

South Road Income Collection Policy and Procedure

This document outlines the procedure that will be used to recover rent arrears.

Date Proposed: 18.03.2019

Date Approved: _____

Policy Statement

The Cooperative has a clear guideline for the recovery of arrears. It aims to maximise income by developing a good working relationship between Managing Agent staff, Elected Committee members and members, external agencies i.e.: The Benefit Service, Department of Works and Pensions (DWP), Credit and Debt advice services.

As a responsible Landlord we will maximise the rental income of the Co-op and provide support to all members that are faced with financial difficulty.

To enable us to achieve this, members will be contacted at the earliest possible stage about rent arrears using all methods of communication including letters, email, telephone, texts and also by carrying out visits to the members homes.

To keep rent arrears to a minimal amount, the Co-op will take any necessary action in line with procedure to achieve this aim.

Following welfare reform and the introduction of Universal Credit, the Co-op will assist members in making and updating claims for Universal Credit. Where the members meet the criteria for an Alternate Payment Arrangement (ie the direct payment of Housing Support costs from Universal Credit to the Cooperative) the Co-op will assist the member in applying for such a payment to be made.

Members will be encouraged to ensure continuity of contact between landlord and member throughout the process.

The Co-op will continue to assist any member currently on Housing Benefit.

The co-op will take all factors into consideration when taking action against any member in relation to rent arrears. However, claiming Universal Credit or Housing Benefit remains the sole responsibility of the member.

Rent arrears have many adverse affects on the Co-operative, as rent is the main source of income.

High rent arrears can result in services such as repairs being affected, thus endangering the provision of safe and comfortable housing.

The Co-op will promote all methods of payments to members to maximise income.

i.e Rent book, Allpay and Callpay (payment card) & Standing Orders

Objectives

- Prevent arrears rising where possible.
- Minimise rent arrears where they can not be prevented.
- Engage with members and third parties to control and reduce the rent arrears.
- Legal action to be implemented when necessary to do so.
- To provide referrals to debt advice services at early stage of arrears for early intervention

Legislation, Regulation and Guidance

The co-op aims to provide a fair approach, during the stages of income collection we will seek to identify vulnerabilities before proceeding ensuring the current regulations are adhered too.

- Homeless Reduction Act 2017
- Equality Act 2010

Members whose rent arrears result in court action being taken against them will be responsible to pay the costs in addition to their existing arrears. Responsibility to pay Legal costs will apply whether the court action results in eviction or a suspended possession order.

Following a suspended possession order – if tenants do not comply in accordance with the court order the Co-operative will immediately apply to execute the warrant for eviction.

Procedure

STAGE	ACTION	DECISION BY:	
		BCHS	CO-OP
2 weeks/1 monthly missed HM1	If two weeks or one month payments are missed a letter is sent informing the tenant to make up the missed payments or contact the office if experiencing financial difficulties. Other methods of communication to be used	√	
No contact or payment within 7 days HM2	Home Visit or Office Appointment letter + ATP to sign at appt. Discuss arrears and come to an agreement for the tenant to pay. First Agreement to be signed. ATP/1	√	
No response to	Issue ATP through the letterbox		

HM2 stage	or through the post and ask tenant to return within 7 days	√	
Tenant contact	If full arrears cannot be paid the first agreement is to be signed. ATP/1	√	
If tenant is not at home for visit, there is no contact and the ATP is not returned within 7 days	Letter final reminder to pay if fails to make payment or contact to make an agreement co-op will have no alternative to issue NTQ	√	
HM3			
No response to HM3 stage	At this stage Housing Officer to prepare report for rent officer to issue an NTQ – Rent officer to update committee		√
<p>At early stage of arrears Housing Officer should be contacted by DWP to complete verification form for Universal Credit or member.</p> <p>If member is claiming HB, Housing Officer to contact the member and the Benefit Service.</p>			
No contact from tenant within a further 7 days	Letter arranging a home visit to issue the Notice to Quit. If the tenant is not at home for visit, issue the NTQ HM5 through the letterbox. If tenant is at home discuss arrears and come to an agreement for the tenant to pay. ATP to be signed. (first stage in legal proceedings).	√	
HM4			
HM5 (NTQ)			
<p>If NTQ issued an ATP has finally been agreed and maintained. No further action will be taken by the co-op.</p> <p>If delay in rent payment is <u>proven</u> to be due to a claim for Universal Credit or Housing Benefit. The co-op will hold action for a four week period</p>			
Following the issue of the NTQ If there still is no payment, insufficient payments or no contact from the tenant.	Letter informing Notice is due to expire or expired and due to enter the case into court if full payment is not made within 7 days advise tenant to contact office to make an ATP if fails to the co-op will commence court action.	√	
HM6			
	At this stage Housing Officer to prepare report for committee meeting recommending to enter case into court This will be in-		√

	line with 28 day expiry of NTQ		
No response to HM6 stage Agreement to pay is broken.	Letter or other method of communication to make up any missed payments immediately and advise the member to contact to advise when payment will be received. If no payment or contact from the member, notify of Office Appointment If agreement maintained no further action	√	
If no contact from Office appointment after or payment HM6a	Letter advising case will be entered into court.	√	
If after 7 days there is still no contact or payment	Letter to member advising court action has commenced arrange an office appt or home visit to discuss court proceedings ATP reached prior to court hearing	√	
<p>If full arrears are paid by the time of the hearing the case will be cancelled.</p> <p>If an agreement is reached and maintained before court hearing then Co-op will seek an SPO.</p> <p>In extreme circumstances a straight Possession Order may be sought 14/28 days to vacate the premises. (Any court costs will be added to arrears). If there is no agreement prior to the court hearing, there is no contact from the member and there is no appearance in court, Co-op will seek an outright possession.</p> <p>NB: Judge will adjourn a court hearing if the member is awaiting an outcome for Universal Credit or Housing Benefit</p>			
Default on SPO SPO1	Letter sent giving member opportunity to bring court order up to date within 7 days	√	
No contact or payment within 7 days SPO2	Letter arranging a home visit or Office appointment to discuss arrears with tenant and give appropriate advice	√	
No contact or payment within 7 days	At this stage Housing Officer to prepare report for committee approval to execute the warrant Send HM10 to the member advising eviction proceedings due to commence		√
No Contact or payment within 7 days	Letter sent to member asking to pay full arrears and court costs outstanding within 14 days.	√	

SPO3			
No contact or payment within 14 days	Letter advising the member that the Warrant for eviction is to be Executed	√	
HM11			
Upon receiving the eviction date	Send HM12 notifying the member of the eviction date	√	
<p>If the member makes an application to suspend the warrant the Housing Officer will request full payment to clear arrears and the court costs. In some circumstances where there are financial difficulties the member may not be able to clear the full amount, in those circumstances a lump sum payment to bring the account upto date will be negotiated prior to court and the warrant for eviction will be suspended.</p> <p>If the tenant makes no contact the eviction will go ahead.</p>			

Bad Debts

Tenants who leave the Co-op owing rent must provide a forwarding address. The Co-op will only write off arrears if the tenant has left the Co-op and all reasonable attempts to trace them have failed.

If a court order is not already in place and the Former tenant - following contact fails to reach an agreement to clear the arrears then County Court action will be taken against them through a Small Claims Court.

Please refer to the Former Tenants rent arrears procedure.

DEFINITIONS

• Abbreviations

The Co-op	South Road Housing Cooperative
DWP	Department of Working Pension
HB	Housing Benefit
UC	Universal Credit
APA	Alternative Payment Arrangement
NTQ	Notice To Quit
ATP	Agreement To Pay
SPO	Suspended Possession Order