



Rent and Arrears Recovery Policy

Our Rent and Arrears Policy was written to comply with current legislation. We used guidelines for Best Practice, published by the Chartered Institute of Housing. Our Income Management Sounding Board agreed on the contents of this policy.

1. The Policy

- 1.1 A key activity of the Arms Length Management Organisation's (ALMO) Housing Services Division is to collect rent. The income from it is used to fund the management and maintenance of our housing stock.
- 1.2 We will promote a culture of "Pay to Stay." This means paying rent on time and having no arrears.
- 1.3 A balance between landlord and tenant is essential. We will provide a customer friendly service. Our service will also strive to achieve maximum arrears recovery; making it a viable business area within the ALMO.
- 1.4 We recognise that most of our tenants pay their rent on time. We also understand that rent payments are missed when things go wrong.
- 1.5 We will not penalise tenants who are experiencing financial difficulties.
- 1.6 We will help tenants to keep their tenancies.
- 1.7 Our focus will be to help our tenants **prevent** rent arrears. We will:
 - do financial assessments before a tenancy starts;
 - work with tenants to help them maximise income;
 - offer advise to tenants on how to make best use of their income;
 - offer benefits advise and help with making a claim;
 - work with other council services – such as Leeds Benefits Service or Welfare Rights – to help tenants to maximise income; and
 - refer tenants experiencing financial difficulties to independent debt advice and counselling services.

1.8 If a tenant falls into arrears

- we will act quickly – to stop arrears from growing
- our recovery procedures will be fair
- we will use a variety of ways to contact tenants
- we will work with our tenants to help them to repay their arrears
- we will try to recover debts without court action
- we will use Legal Action – eviction – as a final sanction.

1.9 Our letters will be clearly written. We will also provide letters and leaflets in alternative languages and formats; if needed, where requested.

1.10 We will respect and take account of all differences that our customers experience when making decisions. Our services will respond to individual needs, where necessary.

1.11 We will always consider the actions we take when we are made aware of vulnerable tenants and when possible avoid seeking possession, engaging with support workers, carers and other agencies as required.

1.12 We will advise tenants on sources of affordable credit and how to overcome difficulties with illegal money lenders.

2. Aims and Objectives

2.1 To maximise rental income, we will reduce rent arrears and keep them to a minimum. This will help us to provide the best management and maintenance service.

2.2 Rent payments are a condition of the Tenancy Agreement. The ALMO and its partners will promote this at all times.

2.3 We expect:

- tenants;
- Council and ALMO officers; and
- other agencies;

to treat rent arrears as a **priority debt**.

2.4 We will recover rent arrears in a fair and consistent way. Our methods will be sensitive to our tenants' individual circumstances.

3. Preventative

- 3.1 We recognise that prevention is the best way to tackle rent arrears. By preventing arrears we
- are using the most cost effective to reduce arrears
 - can divert spare resources to other services
 - eliminate the disruption someone experiences when they have rent arrears.
- 3.2 We will offer a range of payment methods that are
- cost effective
 - easy to use
 - convenient.
- 3.3 We will research new payment methods as they emerge.
- 3.4 If arrears occur, we will tell our tenants within two weeks¹.
- 3.5 If a payment to an agreed payment plan has been missed, we will act within 2 weeks.
- 3.6 We will contact our tenants in a suitable way, relevant to need – e.g. large print, telephone call.
- 3.7 We will use a variety of ways to contact tenants with arrears
- telephone
 - visits to the tenancy
 - text messages
 - letters
 - email.
- 3.8 We will offer a variety of ways for our tenants to contact us
- telephone calls direct to the Housing Offices
 - telephone calls to Leeds City Council's Contact Centre
 - letters
 - email
 - at the counter of the Housing Offices.
- 3.9 We will send rent statements every 3 months, and an annual statement in April. Each statement will include a balance of the account.

¹ Aire Valley Homes Leeds Arrears Procedures 2008 item 10.1

3.10 We will make all tenants with arrears aware of independent organisations that offer help. Some of these organisations will be professional agencies. These organisations will offer

- free, confidential debt advice
 - advice about benefits.
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4. Financial Inclusion

4.1 Some of our tenants may be:

- experiencing financial hardship
- vulnerable
- disadvantaged.

We understand that these tenants may need more help than others. This will be:

- agree affordable repayment plans
- offer benefit advice to maximise income
- tell tenants about independent organisations that help
- refer tenants to our partner organisations
- work with organisations who are helping our tenants.

4.2 If our tenants owe more than one debt to Leeds City Council, we will work with Leeds City Council's Corporate Debt Team. This will help our tenants to get help about all debts they have.

4.3 We will take part in initiatives that will help our tenants and the community we serve; such as local debt advice forums.

4.4 Details of organisations offering:

- free, confidential debt advice;
- free debt counselling; and
- benefit advice;

will be in all our arrears letters. This information will also be in our newsletter and on our website.

4.5 We will work with Leeds City Credit Union who are a recognise organisation who provide a range of financial services.

- 4.6 To raise awareness of illegal money lenders we will work with:
- Leeds City Council
 - The Police
 - government agencies
 - government sponsored projects.
- 4.7 We will have literature about debt advice and income maximisation available in offices and communal buildings.
- 4.8 We will train our staff to be aware of Financial Inclusion.
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5. Procedures and Practices

- 5.1 Our officers will have up-to-date procedure manuals. We will give them prompt training about how to use these procedures.
- 5.2 We will use best-practice-guidelines to refine our procedures and practices. This will ensure continual improvement.
- 5.3 We will comply with these policies and our recovery procedures.
- 5.4 The information on our IT systems will be checked regularly. This will help us to follow our procedures and practices.
- 5.5 We will record **all** actions we have taken on our centralised rent arrears management system. We will also document conversations between the tenant and our officers.
- 5.6 When we review our procedures and policies, we will involve our tenants through a rang of methods. The decision making process will be open and transparent.
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6. Performance and Standards

- 6.1 We will monitor performance each week
- 6.2 We will show our officers how well they are performing.
- 6.3 We will report our performance to the Management Board and to Performance sub groups every month.
- 6.4 We will review our staff structure regularly. This will help us maintain performance by allowing us to focus resources to areas that need it.
- 6.5 Our officers will be well trained and perform to a high standard. We will provide them with skills needed to comply to our procedures and practices.

- 6.6 We will compare our performance against the performance of other Housing providers.
- 6.7 We will take advantage of good practice shared by other Housing Providers. We will take part in forums and share good practice.
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7. Legislative Requirements

- 7.1 We will comply with legislative requirements at all times; including:
- The Housing Act 1985 Secure Tenancy Administration
 - The Housing Act 1996 Introductory Tenancy Administration
 - The Housing Act 1985 as amended 2002 with regard to Homelessness
 - The Human Rights Act 1998
 - Civil Procedure Rules – Pre Action Protocol for Possession claims based on rent arrears.
- 7.2 We will comply with the Data Protection Act 1998.
- 7.3 We will comply with the Freedom of Information Act 2007.
- 7.4 We will comply with our Equality duties for Disability, Gender and Race; along with any other Equality legislation connected to Public Services.
- 7.5 The information we record on our IT systems, submit to court as Particulars of Claim or Witness Statements will be a true statement of the facts.