

ARREARS RECOVERY POLICY

Regulation & Legislation

This policy is linked to the County Court rent arrears protocol, Corporate debt policy, Vulnerable persons policy, Vulnerable persons protocol and Starter Tenancies Policy.

This policy meets the requirements of the Housing Corporation's Regulatory Code and Guidance, particularly 2.3, 2.5, 2.7, 3.1, 3.2, 3.3 and 3.6. The Regulatory Code includes requirements that all social landlords must maintain the highest standards of probity; have appropriate management arrangements; aim to deliver continuous improvements and value for money; provide good quality housing services; and work with Local Authorities in fulfilling their duties.

This policy is in line with our legislative duties as a social property owner. Particularly the Housing Act 1988 in relation to assured tenancies.

Link to Corporate Values & Corporate Plan

The policy is central to our vision, values and delivery of our corporate values, as it frames a core function of the organisation.

- Value for money in all matters concerning our homes and services for our customers
- Offering choice to customers wherever we can
- Ensuring equality of opportunity and recognising diversity for all our customers, treating everyone fairly and without discrimination
- Being an active and successful partner with other organisations to achieve real improvements to customer service and our assets
- Financial viability and capacity to direct resource allocation

Statement of Purpose

The purpose of this policy is to minimise the loss of income by applying a firm but fair approach to the prevention and recovery of arrears. This policy applies to those in general needs housing, sheltered and other rented and low cost home ownership properties.

Our Policy

Aims of the Policy

- 1.1 To prevent and manage arrears through a combination of early intervention, support and appropriate levels of enforcement.
- 1.2 To keep rent arrears to a minimum and within annual targets.

Objectives

- 2.1 Develop an arrears prevention culture through early intervention and education.
- 2.2 Reduce the number of households in arrears, and the average debt owed by each household.

- 2.3 Help ensure customers have access to welfare rights and debt advice to maximise their income and minimise their debts.
- 2.4 Use the full range of debt recovery actions set out in our Policy and procedures to secure rent arrears repayments.
- 2.5 Support and develop financial inclusion.

Information, Advice and Assistance

- 3.1 A variety of payment methods will be made available to make it as convenient and simple as possible for customers to pay their rent and any arrears agreement.
- 3.2 Agreements to repay arrears will be based on an assessment of income and expenditure so that it is maximised, but fair and sustainable.
- 3.3 Customers with arrears of rent will be encouraged to take responsibility for their debt and understand the importance of paying their rent, and the consequences of non payment.
- 3.4 Customers in arrears will be provided with the opportunity to have debt and welfare benefits advice to assist them in maximising their income, minimising their outgoings and prioritising their debts.
- 3.5 We will work closely with housing benefit departments to help ensure that customers receive the maximum level of benefit and that it is assessed/paid as soon as possible.
- 3.6 No court or possession action will be taken against a customer who has submitted a claim to housing benefit, supplied all the relevant information and is therefore awaiting assessment. However, in Shared Ownership cases, the Mortgage lender can act unilaterally, and does not need our consent.
- 3.7 We will apply our Vulnerable Persons Policy throughout our arrears management practice.

Withdrawal of Service

- 4.0 The following will apply unless exceptional circumstances apply:
 - 4.1 A customer in rent arrears will be refused to rent a garage.
 - 4.2 A customer will not be allowed to continue to rent a garage if they go into house rent arrears and fail to make and keep to an agreement to reduce these.
 - 4.3 If a customer who owes arrears of rent is due compensation of any kind or any other type of payment from the Association, where permissible by law, the money will automatically be paid into the rent account to help reduce the arrears.
 - 4.4 In the case of joint customers, both will be pursued for any debt accruing where possible, as all parties to a joint tenancy are both jointly and individually responsible for such debts.
 - 4.5 Starter Tenancies will not be offered fully assured status if they have rent arrears.

- 4.6 Additional, non-statutory services, such as grass and hedge cutting, rewards etc will be withdrawn if a customer goes into arrears.
- 4.7 Appropriate court and recovery action including eviction as a last resort will be taken where preventative and other methods fail, or the customer fails to keep to repayments agreements.
- 4.8 Where eviction proceedings have commenced, we will fully co-operate with our local authority partners.

Former Tenant Arrears

- 5.1 Tenants who terminate tenancies or leave properties with arrears of rent will be pursued for any monies due.
- 5.2 If the debt is sufficiently large, this will involve tracing and debt collection agencies where contact cannot be made with a former tenant.
- 5.3 Relatives of tenants who have died will be asked to confirm whether there are monies in the estate of the deceased with which to pay any outstanding debt.
- 5.4 The policy on writing off uncollectable former tenant debts is held in the Financial Regulations but is considered to be the action of last resort.

Equality and Diversity Assessment

In line with our vision we will ensure equality of opportunity and recognising diversity for all our customers, treating everyone fairly and without discrimination. Open communication and addressing customers needs will mean that this policy should be applied in a fair and consistent manner. Attention will be paid to the individual needs of each case. This is a medium risk.

Financial Impact Assessment

This policy is central to the financial viability of the organisation. This is a high risk.

Risk Assessment

The major risks for this policy are adequate collection of income combined with a fair and non-discriminatory process. If these are not achieved, there are serious consequences for the organisation.

Consultation

The stakeholders below have been consulted on the following dates:

An initial consultation has taken place with the Customers Consultative Group in January and in February to help form this draft Policy.

Policy Committee (direction setting): 28th March 2007

Liz Benson, Shared Ownership Manager: 2nd April 2007

Customer and Leaseholder Forum Groups: 3rd & 4th April 2007

Staff Representatives Group: 10th April 2007

Rushmoor Borough Council: 11th April 2007

Kingfisher Housing Association: 16th April 2007

Basingstoke and Deane Borough Council: 17th April 2007

Bob Gath, Accounting Manager: 19th April 2007

Citizens Advice Bureau: 20th April 2007

East Dorset Housing Association: 20th April 2007
Hampshire County Council: 20th April 2007
Hampshire Primary Care Trust: 20th April 2007
Hart District Council: 20th April 2007
Whitefriars Housing Group: 20th April 2007
Testway Housing Association: 27th April 2007

Monitoring and Review

The operation of this policy will be regularly reviewed by the neighbourhood teams in conjunction with Leasehold Services and the Policy & Strategic Initiatives Officer, with adequate consultation of staff and customers. The outcome of that review will be communicated to the appropriate committee of the board.

Approval Stages

Named Departmental Sign off: Cindy Creasy	Date: 7 th March 2007
Named Director Sign off: Val Bagnall	Date: 20 th March 2007
Committee Approval Date: 9 th May 2007	
Board Approval Date: 24 th May 2007	
Implementation Date: 30 th May 2007	