

Policy Title: Current Tenant Arrears

1. Aim

1.1 To protect and maximise income through affective account management and interventions that prevent arrears and excessive credit balances.

2. Objectives

2.1 The primary objective of this policy is to maximise rental income, prevent arrears occurring and enable tenants to remain secure in their homes.

2.2 To achieve this objective we are committed to:

- Robustly managing accounts in arrears and high credit balances
- Making tenants aware of the importance of regular rent payment and ensure claims for benefits towards their rent and services charges are live (Housing Benefit and Universal Credit)
- Early contact with and notification to tenants in arrears
- Providing tenants with appropriate support
- Ensuring compliance with legal guidelines and good practice

2.3 Tenants and their appointed advocates are expected to take responsibility for ensuring the rent and service charges are paid regularly and on time. We will make it as easy as possible for tenants to pay their rent.

3. Scope

3.1 This policy applies to all colleagues involved in the charging and collection of all rent and service charge income.

4. Rent and Methods of Payment

4.1 For most of our tenancies and licences the rent and services are charged in advance, every Monday of each week. A small number have 4 weekly or monthly charges.

4.2 Tenants are expected to pay all shortfalls in benefit entitlements and ineligible charges on time. Self-payers are expected to pay the full charge on time.

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- 4.3** The payment of rent and service charges is the sole responsibility of the tenant. Rent can be paid:
- By Direct Debit (Hilldale preferred method)
 - By Standing Order from a bank
 - Direct payments of Housing Benefit (generally paid four weekly in arrears)
 - Direct payments of Universal Credit (paid monthly in arrears)
 - By Bank Transfer

5. New Tenants

- 5.1** New tenants and their appointed advocates will be advised of the policy and procedure for rent control, methods of payment, entitlement to benefits and the importance of prompt contact should they encounter any problem in managing or paying their account charges.
- 5.2** Claims for Housing Benefit or Universal Credit will be expected to be made on the same day as the tenancy commences. Hilldale will submit the claim on the tenant’s behalf where required. Where the benefit claim is submitted by the tenant or advocate, proof must be provided to Hilldale within 5 working days of the tenancy commencing.
- 5.3** Self-payers will be made aware of the amount they must pay when they sign the tenancy or licence. They must agree the method and frequency of their payments and pay these on time.
- 5.4** Tenants making payments towards benefit shortfalls or ineligible service charges will be made aware of the amount they must pay either at the point of signing for the tenancy or license or once the benefit entitlement has been awarded. They must agree the method and frequency of their payments and pay these on time.

6. Management of Arrears

- 6.1** We will issue prompt notification to any tenant falling into arrears.
- 6.2** It is the tenant’s or their appointed advocate’s, responsibility to notify their landlord of any changes in their circumstances which could impact on their ability to maintain a clear rent account. This includes any changes in benefit entitlement towards their rent and service charges.

6.3 Recovery Action

- 6.3.1** Early action is essential to ensure the tenant is aware of any arrears, to keep their account up to date and to enable them to deal with any problems.
- 6.3.2** Written records will be kept of actions taken at each stage of the recovery process.

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6.3.3 The tenant or their appointed advocate will be contacted through written and/or verbal communications. All communication will be recorded and may be provided as evidence where legal intervention is taken.

6.4 Legal Intervention

- 6.4.1 Hilldale issues licences and tenancies which require different notices to end them due to arrears balances.
- 6.4.2 We will work hard to prevent legal intervention. Legal intervention to end a licence or tenancy will only ever be taken as a last resort and we will only proceed to eviction after approval by the MD.
- 6.4.3 Where tenants or their appointed advocates do not take the necessary actions to prevent arrears balances increasing, or make payments to reduce the arrears balance, we will follow the legal interventions set out in the applicable legislation.

7. Credit Balances

- 7.1 On a quarterly basis, accounts with excessive credit balances will be reviewed to prevent fraud and money laundering.
- 7.2 Any benefit overpayment identified will be refunded to Housing Benefit or Universal Credit.
- 7.3 Tenants or their appointed advocates will be contacted to discuss the credit balance and to administer a refund.
- 7.4 Where the tenant or their appointed advocate refuses the refund, a justification will be requested and recorded.

8. Notice of Termination

- 8.1 When a notice to terminate a licence or tenancy is received, an expected termination balance will be provided.
- 8.2 Tenants and their appointed advocates are responsible for ensuring their balance is clear of arrears at the point of termination.
Credit balances will be refunded after all necessary checks are complete, including benefit checks.

9. Bad Debt

- 9.1 The associations permit arrears and credit balances to be written off where the individual circumstances meet the criteria of the Tenant Arrears Write Off Policy
- 9.2 All arrears' balances recommended for write off will be carefully considered.
- 9.3 Approval from budget holders (MD/FD) are required where the balance is greater than £5k.

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10. Former Tenant Arrears

10.1 Former Tenant Arrears are dealt with under the Tenant Arrears and Write Off Policy.

11. Responsibilities

11.1 These are the responsibilities associated with this policy.

Job Title	Responsibility
Boards	<ul style="list-style-type: none"> • Approve this policy and seek assurance that it is being complied with.
Employees	<ul style="list-style-type: none"> • Policy implementation • Staff training

12. Supporting Documents

12.1 Change Housing Financial Regulations and Delegations.

12.2 Tenant Arrears and Write Off Policy

13. References

- Pre-Action Protocol for Social Landlords
- Housing Act 1988
- Landlord and Tenant Act 1985
- Welfare Reform and Work Act 2016
- Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016
- Housing Act 1996
- Data Protection Policy (GDPR (General Data Protection Regulations))
- Financial Regulations Policy

14. Document Change History

Version	Date	Change	Owner
V 1.0	21.08.23	New document	Head of Operations

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