



Rent Management Policy

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Solon Rent Management Policy

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1. Introduction:

- 1.1 This document is Solon South West Housing Associations Rent Management Policy.
- 1.2 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.

Solon's Business Plan Objectives 6 and 1, state respectively that we will,

"Assist residents to meet their commitment to pay rent, whilst maintaining a firm but fair approach to income management and maximising income"

and will

"maintain a healthy cash-flow from current stock via a pro-active control over income"

Rent arrears are a key performance indicator by which we are judged by the HCA and our peer associations.

It is also recognised that allowing tenants to continue to remain in debt and not assisting them to budget and clear their arrears effectively is poor practice.

2. Related policies and procedures:

- 2.1 The Rent Management Policy is designed to meet the Organisations aims and objectives in relation to the prevention and recovery of debt, though it is not a stand-alone document. The Policy is closely aligned to the Organisations aims and objectives, and its' other policies and procedures designed to maximise housing income and prevent bad debt, in particular:

- Financial Inclusion Strategy;
- Rent Arrears Recovery procedure;
- Recharge procedure.
- Former Tenants Arrears Policy.

3. Policy Statement :

The Aims and Objectives of our Rent Arrears policy:

- 3.1 To substantially reduce the level of debt owed by both current and former tenants. Solon will achieve this through a combination of prevention, support and assistance, and enforcement.
- 3.2 To provide flexible payment options that make it easy for residents to pay their rent and other housing-related charges and debts, whilst placing emphasis on the most cost effective methods such as direct debit, and to identify innovative technologies to improve and enhance access to methods of payment.
- 3.3 To develop effective joint working arrangements with our Local Authority and DWP partners in respect of Housing Benefit and Universal Credit(HB/UC) to ensure claims are processed quickly, and to prevent fraud and reduce overpayments of benefit which are 'clawed-back' through tenants' rent accounts.
- 3.4 To be proactive in identifying reasons for the accrual of debt, and for associated non-payment, in order to identify those groups 'at risk' of owing debt to the Organisation, and use this information to adjust debt prevention and recovery processes accordingly.
- 3.5 To provide all residents with housing-related debt with sound financial advice, and to negotiate practical repayment plans ensuring that priority debts are settled first.
- 3.6 To ensure that processes for the recovery of debt comply with good practice and legislative requirements including the pre-action protocol for rent possession claims, and are effective, efficient and provide value for money.
- 3.7 Work towards integrating debt recovery processes for multiple debts. To minimise the risk of bad debts and ensure appropriate

arrangements are in place for writing off debts that are uneconomical to pursue.

4. Housing Income Management:

4.1 Rent accounts are managed by specialist Income Management Officers within the Housing Management Team who each manage all accounts that fall into arrears within a 'patch' of properties. Recovery is firm but fair with realistic repayment plans negotiated with tenants at the earliest opportunity. We offer a comprehensive money advice service through our Service Level Agreement with Talking Money and other voluntary agencies to ensure that tenants and leaseholders can obtain detailed debt advice. We offer accessible and flexible payment options. We will help residents to maximise their income so they can pay their rent but we will take action against tenants who persistently fail to pay their rent or accept help and support to enable them to do so.

4.2 Solon Will:

- Consider that our residents have a responsibility to pay any monies due under the terms of their tenancy agreement;
- Contact residents at an early stage about any arrears before debts become unmanageable;
- Be pro-active in our attempts to minimise debt and provide opportunities for people to maximise their income and develop budgeting and money management skills;
- Work with partner agencies to ensure high quality money advice is provided;
- Provide training for our employees in Welfare Benefits, debt recovery, equality and diversity and resident care;
- Provide full information to our residents on the debt recovery process, the consequences of non-payment, and the help that is available to avoid those consequences;

- Give our residents the opportunity to be involved in shaping the policies and procedures affecting arrears recovery through the Customer Services Improvement Committee;
- Recognise that residents have other debts to pay including housing related debt such as Council Tax, former tenant's arrears and rechargeable repairs. We will advise on repaying debts, seeking to resolve priority debts first. We will explain the consequences of non payment for each debt;
- Give advice and signposting for residents to empower them to manage their HB/UC claims.
- Liaise closely with the Housing Benefit section and the DWP to facilitate the speedy calculation of HB/UC claims where the resident is vulnerable or have exhausted their own efforts;
- Work closely with agencies to prevent, detect and resolve fraudulent Benefit claims;
- Ensure that where an overpayment of Housing Benefit is being 'clawed-back' through reducing the weekly amount of benefit paid to the rent account that the tenant can afford to pay, and support the tenant in requests to reduce the overpaid amount;
- Closely monitor our performance against Key Performance Indicators and report this information to our residents through the 'My Place' Magazine and our website and social media.

5. Contact with Residents;

5.1 We will contact our residents as soon as any debts arise using a variety of methods such as home visits, letters, telephone, email and text messaging, using our resident's preferred method of contact wherever possible

5.2 Solon Will:

- Contact residents in writing at the earliest opportunity to inform them of debts that are due, providing advice and assistance regarding payment methods, in a clear and understandable way;

- Encourage tenants to contact us as soon as debts occur;
- Encourage people to establish a regular payment habit;
- Be clear to residents that no- payment of rent in the event of outstanding repairs is not acceptable, that it constitutes a breach of the tenancy conditions and formal action will be taken
- Contact residents by their preferred means of contact where this is known including large print, or via a representative where signed authorisation has been obtained from the tenant;
- Ensure that vulnerable tenants are offered appropriate advice and support;
- Ensure all letters and other information provided is accurate, easy to understand and free of jargon or unnecessary technical terminology;
- Give our residents the opportunity to be involved in shaping the policies and procedures affecting arrears recovery through Customer Services Improvement Committee;
- Review forms letters and leaflets with our residents to ensure they are relevant and accurate;
- Provide regular feedback to residents on our performance and other issues affecting the service through a number of mechanisms including the My Place magazine, the Customer Services Improvement Committee and social media.
- Monitor rent arrears cases on a fortnightly basis ensuring that appropriate action is taken such as letters, visits, referrals for Money Management Advice, proportionate to the level of debt;
- Keep residents informed of the action being taken at each stage of the rent arrears recovery process;
- Provide rent statements every twelve months and on demand;

- Offer residents the option of appointments in the privacy of their own home or at the office to discuss their rent account or any other housing-related debt that we have influence over;
- Promote through posters, letters and leaflets independent advice agencies;
- Deal with any complaints that have been received in accordance with our corporate complaints procedure;
- Respond to any contact about rent accounts promptly. The maximum response time will be within five working days;
- Provide information in large print, on audio tape, in Braille and in other languages upon request.

6. Recovery of Current Rent Arrears;

6.1 Solon has comprehensive procedures for the recovery of current rent arrears. We aim to achieve excellence in rent collection whilst dealing sympathetically with vulnerable tenants. We will ensure our procedures comply with the Pre-action Protocol for rent possession claims, ensuring that accurate information is provided in respect of HB/UC entitlement, and that possession proceedings are issued as a last resort, with alternate means of dispute resolution being considered in the first instance.

6.2 Solon Will:

- Ensure that there are clear procedures to ensure the effective collection and recovery of rent and arrears;
- Promote a wide range of payment methods that are convenient and accessible with the emphasis on the promotion of the most cost effective methods such as Direct Debit;
- Take prompt and appropriate action to recover arrears, proportionate to the level of debt owed;
- Ensure welfare benefit and money management is offered to all tenants with rent arrears;

- Provide clear and concise information on the sanctions that are used in the recovery of arrears;
- Consider sanctions such as Direct Deductions from benefits, Attachment of Earnings and Money Judgements;
- Consider possession proceedings as a last resort, after alternate recovery methods as above have been tried;
- Give residents information regarding the amount of court costs that will be recharged to them prior to taking court action.
- Negotiate realistic repayment plans with tenants;
- Confirm any repayment plan in writing;
- Honour any agreement to repay the arrear before escalating recovery action;
- Comply with the Human Rights Act in the recovery of arrears and issuing of court proceedings.

7. Housing Benefit & Universal Credit ;

7.1 Solon recognises the importance of HB/UC as a means of housing rental income, and will promote the take-up of HB/UC amongst our residents.

7.2 Solon Will:

- Work with our partners to promote and encourage the take-up of Welfare Benefits, including HB/UC. We will carry out promotional campaigns jointly with other agencies such as Local Authorities and money advice agencies wherever possible;
- Provide advice and signposting to tenants in completing HB/UC forms and claiming Dual HB and Discretionary Housing Benefit;

- Hold regular liaison meetings with the Local Authority Housing Benefit and DWP to discuss any issues regarding the administration of the HB/UC schemes;
- Raise awareness of fraud and overpayments and ensure that tenants are aware of their responsibility to notify Housing Benefits and DWP of all changes in personal circumstances;

8. Former Tenants Arrears;

8.1 Our policy aim in this area is to substantially reduce the level of debt owed by former tenants. A key aspect of this aim will be to prevent such debts occurring in the first instance.

8.2 Solon Will:

- Ensure that there are clear and comprehensive procedures for employees to ensure the effective collection and recovery of former tenants arrears;
- Provide advice and assistance to residents wishing to terminate their tenancy, ensuring they are aware of their responsibility to pay the rent due until the agreed termination date;
- Contact residents with rent arrears during their four week termination period to encourage residents to negotiate a repayment plan;
- Advise debtors of the future consequences of the non-payment of former tenants arrears, for example, ineligibility for offers of accommodation through the Housing Register and referral to debt collection agency;
- Act sensitively in cases where former tenants have died or have gone into permanent residential care, liaising with Next of Kin / Executors to establish if there are any funds in the estate until a conclusion satisfactory to all parties has been reached;
- Negotiate realistic repayment plans;

- Confirm any repayment agreement in writing;
- Honour any agreement to repay the arrear before escalating recovery action;
- Consider sanctions such as Attachment of Earnings and Money Judgements and referral to a Debt Collection Agency if residents consistently fail to pay.
- When residents leave a debt and we have no forwarding address consider employing a tracing agent to locate the former resident and refer for debt collection.

9. Recharges:

9.1 Recharges may arise when tenants cause wilful or accidental damage to Solon property which cannot be attributed to fair wear and tear. All recharges for works carried out for both current and former tenants are chased by the Income Management Officer for the relevant patch.

9.2 Solon Will:

- Provide information to our residents on how and why recharges can arise, and through publicity and promotional materials, seek to prevent the occurrence of recharges;
- Promote low-cost home contents insurance to protect tenants against some potential recharges;
- Ensure that there are clear and comprehensive procedures for employees to ensure the efficient and effective processing and recovery of recharges;
- Notify residents in writing of the value of the recharge debt at the earliest opportunity and also offer them the opportunity to commence the appeal process;
- Seek to resolve any disputes regarding recharges prior to undertaking work.

- In the case of deceased former tenants, ensure that we liaise with Next of Kin / Executors to establish if there are any funds in the estate prior to raising invoices;
- Review forms, letters and leaflets following feedback from our residents, to ensure that they are relevant and accurate;
- Ensure the provision of high quality photographic evidence to support recharges and minimise 'bad debts' that cannot be effectively pursued;
- In the case of recharges for current tenants over which we have direct influence, ensure that convenient and accessible payment methods are available, making it easy for our residents to pay off their debts;
- In the case of recharges for former tenants, ensure realistic repayment plans are negotiated between the resident and Solon;
- Consider sanctions such as Attachment of Earnings and Money Judgements, and referral to a Debt Collection Agency if residents consistently fail to pay.

10. Write Offs:

10.1 Solon recognises that substantial resources can be used in attempting to recover 'bad debts' that may be uneconomical to pursue.

10.2 Solon will:

- Ensure that there a clear and comprehensive write-off procedures for employees;
- Ensure that all reasonable efforts to recover the debt (as laid down in our rent recovery procedures) have been exhausted before writing off the debt is considered;
- Ensure that there is appropriate evidence of recovery action to support the write-off application, and that all write-off applications

are scrutinised by the Director of Housing Services and reported to the Audit and Finance Committee;

- Monitor performance in relation to the percentage of total debt that is written-off on a monthly basis, seeking to keep this as low as possible.