



Gravesend Churches Housing Association

Arrears Management Policy

Status:	Approved by Board
Approval Route:	Board
Responsible Officer:	Felicity Dunmall, Housing Services Manager
Version No.	V2
Last approved Date:	May 2020
Revision Date:	May 2023
Signed off by:	Name: Steve Harriott Date: May 2020

1. Our Intentions

Through this policy we will aim to:

- ensure all those in arrears are treated equally - recognising that each tenant is an individual;
- minimise arrears owed by current tenants;
- maximise take up of housing benefit or Universal credit;
- ensure tenants have access to specialist advice where appropriate;
- minimise bad debts for former tenancies; and
- maintain links with our local authority partners and Department of Work and Pensions by keeping regular contact with relevant departments.

For clarification on this policy the terminology “arrears” include not just rent due on the property but also covers service charges and any other payments referred to within the tenancy agreement or licence.

We don't normally allow tenants in arrears to move to another GCHA home. If we do allow it (in exceptional circumstances), we'll include the arrears as former tenant arrears in the new tenancy agreement and agree payment options in line with this policy. We can take legal action if these are not paid.

2. Equality & Diversity

We will ensure no person receives less favourable treatment on the grounds of race, ethnic or national origin, religion or belief, sexuality, physical ability or marital status and age.

We will ensure we understand the individual circumstances of each tenant and give appropriate advice.

Where we are aware a tenant has difficulty in understanding the seriousness of the situation, we will do our best to ensure letters are sent in an appropriate format and tenants are encouraged to have an advocate with them when we are visiting.

We will use a combination of statements, letters, visits and telephone contact to ensure tenants are able to understand the issues.

If we are aware English is not the tenants first language and there is no-one in the family who can provide a translation, we will, wherever possible, arrange for any legal documents to be translated and an interpreter to be present if required.

With the tenants agreement we will liaise with their support worker or advocate, if they have one.

3. Minimising Arrears

GCHA will ensure tenants have a variety of methods by which to pay their rent. These methods will be regularly reviewed to ensure tenants have up to date methods to pay their rent.

Methods of Payment

Dependent on the methods in place at any given time, tenants are able to pay;

- by direct debit or standing order – monthly in advance to cover current charges plus any outstanding debt;
- by phone;
- by text or app;
- online;
- by swipe card – Allpay;

- by debit or credit card - tenants can contact the office by telephone during working hours to make a payment using these methods. However, it must be the cardholder making the payment;
- directly by housing benefit or universal credit;
- with cash - we do not accept cash at our office. If tenants want to pay by cash, they should do so at a bank or post office with their swipe card or a paying in slip;
- by cheque – we will only accept payment by cheque in very exceptional circumstances and any costs incurred by GCHA due to the cheque not being honoured by the bank will be passed on to the tenant with an additional charge of 10% for administration costs.

4. Arrears Management

We will ensure prompt action is taken to recover any debts treating each tenant as an individual and will adhere to the courts pre action protocol.

If there is a joint tenancy, both parties are liable for rent and arrears. This applies even if one tenant has left the home.

If a joint tenancy is transferred following a court or property order, we will allocate the arrears in line with the order.

We won't start possession proceedings (apply to court) where arrears are due to an outstanding benefit or Universal Credit claim, providing:

- the tenant has given all the correct information required to the DWP or Local Authority if required;
- the tenant has paid any sums due, not covered by benefit;
- the Local Authority/DWP gives us information about your claim and agrees your claim is still valid. The tenant will need to give their permission for us to discuss the claim with the relevant authority.

Home visits

In an awkward situation people feel less intimidated in a home environment. Many tenants find getting to the office difficult. Some tenants may have language or literacy problems that make dealing with letters difficult. GCHA will attempt to visit a tenant to discuss arrears.

We may carry out visits outside of normal working hours on request if there is no other time available to meet.

Warning Letters

It is the tenant's obligation under their tenancy agreement to pay any charges properly due for the property. We will remind the tenant of his/her obligation, by letter, as soon as it becomes obvious there is an arrear.

Rent accounts are monitored on a weekly basis. If there is no improvement, within one week a second letter will be sent. This will continue until the arrears are equal to or more than **5 weeks rent**.

Each initial letter will be accompanied by advice on where to seek more specialist help/assistance and the offer of a home visit.

Notice of Seeking Possession/Notice to Quit

We will serve a Notice of Seeking Possession or Notice to Quit:

- if it has proved impossible, despite GCHA's best efforts, to make an arrangement to clear a debt and where arrears are equal to **5 weeks rent**;

- to protect GCHA's own interests immediately any adjustment is made to the account that puts it more than **5 weeks into arrears**;
- if an arrangement made with a tenant is broken.

GCHA will use any combination of grounds at its disposal when taking arrears action, including grounds giving mandatory possession if it is necessary. This means a Judge must give us possession of the property and has no discretion to refuse our request.

Arrangements

We will make realistic arrangements with tenants but expect tenants will usually repay any debt owed to the Association within 12 months.

When making arrangements we will take other outgoings into account but will emphasise the importance of ensuring the rent is paid as well as the possibility of re-scheduling other debts.

Tenants will always be informed and supported for access to specialist advice where they are having problems with debt.

Court Proceedings

There will be a small proportion of those in arrears who do not respond to a Notice of Seeking Possession and whose arrears continue to increase.

We will instigate court proceedings immediately on expiry of a Notice of Seeking Possession if arrears have continued to increase and/or no arrangement has been made to clear the outstanding debt.

We will also instigate court proceedings at any time during the validity of a Notice of Seeking Possession if an arrangement to clear the arrears is broken.

We will continue to seek an arrangement with the tenant but will not withdraw from proceedings once started, unless the debt is cleared.

It is important tenants are aware of their rights to appear in Court and they will be encouraged to do so.

Court Costs

We recognise court proceedings are expensive and costs can only add to the tenant's problems. But if court proceedings are instigated, then the costs will be added to the rent account and recovered from the tenant. Wherever possible, we will seek to minimise the financial burden on the tenant by preparing the court papers and presenting the case at court.

A tenant may appeal against GCHA recovering the court and other administration costs - a copy of our complaints and appeals policy is available on request.

The Court Order

There are many options available to the Courts when granting an order for possession including

- possession forthwith;
- possession in 28 days; and
- possession suspended on agreement to pay.

We will seek the remedy from the Court deemed appropriate to the circumstances of the case at the time of the hearing.

Eviction

There will be a small minority of those tenants taken to Court who either still fail to make an arrangement or break the terms of the Court Order

The Housing Officer will write to all tenants threatened with eviction in a final attempt to make an arrangement to pay and will agree an appropriate course of action.

The Housing Services Manager and/or the Operations Director will authorise any request for eviction ensuring the pre eviction protocol has been adhered to.

We will not withdraw from any eviction proceedings unless the debt is cleared but will inform any tenant who makes contact how to lodge an appeal.

We will prepare the Court paperwork and represent ourselves if an appeal is lodged, where appropriate, in order to mitigate the costs to the tenant.

Welfare Benefits

GCHA recognises many of its tenants are reliant on benefit for part or all of their income.

We will encourage tenants to maximise their income through the prompt claiming of benefit and will liaise with other parties where appropriate. However, any claim is a private matter between the authority and the claimant for which the claimant must take ultimate responsibility. GCHA will continue to take action against any tenant until a debt is cleared.

5. Access to Specialist Advice

We recognise some tenants will have multiple financial problems and other issues. We will endeavour to ensure they receive appropriate advice and support to enable them to cope financially in the long term.

6. Appeals and Accountability

A tenant has the right to appeal against any decision we make. A copy of our appeals procedure is available on request.

Our policy will be made available on request to any applicant, tenant or member of the public. We will review the policy on a regular basis. At least every 3 years and immediately there is any change in statute affecting the policy.

7. Monitoring

The management team will consider performance on a monthly basis.

The Housing Services Manager/Operations Director will review any cases where authority to evict has been requested.

The Board will receive reports on the association's performance against its targets at each meeting.

We will review this Policy to address legislative, regulatory, best practice or operational issues.