



ST LUKE'S HOUSING SOCIETY
MCMASTER HOUSE

RENT ARREARS POLICY

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| Reviewed By: | Head of Operations |
| Other related policies: | Allocations and Lettings Equality, Diversity and Inclusion Safeguarding Adults Support Planning. |
| Legislation | Law of Property Act 1925 Landlord and Tenant Act 1954 Protection from Eviction Act 1977 Rent Act 1977 Housing Act 1985 Housing Act 1988 Tribunals, Courts and Enforcement Act 2007 Equality Act 2010 The Taking Control of Goods Regulations 2013 Regulator of Social Housing Tenancy Standard 2015 Pre-Action Protocol for Possession Claims by Social Landlords 2020 Social Housing Act Consumer Standards |

1. Introduction

This policy outlines our approach to maximising the collection of St Luke's Housing Society's rental income and other property-related charges, enabling us to continue investing in our homes and services. We aim to empower our tenants to take responsibility for paying the rent and other charges owed to us, and to avoid getting into debt.

At St Luke's Housing Society, we are committed to a fair and consistent approach to debt recovery. Our strategy focuses on helping tenants stay on track with their payments by supporting them in maximising their income, seeking assistance, and engaging with advisory services.

We also extend our support to residents who fall behind on their rent and service charges, ensuring they receive clear information if we need to take legal steps to recover any arrears.

The term "tenant" is used in this policy to describe all those who have a tenancy agreement with us. The policy applies to all tenancies managed by St Luke's Housing Society Limited.

2. Aim of Policy

- ❖ Ensure compliance with legal, regulatory, and contractual requirements to prevent arrears from arising and to recover them when they do occur.
- ❖ Assist our tenants in avoiding arrears by maintaining close communication from the beginning of their tenancy and throughout their time with us.
- ❖ Engage with tenants who are in arrears to address their unmet tenancy obligations, preventing further debt accumulation and unnecessary evictions.
- ❖ Tailor our approach to accommodate individual financial and personal circumstances when applicable.
- ❖ Take legal action when necessary, using a range of tools, including court orders. We will pursue eviction only as a last resort.
- ❖ Continue to pursue arrears from former tenants after tenancy agreements have ended, when appropriate.
- ❖ Regularly review accounts that are significantly in credit to prevent tenants from overpaying.

3. Objectives

This policy supports the delivery of our objectives to meet our legal and regulatory requirements and ensure we are financially strong. Additionally, it supports the delivery of our objectives to support our tenants who need support.

St Luke's Housing Society tenants are required to pay rent, service charges and other property charges when a property is rented from us and is a tenancy obligation.

We aim to keep our rents and service charges at an affordable rate, in line with government and regulatory guidance. Our rent, service and other property charges are monitored and reviewed at regular Board meetings.

In managing rent arrears, St Luke's Housing Society has a responsibility to develop and provide services that will support tenants to maintain their tenancy and prevent unnecessary evictions. This responsibility is set out in The Regulator of Social Housing's Tenancy Standard.

St Luke's Housing Society's approach is to focus on arrears prevention and tenancy sustainment, which are flexible enough to respond to individual circumstances.

Recovery action is taken when these strategies fail. In doing so, St Luke's Housing Society follows the Pre-Action Protocol for Possession Claims by Social Landlords. This prescribes the specific procedures we should follow before issuing possession claims. Eviction is considered a last resort, as it has a high economic and social cost on the tenant and St Luke's Housing Society. Therefore, we work with our tenants at every stage of recovery action to try and prevent eviction from occurring

4. Supporting and Prevention

We will promote a rent and service charge payment culture from the start of the tenancy. This means that we want our tenants to be clear that they are responsible for paying their rent and service charge. Tenants are responsible for paying their rent on time. Where they are unable to do so, tenants are responsible for letting us know, so that we can agree on affordable extra payments from them until they are paying in advance as required.

We will encourage new tenants to set up standing order payments. This is our preferred payment method to prevent tenants from falling into arrears and to help tenants manage their finances.

We will contact tenants when a payment is missed, even if the account is in credit, to check whether there has been a change in their situation that we need to support them with.

We will continuously seek new ways to help our tenants avoid falling into arrears, as we recognise the distress this creates and the harm it may cause to people's health and wellbeing.

5. New Applicants and Existing Tenants with Arrears

We will undertake Housing Needs Support and Affordability assessments for all new applicants for housing before we offer them a property. These are carried out with all applicants so that we are satisfied they can afford the rent due, and they would not be putting themselves into a situation where they find it difficult to manage. We review benefit entitlement for tenants who receive benefits or those who are on a low income to ensure they are receiving all the benefits they are entitled to. We also support and signpost new applicants to make benefits applications.

The affordability assessment will enable us to identify people with the highest risk of tenancy failure. We don't want this to happen, so we will use this information to support those tenants to manage their rent payments and avoid falling into arrears.

We will use other methods to help us identify existing tenants that may be vulnerable to falling behind with their payments. We carry out regular monthly audits and annual support plans with our residents.

Where we identify tenants who are falling behind, we will contact these tenants and provide appropriate help, advice, and guidance to support them in keeping their payments on track. If the tenant has difficulty managing their income, we will advise them on how they can get help with this.

We will check our tenants' entitlement to benefits and advise or help them to apply so they may claim all the benefits they are entitled to. We may also help to resolve any housing-related benefit problems

If a tenant's circumstances change, we will help them to access the benefits they are entitled to receive.

6. Tenancy Sustainment

We will encourage tenants to talk to us as soon as possible if they are unable to pay their rent, service charge or other charges for whatever reason. We are here to help and will take individual situations into account when agreeing on how best to manage their current circumstances. We will then agree on how and when tenants should make payments to bring their accounts up to date.

We will carry out regular monthly rent audits and annual support plans to identify tenants who may be struggling to pay but have not informed us, so that we can offer our assistance. We will do this by understanding their circumstances so that we can develop a solution which works for them.

This might involve one or a combination of actions such as working closely with them to ensure they are receiving all the benefits they are entitled to, giving budgeting advice, providing extra support in applying for benefits, or agreeing on affordable payments.

By intervening and putting support in place early, we aim to reduce the number of tenants having to face court possession action and arrears-related evictions.

We will provide support tailored to individual personal or commercial circumstances where there is a change that affects their ability to pay. This

includes assisting with benefits applications.

We will check the tenant's entitlement to benefits and advise or help them to apply so they may claim all the benefits they are entitled to. We may also help to resolve any housing-related benefit problems.

Most people do not like being in debt, and so we will agree to repayments that help tenants to repay their arrears as soon as it is reasonably possible. We will focus our contact on tenants who need our help most.

We will use specialist advisors to provide advice if tenants tell us they have general debt problems. This might include arranging for Housing Benefit or Universal Credit to be paid directly to St Luke's Housing Society or signposting to external debt management agencies.

7. Housing benefit-related overpayments

We will investigate and check all requests for the repayment of housing benefit paid to St Luke's Housing Society in error.

8. Rent Arrears Action

We aim to recover rent, service charges (including arrears due to non-payment of major works costs) and other arrears as quickly as is reasonably possible. We will take income and individual circumstances into account to ensure repayments are affordable, and we always try to help the tenant to sustain their tenancy.

We will monitor accounts closely to ensure repayments are made as agreed. Where they are not, we will get in touch to find out the reason why payments have been missed. We aim to ensure that repayments are re-established as soon as possible.

If satisfactory repayments are not made, we will assess whether there is a good reason for this. We will also check whether there are any other relevant considerations to consider. We will continue to support tenants where there is evidence of a genuine commitment to work with us to clear the debt.

We will make all reasonable attempts to contact our tenants. This will include sending letters, by telephone, text message, and email. We will also offer our tenants an appointment to come and speak with one of our staff members. We can also refer tenants to benefits and debt advice agencies.

9. Legal Action

Take appropriate legal action where a customer continues not to engage or make reasonable attempts to reduce the debt, ensuring this is followed by the court Pre-Action Protocol where applicable.

The timing of this action will be based on each situation and will vary from case to case. All actions taken will follow relevant legal requirements. We will consider the risk of continued non-payment.

We will take legal action where the risk of continual non-payment is high. For instance, we will take swifter action against tenants who can pay and there is no justifiable reason for not doing so. All actions taken will follow relevant legal requirements.

Where tenants have persistently failed to make rent payments, despite attempts to engage and support, we will serve a Notice of Seeking Possession. This notice and letter explain that we plan to apply to the court for non-payment of rent. If rent arrears are cleared or an arrangement to pay is made, court action can often be avoided.

If a tenant's rent remains unpaid, St Luke's Housing Society will make an application to the court for either a suspended or an outright possession order.

A **Suspended Possession Order (SPO)** is where a possession order is suspended on terms, which sets out an agreement with all parties, that rent and arrears will be paid over a specified period. If payments are missed and rent remains or starts to not be paid, St Luke's Housing Society can make an application to the court for an outright possession order. As standard, we will use discretionary grounds for possession applications.

An outright possession order is where the court grants a landlord or housing provider permission to evict a tenant for breach of their tenancy obligations. In these instances, the provider would then need to apply for a warrant and an eviction date.

We will request outright possession in cases where there is no engagement from the customer despite numerous contacts through various means, and we are unable to engage with the tenant to agree on a suitable repayment arrangement. We will always give prior warning and notice of legal action being taken against any tenant, giving them advice to discuss the matter with us or to seek independent legal advice.

We will record all relevant interactions and support to ensure that appropriate and proportionate legal remedies can be accessed. We will ensure all actions taken are reasonable and proportionate by carrying out proportionality assessments. Applications to the court must be approved by one other Board member.

We will inform the local authority's homeless department and other relevant agencies about any forthcoming evictions.

10. Former Tenancy Arrears

We will continue to take action to recover monies owed to St Luke's Housing Society by former tenants where it is economical to do so, including those who don't provide a forwarding address. This may include using reputable debt collection agencies.

We will ensure that the pursuit of former debt is balanced with individual tenant circumstances.

11. Tenancy Account Credits

We will regularly monitor credits on tenancy accounts to prevent tenants from accruing large credits. The credited amounts will be checked to verify that the credit is correct, and not a housing benefit overpayment, or a transaction intended for another account, or any other error.

12. Bankruptcy and Debt Relief Orders

Where any tenants have been declared bankrupt or have obtained a Debt Relief Order, Rent Arrears may be included within their list of debts. In these instances, we are bound by the Insolvency Act 1986, Section 285(3) and Section 251G.

St Luke's Housing Society will signpost all tenants asking for advice around bankruptcy and debt relief orders to specialist Debt Advice services. We will not write off debt contained within an order unless legally obliged to do so, and we may seek further legal advice.

Where St Luke's Housing Society has been informed, in writing, that a current or former tenant has a Debt Relief Order approved, we are unable to seek to recover the listed debts. We are not permitted to ask tenants to pay listed debts back during the DRO period, which usually runs for 12 months.

St Luke's Housing Society will not pursue the listed debt until the DRO period expires. However, tenants can still make payments towards the debt covered by the DRO during the period.

We can continue collecting any unlisted arrears from the tenant if there are any arrears accumulated since the DRO was approved. We will do this by following normal arrears management procedure, including possession proceedings if necessary.

13. GDPR

All personal information will be treated confidentially in compliance with data protection/GDPR legislation.

14. Equality, diversity and inclusion

St Luke's Housing Society will apply this Rent Arrears policy consistently and fairly. We will not discriminate against any person on the grounds of their race, colour, ethnicity, religion, sexual orientation, disability, gender, age or any other characteristic or situation that may cause a person to be treated with injustice.

The needs of vulnerable residents where this impairs their ability to make payments will be considered in accordance with the Pre-Action Protocol for possession based on rent arrears and the Equality Act 2010. We will follow our Safeguarding policy where there are concerns.

15. Other Information

We will maintain a close relationship with the courts, Universal Credit/housing benefit departments, and other statutory agencies such as Adult Social Care and the local authority homeless department.

16. Signposting

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| Entitledto www.entitledto.co.uk | Entitledto's free benefits calculator tool online. Staff and tenants can find out what benefits they may be entitled to claim. Please note, this is an estimate only based on initial information provided and may not be accurate. You will need information about current income, savings, pensions and existing benefits. If claiming housing benefit or housing-related universal credit, you will need rent information for the property being claimed. |
| Oxford City Council www.oxford.gov.uk/housing-benefit | Local Authority Benefits link |
| Age UK Benefits Advice Email: helpline@ageukoxfordshire.org.uk Telephone: 0345 450 1276 | Can assist with age-related issues. They can also assist with benefits and financial advice: <ul style="list-style-type: none">- Attendance Allowance- Carers Allowance- State Pension- Pension Credit- Housing Benefit and Council Tax Support- Universal Credit- ESA/PIP |