

Rent and Service Charge Collection Policy

1. Policy Statement

- 1.1 Yorkshire Housing understands some of our customers may struggle to pay their rent, at times and need to get back on track. This policy explains how we will support our customers to prevent arrears and collect their rent and service charge payments effectively.
- 1.2 This policy covers all tenure and ownership types where a rent and/or service charge is payable.
- 1.3 We understand the impact of an eviction to both the business and customers and will aim to minimise the numbers of tenancies and ownership ending due to arrears.
- 1.4 Where customers don't engage or the arrears increase, we will take action that includes evictions and other legal remedies when required.
- 1.5 Preventing arrears is key to achieving our business priorities of being customer obsessed and delivering homes and places we are proud of through being a strong, resilient and forward-thinking business.

2. Policy Aims

- 2.1 The aim is to ensure we pro-actively collect rent and service charges and reduce the level of arrears owed to Yorkshire Housing and by our customers.
- 2.2 Yorkshire Housing will take a rent first approach. We will prioritise rent and service charge collection across the business.
- 2.3 We will communicate with our customers without judgement, maintaining a firm but fair approach to arrears recovery.
- 2.4 We will use pre-emptive processes and early interventions, where possible to manage customer rent accounts and reduce arrears.

2.5 We will continue to update our policy and procedures in accordance with current legislation and good practice.

2.6 We will achieve this by:

- Setting clear expectations with customers about paying rent and service charges on time.
- Following our procedures to manage current and former customer arrears.
- Registering fair rents and reviewing/increasing/decreasing rent and service charges in line with our obligations.
- Maintaining a performance and customer-led culture within the Income Team to provide a preventative and holistic approach for our customers.
- Measuring and monitoring arrears levels to maximise rent and service charge income and keep arrears low ensuring performance targets are met
- Provide a proactive money and benefit coaching service.
- Using local community projects to help our customers to sustain their tenancies and ownership. Examples include:
 - Employment opportunities
 - Education and money management advice.
- Following legal guidelines set out in Pre-Court Action Protocol and Civil Procedure Rules.
- Following and developing best practice.

3. Definitions

Word	For the purpose of the policy
Customer	Those with the following tenancies: Starter Assured (Non shorthold) Assured Shorthold; Social Rent Assured Shorthold (AST) Fixed Term Contractual Secure Fixed Term: Social Rent Ownership Shared Ownership Lease Leasehold Freehold
Arrears	Unpaid rent and/or service charges
Pre-court action protocol	The way a court expect a landlord to work with customers before starting legal action.
Mandatory Grounds	The court must order a customer to leave if we can prove that certain legal reasons apply.
Discretionary Grounds	The court must decide if its reasonable for a customer to be evicted.
Grounds for possession	8 – Serious rent arrears at time of service of notice and possession proceedings. 10 – Some rent arrears at the time of service of notice and possession proceedings.

Word	For the purpose of the policy
	11 – Persistent late payment of rent. 12 – breach of tenancy agreement.
Forfeiture	Where a landlord exercises their right to regain possession of a lease against the wishes of a customer.
Money Judgement	An order given by the courts to pay back arrears.
Suspended Possession Order	A judge has allowed possession not to commence at this stage if the ordered re-payment of arrears is met.
Appropriate referral	Internal and/or external support offered to meet the needs of the customer.
Financial Assessment	Looking at income and outgoings to work out entitlements and affordability.
Public Sector Equality Duty	We must consider or think about how our policies or decisions affect people who are protected under the Equality Act.

4. The Policy

Preventative Approach

- 4.1 We will allocate homes with a focus on the long-term sustainability.
- 4.2 We will complete a financial assessment with the applicant to see if the rent and service charged are affordable and if support is needed to maintain their tenancy and ownership. Applicants may be refused at this point.
- 4.3 A credit check will be completed for an applicant and guarantor if they have the following tenancy type:
 - Assured Shorthold (AST) Fixed Term.
Applicants may be refused at this point.
- 4.4 Where needed, support will be given before a tenancy commences to reduce the risk of arrears and a referral made for ongoing support as required.
- 4.5 We will use systems and data to identify customers that could experience a change in circumstances that might affect their financial position, with an aim to offer support throughout a tenancy to prevent arrears by assessing:
 - Benefit entitlements.
 - Financial commitments.
 - Appropriate referrals.
- 4.6 Rent and service charges are payable in advance. It is our aim for all customers to pay in advance in line with their tenancy agreement or lease. Where this is not possible, we will make an affordable payment agreement with customers to stop their account falling into arrears between payments.

4.7 Rent in advance agreements are not accepted for the following tenancy type:

- Assured Shorthold (AST) Fixed Term.

5. Arrears Collection

5.1 Where customers do fall into arrears, we will try to prevent legal action being taken against their tenancy by acting early to understand their circumstances.

5.2 We will make regular contact when a customer is in arrears using their preferred method of contact which includes: Telephone, text, email, payment links, visits or letter.

5.3 Where an appointed trustee/deputy/attorney is acting on behalf of our customers, due to age or lack of capacity we will contact them to resolve arrears and reduce the risk of legal action being taken.

5.4 For ownership customers, where a mortgage is in place we will contact the mortgage lenders to clear any arrears.

5.5 We will understand our customers' needs to make sure we make the appropriate referrals at the right time to support our customers. Information on what this includes is available within **Appendix 1** "Money and Benefit Coaching".

5.6 We will always ask for payment in full to clear arrears. When a customer can't pay in full, we will complete a financial assessment to check the arrangement is reasonable and affordable.

5.7 When a customer decides to leave, we will make contact to ensure arrears are cleared before the end of a tenancy. Yorkshire Housing will consider former tenant arrears on future applications for housing.

5.8 Where an owner seeks our permission or approval to make changes to their home or ownership, this will be refused if the account is in arrears.

6. Legal Action

6.1 Where agreements to repay arrears fail, we will take legal action to recover the arrears. We will adhere to the pre-court action protocol in all cases.

6.2 We will use the notice and grounds appropriate to the tenancy/ ownership agreement and circumstance which include:

Notice	Grounds	Possession Type
Section 8	10, 11 and 12	Discretionary
Section 8	8	Mandatory
Section 21	-	Mandatory
Forfeiture	-	Mandatory

- 6.3 Legal action with discretionary grounds will be approved by an Income Enforcement Officer and mandatory grounds will be approved by an Income Team Manager.
- 6.4 We will seek payment for the court costs from the customer which will be included in the Money Judgement order along with any interest where applicable.
- 6.5 If a suspended possession order is granted and a customer breaches their terms, we will continue to offer support which includes; financial assessments, benefit checks and making appropriate referrals with an aim to bring the order back inline and prevent applying for a warrant of eviction.
- 6.6 If a warrant of eviction has been applied for due to failure to engage or an increase in arrears, we will continue to support and work with our customers at the stay hearing to reduce the arrears owed and prevent losing their home.
- 6.7 Where the eviction has been carried out and the customer agrees to repay the full debt within 24 hours, we may consider granting a new tenancy. The service managers are responsible for this decision. This decision will be entirely at the discretion of Yorkshire Housing. This will not be offered to the following customers; Freeholders, Leaseholders and Shared Owners.

7. Debt Relief Orders, Individual Voluntary Arrangements and Bankruptcy

- 7.1 Where a customer has secured a Debt Relief Order (DRO), Individual Voluntary Arrangement (IVA) or a Bankruptcy Order (BO) and includes the debt owed to Yorkshire Housing in the order, we will take a supportive approach with the customer to prevent future arrears.
- 7.2 Where a customer has an Assured Shorthold (AST) Fixed Term we may exercise our right to end the tenancy due to the agreement being breached.

8. Former Customer Arrears

- 8.1 We will continue to make efforts to recover arrears owed when a tenancy has terminated.
- 8.2 If we are aware of customer' forwarding address, we will make regular contact efforts using: Telephone, text, letters, invoices, payment links or e-mails.
- 8.3 We will attempt to resolve the issue inhouse first by asking for payment in full to clear any arrears.
- 8.4 Where payment in full isn't possible, we will make a reasonable payment arrangement to clear the arrears.

- 8.5 If we don't receive a forwarding address from our customers, we will work with third parties to provide a search using credit reference reports to provide up-to-date information which can include; forwarding address, telephone number and e-mail address.
- 8.6 If we continue to receive no engagement for the arrears, we will use a debt collection agent to recover the arrears on behalf of Yorkshire Housing. There recovery options also include applying to court for money judgements and enforcing the orders.

9. Writing off Debts

- 9.1 Arrears write offs will only be considered if Yorkshire Housing deem circumstances to be exceptional.

10. Equality and Diversity Implications

- 10.1 Yorkshire Housing recognises that there is the potential for impact across the characteristics of Age, Disability, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sexual Orientation, Gender Reassignment.
- 10.2 We will carry out an Equality and Proportionality review at keys stages in our process to identify any characteristics within the household (Equality Act 2010, Public Sector Equality Duty).
- 10.3 Where we identify customers with specific needs, we will be proactive in referring to internal or external support and tailoring our approach.
- 10.4 We acknowledge the rights which are protected by the Human Rights Convention 1998 and the Rent Arrears Procedures have been drafted to ensure compliance.
- 10.5 There are no apparent equality and diversity implications from this policy. The policy ensures fair treatment for all members of the community regardless of race, ethnic origin, nationality, gender, disability, religion, marital status, maternity, sexuality or sexual orientation, or age.

11. Reporting / Monitoring

- 11.1 Monthly updates on arrears collection will be reported and monitored at Performance Clinic and quarterly reporting updates will be provided to Homes and Places committee for further monitoring and review.

Date approved	23 October 2024
Approved by	Homes and Places Committee
Recommended / scrutinised by	Head of Service Income Services Manager CVRC, 3 October 2024
Summary of changes	Replacing Social Tenure Rent Collection Policy
Frequency of review	Two years normally /agreed to review in one year due to the potential impact of the Renters Reform Bill.

Next review date	October 2025
Policy owner	Angela Havens, Head of Customer Service Delivery.
Policy author	Yasmin Lockhart, Income Services Manager
Associated policies or guidelines	Tenancy Policy Rent and Service Charge Setting Policy Housing Act Pre-court action protocol Public Sector Equality Duty (PSED) Equality Act 2010
Associated procedure	Nil

12. Appendices

Appendix 1: Money and Benefit Coaching

Appendix 1

Money and Benefit Coaching			
Referral	Coaching Available	How to Refer	Timescale for contact
Tenancy Coaches	<p>Local Authority referrals</p> <p>Welfare assistance</p> <p>Energy and Foodbank vouchers</p> <p>Coaching</p> <p>External referrals to assist with domestic abuse.</p> <p>External referrals to assist with health and wellbeing.</p> <p>External referrals for addiction support</p> <p>External referrals for those facing social isolation.</p> <p>Coaching for employment</p> <p>Assisting with access to volunteering opportunities</p> <p>Coaching for training and funding applications for education.</p>	<p>Internal referrals</p> <p>If you are working with a colleague from YH they can make a referral for assistance.</p> <p>Self-referral</p> <p>If you would like support from our tenancy coaches, you can request this by following the link.</p>	<p>The team will aim to contact you within 10 working days</p>
Money Coaches	<p>Benefit entitlement checks</p> <p>Assistance with applications for health-related benefits.</p> <p>Assistance appealing benefit sanctions and decisions.</p> <p>Assistance applying for internal and external grants.</p> <p>Assistance budgeting household income and expenses.</p> <p>External referrals for debt advice.</p> <p>Assistance addressing rent and service charge debts.</p> <p>Assistance addressing council tax issues.</p> <p>Assistance addressing gas/electric/water issues.</p>	<p>Internal referrals</p> <p>If you are working with a colleague from YH they can make a referral for assistance.</p> <p>Self-referral</p> <p>If you would like support from our tenancy coaches you can request this by following the link.</p>	<p>The team will aim to contact you within 1 calendar month.</p>
<p>The coaching and outcomes available from the tenancy and money coaches will be subject to eligibility.</p>			