

Governance Information

Applicable Legislation	<ul style="list-style-type: none">· Housing Act 1985 (as amended by the Housing Act 1996);· Housing Act 1988 (as amended by the Housing Act 1996);· Homelessness Act 2002;· Protection from Eviction Act 1977;· Equality Act 2010.
Policy owner	Director of Operations
Approved by	CMT
Regulatory reference	Tenancy Standard
Date approved	22nd October 2024
Review date	October 2026
Stakeholders consulted	No
Version	V.1 drafted September 2024

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1. Policy

- 1.1 At the Industrial Dwellings Society (herein known as IDS) we are committed to maximising our income through the effective collection of rents and service charges, and management of arrears. We will ensure that our rents and service charges are collected efficiently and on time to maintain the financial health of our services. However, we recognise the challenges some of our residents may face, and so we will provide support for those experiencing financial difficulties, helping them to sustain their tenancies. By fostering clear communication, early intervention, and providing access to support, we seek to prevent arrears from escalating and to avoid legal action wherever possible.

2. Purpose

- 2.1 This Policy sets out our approach to the collection of rents and service charges, as well as the management of arrears. We adhere to the following principles to deliver on our commitment to providing a fair and customer-focussed service:
- **Fairness and Transparency:** We will ensure that all rent and service charge information is communicated clearly, including amounts due, payment options, and any changes. Our residents will always receive transparent and timely information about their financial obligations and options for support.
 - **Early Intervention and Support:** We are committed to identifying financial difficulties early and providing practical support to our residents. This includes offering flexible payment plans, welfare advice, and referrals to other support agencies to prevent arrears from escalating.
 - **Legal Compliance with a Customer Focus:** Our approach will strictly adhere to our legal and regulatory requirements, while prioritising the wellbeing of our tenants. Legal action will only be taken as a last resort after all other avenues of support have been exhausted, ensuring that we balance compliance with a compassionate, customer-centred service.

3. Scope

- 3.1 This policy applies to all IDS tenants, shared owners and leaseholders (hereinafter referred to as homeowners), including former tenants of IDS, along with IDS employees and anyone engaged on our behalf to carry out services.
- 3.2 This policy covers the collection of rents and service charges (hereinafter referred to as rents), and the management of rent arrears. This includes all IDS properties, parking spaces and sheds.
- 3.3 This policy should be read in conjunction with the following IDS policies: Service Charges; Rent Setting; Leasehold & Shared Ownership; Allocations & Lettings; Tenancy; Compensation; Repairs & Maintenance; Domestic Abuse, and Complaints.

4. Our approach to rent collection

- 4.1 We provide flexible payment options, including direct debit, standing orders, online payments, and pay-by-phone, ensuring our tenants and homeowners can choose the most convenient method for them. Rent is payable weekly in advance each Monday.
- 4.2 Our tenants and homeowners will receive clear, timely, and detailed statements outlining rent and service charge amounts, due dates, and payment methods.
- 4.3 We focus on sustaining tenancies through arrears prevention, support, early intervention and enforcement. We will only evict tenants as a last resort where all other remedies have been unsuccessful.

5. Support to our tenants

- 5.1 We will proactively contact tenants who miss payments to offer support and understand their financial situation. Where tenants experience financial difficulties, we will agree to reasonable and affordable payment plans to help them manage their arrears and sustain their tenancies.
- 5.2 Where necessary, we will support tenants who are in receipt of Universal Credit to make applications for Alternative Payment Arrangements.
- 5.3 We will work with tenants to maximise their income by providing advice on welfare benefits and signposting to local financial support services.
- 5.4 We recognise that some tenants may need more support than others to sustain their tenancy. We will provide additional support to those who need it. Our Rental Income Team will discuss and understand their individual needs and take appropriate steps, working with partner agencies where required.

6. Tenancy enforcement action

- 6.1 We will take legal action against those tenants who persistently fail to pay their rent, or who do not maintain agreed repayment agreements. This will always be a last resort and after all other options have been explored.
- 6.2 Legal action will start with the service of a Notice of Seeking Possession, followed by an application to Court for a Possession Order. We will comply with the requirements of the Pre-Action Protocol for Possession Claims.
- 6.3 Evicting a tenant from their home will only be considered where they repeatedly fail to engage with us and have not made any effort to address their arrears. Even in these cases, we will continue to offer support up until eviction.

7. Homeowners

- 7.1 IDS Shared Owners are required to pay their rent and service charges monthly in advance. We will engage with all Shared Owners that fall into arrears to support them to clear their debts, and we will take legal action, if necessary, as set out in section 6 above.
- 7.2 IDS Leaseholders can pay their service charges each month or quarter, and if Ground Rent is applicable this should be paid annually. If leaseholders do not pay their charges and fall into arrears we will take legal action, which will include Money Judgements and Charging Orders. In extreme cases we will also apply for a Lease Forfeiture which may mean the leaseholder loses their home.
- 7.3 For all IDS homeowners we will formally advise and seek payment of the arrears of rent and service charges from their mortgage lender if legal action is going to be taken.

8. Former tenant arrears

- 8.1 IDS will attempt to recover rent arrears from tenants who have ended their tenancy and moved out of their home. We will consider all cost-effective means of recovery, including court action and may employ external debt collection agencies to recover these where we consider this to be viable and appropriate.
- 8.2 We will not usually rehouse tenants who have previously been evicted for rent arrears or who have former tenant arrears. Exceptions to this must be agreed by the Head of Housing.

- 8.3 In certain circumstances we will ask the Operations Committee for consideration to write off former tenant arrears. This will be where all attempts to contact and trace the customer have been exhausted with no success.

9. Definitions

Notice of Seeking Possession	Legal Notice issued to a tenant to initiate court proceedings.
Possession Order	A Court Order obtained for possession of a property.
Money Judgement	Issued by a Court to confirm that an amount of money is legally due to be paid to the creditor (in this case IDS)
Charging Order	An order issued by a Court to secure a debt against the property, meaning if the property is sold before the debt is paid it will be deducted from the sale proceeds.
Alternative Payment Arrangements	A way to change how Universal Credit payments are received to help individuals manage their income more easily. Payments can be sent directly to IDS; payments can be split between the household; or payments can be made more frequently.

10. Roles & responsibilities

Director of Operations	Overall responsibility for the policy.
Head of Housing	Effective implementation of the policy through management of the rental income team.
Rental Income Officer	Responsible for income collection and arrears monitoring, acting in line with pre action protocol and in accordance with the agreed procedures.
Estate Managers	Supporting Rental Income Officers with rent collection of low-level arrears and advice.

11. Equality impact assessment

- 11.1 An Equality Impact Assessment has been completed for this policy.

12. Policy review & monitoring

- 12.1 We will review this policy every 2 years, or following legislative change, to ensure the Policy remains effective and complies with current legislation and good practice.
- 12.2 All relevant KPI's (key performance indicators) aligned to the management of rent collection and arrears are regularly monitored and reviewed. We will routinely monitor our performance in implementing this policy.