>• Discussing any rent arrears during structured visits during in the first 12 months of a new tenancy</li> <li>• Carrying out home visits or making personal contact with tenant(s) as and when required when rent arrears occur and managing all stages of the arrears pursual process</li> <li>• Providing advice on income maximisation for tenants who may be entitled to unclaimed welfare benefits</li> </ul> <p><b>Legal Team</b></p> <ul style="list-style-type: none"> <li>• Proving advice and assistance to Neighbourhood Service Officers on tenancy action for rent arrears</li> </ul> <p><b>Customer Service Centre</b></p> <ul style="list-style-type: none"> <li>• Taking telephone payments for rent accounts, providing telephone balances and responding to general queries on any arrears pursual actions</li> </ul>
<b>5</b>	<b>Performance</b>
5.1	<p>OVH report on a quarterly basis to all of its tenants and external stakeholders via a performance update available on its website on:</p> <ul style="list-style-type: none"> <li>• The % of rent arrears for current tenants</li> </ul>

5.2	<p>In addition to the above, OVH also produce internal reporting information to the Neighbourhood Services Team meetings on:</p> <ul style="list-style-type: none"> <li>• % of rent written off</li> <li>• Rent collected as proportion of rent available (excluding arrears)</li> <li>• Income generated via welfare benefits advice</li> <li>• % Former Tenant Arrears (FTA) as a proportion of rent debit</li> <li>• % of rent arrears as a proportion of rent debit</li> </ul>	
<b>6</b>	<b>Consultation</b>	
6.1	All OVH staff have also been consulted in the development of this Policy.	
<b>7</b>	<b>Review</b>	
7.1	The Policy will be reviewed every 12 months from the date of Executive Management Team approval (or as near as possible) or more frequently if required by changes in legislation, regulation or as a result of system audits.	
<b>8</b>	<b>Equality Impact Assessment</b>	
8.1	Was a full Equality Impact Assessment (EIA) required?	No
8.2	When was EIA conducted and by who?	An EIA Relevance Test was conducted by the Policy and Strategy Manager and the Policy Writer on 21/08/2014 and remains relevant for this version of the Policy.
8.3	Results of EIA	The EIA Relevance test did not indicate there were any adverse or differential impacts for any groups with protected characteristics.
<b>9</b>	<b>Scheme of Delegation</b>	
9.1	Responsible committee for approving and monitoring implementation of the policy and any amendments to it	Executive Management Team
9.2	Responsible officer for formulating policy and reporting to committee on its effective implementation	Operations Director – Housing Services
9.3	Responsible officer for formulating, reviewing and monitoring implementation of procedures	Operations Director – Housing Services

Date of revision:	Reason for revision:	Consultation record:	Record of amendments:
24 June 2019	In line with the Review Schedule	See section 6	A change at 3.4.22 – Inclusion that OVH reserves the right to apply for an Attachment of Earnings Order to recover rent arrears.
4 <sup>th</sup> August 2020	In line with the Review Schedule	See section 6	Inclusion that OVH will comply with the Coronavirus Act 2020 when starting possession proceedings.