

Mace Housing Co-operative Ltd.

RENT POLICY AND PROCEDURE

1.0 OBJECTIVE

- 1.1 The purpose of the rent policy is to maximise the Cop-ops rental income. It is the tenant's duty to pay the rent. Where tenants fall into arrears Housing Officers will attempt to negotiate an agreement to clear the arrears in affordable instalments. If a tenant is deemed to be vulnerable, the Housing Officer should contact and liaise with support agencies.
- 1.2 This policy should be read in conjunction with the Rent Arrears Procedure and Rent Protocol.

2.0 PRE TENANCY/SIGN UP STAGE

- 2.1 Housing Officers must:
 - Obtain information on the tenants financial circumstances
 - Record full details of income and tenants existing debts where possible
 - Record next of Kin name and address
 - Record proof of identity, passport, identity card, driving licence
 - Record proof of existing address, utility bill, rent book, bank statement or similar.
 - Explain rent payment methods and obligations thoroughly
 - Establish how the tenant intends to pay rent
 - Give advice on welfare benefits particularly entitlement to housing benefit/allowance.
 - Assist in the completion of housing benefit/allowance forms.
 - Check details of housing benefit/allowance form and all information required is correct.
 - Advise applicant that they can sign the tenancy agreement and dated it but the keys to the property will not be available until the Co-op receives a copy of the housing benefit/allowance office receipt of application form.
 - Arrange a post sign up visit for four weeks after the tenancy start date to re-iterate tenants obligations

3.0 RENT PAYMENT RECORDS AND PROCEDURES

- 3.1 At sign up of new tenants and transfers Housing Officers should consider requesting an interim contribution to the rent where there is likely to be only partial housing benefit being paid. They should always recommend that housing benefit is paid direct to the Co-op where possible.
- 3.2 Rent Officers should provide a monthly report on all arrears cases and the actions being taken.
- 3.3 The Rent Officers must ensure that the tenant is aware that it is their responsibility to chase and maintain housing benefit/allowance claims clearly stating that claims only last a maximum of 52 weeks before renewal is necessary.
- 3.4 The Rent Officer must send renewal reminder letters out to tenants seeking confirmation that renew forms have been completed and returned to Local Authority. Renew letters to be sent out each 12 months.
- 3.5 Change of circumstances letters should be sent out to all tenants claiming housing benefit/allowance every six months.
- 3.6 The Rent Officer should also monitor each claim closely to prevent the build-up of arrears and liaise with Housing Benefit departments regularly. Outstanding cases should be scheduled and presented to the local authority housing benefit liaison officer monthly.

4.0 ARREARS MONITORING, LETTERS/VISITS/INTERVIEWS/TELEPHONE CONVERSATIONS

- 4.1 The timetable for dealing with arrears is as follows and is to be carried through with the prime objective of encouraging payments rather than securing possession (weekly/monthly payments).
- 4.2 The first objective is to stop the arrears increasing by securing the payment of the existing rent. Then agree an instalment plan to reduce the arrears.
- 4.3 The first reminder letter should be sent NO more than 2 weeks for weekly accounts or 1 month for monthly accounts.
- 4.4 No more than week 4 weeks for weekly accounts and 2 months for monthly accounts a second warning letter sent requesting payment by set date (7 days) or contact the Rent Officer or NOS/NTQ will be served.

- 4.5 If failure to pay arrears in full or no contact with the Rent Officer to make arrangements to pay off arrears by due date a NOSP/NTQ will be served.
- 4.7 Arrears monitoring should take place on a monthly basis. All cases in excess of £500.00 should be reviewed in a supervisory session with the Housing Manager.
- 4.8 All correspondence pertaining to rent account should be detailed on the tenant's file.
- 4.9 It is essential that every effort is made to contact the tenant after the four weeks period if the tenant has not been in contact. If necessary a home visit should be undertaken. The outcome of any contact must be recorded in the tenancy file.
- 4.10 The Rent Officer must, where possible set up agreements to reduce arrears. Any agreement must be confirmed in writing and copy put into tenants file.
- 4.11 Where tenants have made arrangements to clear their rent arrears these terms should be reviewed on a quarterly basis and a review interview set up where necessary.
- 4.12 Where a tenant fails to keep to an agreement and the arrears increases the Rent Officer shall serve a NOSP/NQT or if already served and valid seek a court date. The tenant shall be informed in writing.
- 4.12 Tenants who are in arrears and in receipt of other Welfare Benefits can qualify for Direct Deductions from their benefits. This option should be discussed if the tenant is in serious hardship, the tenant must agree to this arrangement prior to request for direct deductions.

5.0 NOTICE OF SEEKING POSSESSION

- 5.1 Before Service of NOSP/NQT every effort should be made to contact the tenant to give them an opportunity to come to an arrangement/agreement.
- 5.2 All tenants in excess of 6 weeks rent arrears, weekly accounts and 2-3 months, monthly accounts should have been served with a NOSP/NQT unless there is an agreement in place.
- 5.3 Service of Notices

Notices can be served in the following ways;

- a) By personal service on the property under the flat door through the flat letter box or by pinning it to the flat door

- b) By handing it to the tenant personally
- c) By recorded delivery
- d) If the tenant is abroad the notice can be served at the property they rent from us and/or at their last known address in the UK.

Circumstances in which notices can be withheld;

- a) Where the tenant has delivered the housing benefit form, proof of income and capital and a receipt has been provided
- b) Where there is an outstanding housing benefit claim and there is documentary evidence that the claim will be paid on file
- c) Where the tenant is an elder the service of NOSP/NTQ is not always appropriate. Sensitive management required in addition to close liaison with social services and other agencies
- d) Where a tenant is in excess of 6 weeks or 2-3 months in rent arrears and there is an agreement in place.

Circumstances in which notices should be served;

- a) Where a tenant is in excess of 6 weeks or 2 -3 months in rent arrears and there is NO agreement in place and there has been little or no attempt to clear the outstanding amount
- b) Where a tenant on partial housing benefit has been given a guideline for payment which they have not maintained

6.0 TYPES OF NOTICE

- a) Notice of Seeking Possession of a property let on an Assured Tenancy. Served on Assured Tenants valid for a year after the date of issue 2 week period of notice.
- b) Notice to Quit, served on a periodic tenancy. Notice required is equal to the period of the tenancy, weekly/monthly or as set out in the tenancy agreement.

Grounds of possession most frequently used

Ground 8

Mandatory ground for possession states:

Rent arrears where both at the date of service of notice of seeking possession and the date of the hearing the tenant owes 3 months rent of more.

Ground 8 is currently used in every arrears possession where the above conditions apply and where a tenant is wholly sub-letting a unit.

Recommendation

If a Notice Seeking Possession is served due to a housing benefit claim still being assessed or late housing benefit claim (proof of which has been obtained from the Housing Benefit department or tenant) then Ground 8 should not be used, Ground 10 can be used. If at the time of the court hearing it becomes apparent that a housing benefit claim is being assessed, either a suspended possession order can be sought or an outright possession order, both stipulating that they will not be enforced until housing benefit claim has been assessed and the case then reviewed.

Ground 10

Discretionary ground for possession states:

Where rent arrears were outstanding both at the date of the notice seeking possession and at the start of court proceedings.

Ground 10 is currently used in every arrears possession proceedings where the above conditions apply.

Recommendation

To continue the use as above.

Ground 11

Discretionary ground for possession states:

Persistent delay in paying the rent even when no rent is owing at the time of court proceedings. Ground 11 is currently used in every arrears possession proceeding.

Recommendation

Do not use where confirmation has been received that a housing benefit claim is being assessed for payment.

7.0 ACTION AFTER SERVICE OF NOTICE

7.1 The Rent Officer should:

- a) Note the method and date of Service on the copy Notice
- b) Request acknowledge of receipt of Notice from tenant
- c) Record date and content of response on file
- d) If there is no response make further attempts to contact the tenant to inform them of the Co-ops intention to go to court after the expiration of the Notice period.

- 7.2 If the tenant responds and makes an agreement to clear the arrears by instalments court action will be withheld as long as the agreement is maintained. Rent Officer should confirm this to the tenant in writing.
- 7.3 Particular situations may require instruction of Solicitors to send a letter to the tenant instructing them to contact their Housing Officer within 7 days. This can be used where tenants appear to be financially able to pay but are withholding payment.

8.0 COURT ACTION

- 8.1 If the arrears continue to rise or remains static the Rent Officer should advise the tenant of impending court action.
- 8.2 During the period between filing the court papers and court date (approximately 2 months) the Rent Officer should persist in maintaining contact with the tenant to make an arrangement to pay.
- 8.3 If at the court stage a substantial amount of the arrears are paid the Rent Officer must get the agreement of the Housing Manager before the case can be adjourned with liberty to restore. Tenants must be notified at this stage that the case will be restored if further arrears develop.
- 8.4 At the court hearing the person who served the notice must have all the necessary information to hand to enable them to respond to questions from judge/registrar.
- 8.5 If the person attending court is not the person who served the notice an affidavit should be sworn beforehand.
- 8.6 The Co-op will apply for a suspended order if an agreement with the tenant is reached prior to court hearing. We must also request that the order should cover future increases in rent as 'Current rent' plus a contribution towards the arrears.
- 8.7 If it has been impossible to contact the tenant, no agreement has been reached and the unit has been visited to ascertain whether the tenant is still in occupation, an Absolute Possession Order should be sought.
- 8.8 After the Co-op has taken court action the onus is on the tenant to negotiate with the courts any alteration of the judgement.

9.0 ACTION AFTER COURT HEARING

- 9.1 The Possession Order should be checked for accuracy when received from Court/Solicitors. Any error should be identified and returned to the courts for correction.
- 9.2 A letter should be sent to the tenant detailing the position following the court order. Court costs should be debited to a sundry debtors account in the tenants name.
- 9.3 In the case of Absolute Possession all correspondence must be worded carefully e.g. letters headed 'Without Prejudice' use of 'the Occupier' instead of 'The Tenant' and 'debt' or 'mesne profit' instead of 'arrears'.

10.0 PERMISSION TO EVICT

- 10.1 If a tenant fails to maintain the terms of the possession order the Housing Officer should write to the tenant after 2 weeks informing them of the Associations intention to apply for a Bailiffs Warrant.
- 10.2 At eviction stage – a permission to evict must be sought from the Director of Operations before applying for a Bailiffs Warrant.

11.0 BAILIFFS WARRANT AND EVICTION

- 11.1 On receipt of the permission to evict the Housing Officer shall request a Bailiffs Warrant unless the tenant clears the outstanding debt or reaches agreement to pay off the arrears.
- 11.2 When the eviction date is obtained the Housing Officer should notify the Homeless Persons Unit of the date where appropriate , request the attendance of a carpenter on the day and inform other tenants of the imminent change of the front entrance door lock.
- 11.3 Where the Bailiffs Warrant has been received and the tenant made aware of the eviction date if the tenant makes a sufficiently large payment (at least 50%) and agrees to an instalment plan to pay off the remaining arrears the warrant can be suspended.
- 11.4 The former tenant must be given an opportunity to clear their belongings.

12.0 POST EVICTION

- 12.1 Any possessions left in the unit should be taken down in an inventory, stored and disposed of after 3 months.

13.0 GUIDELINES FOR VULNERABLE TENANTS IN RESPECT OF RENT ARREARS

13.1 Vulnerable tenants i.e. low income tenants, incapacity invalidity, income support, DSS direct cases and tenants who have been sentenced to prison.

13.2 All steps before the NOSP/NTQ stage should be followed for the above cases. The Rent Officer should serve NOSP/NTQ where the rent is in arrears for 6 weeks or 2-3 months unless there is an arrangement agreed by the Housing Manager in place, which is being upheld by the tenant.

13.3 In cases where there is an outstanding housing benefit claim the Housing Manager has the discretion to withhold the service of a notice for 3 months if it is accepted that the tenant has special needs and is receiving support to address the pending claim or there are exceptional circumstances surrounding the tenancy such as;

- a) **Life Crisis** – e.g. an admission to hospital or prison. In this situation the Rent Officer must employ best endeavours to find out as much detail about the hospitalisation as possible. How long/are there any relatives/advocates dealing with the tenants affairs while they are unavailable. Can housing benefit be arranged, is the tenant in excess of 13 weeks arrears so that housing benefit direct can be requested. All information must be passed to the Housing Manager and placed on file.
- b) **Vulnerable Household** – such as a household with mental illness/severe disability/large family/tenants on Incapacity Benefit. The Rent Officer should try to contact a third party to inform them that there is an outstanding housing benefit issue.

All such cases must be discussed in full with the Housing Manager before any decisions on further action can be taken.

After 3 months the Housing Manager must liaise with the Director of Operations to progress the case. The Co-op may be forced to evict tenants who are deemed as vulnerable and have proved to be incapable of independent living. They should be referred to Local Authorities who have a duty to re-house vulnerable individuals and families that we can no longer assist.

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