Rent Collection and Arrears Management.

March 2024

Lead officer	Mark Davies
Author	Mark Davies
Version number	6
Date agreed	
Agreed by	
Review date	March 2027
Diversity compliant	Yes
Equality Impact Assessment required	Yes
Data Protection compliant	Yes
Health and Safety compliant	Yes

Contents

1. What this policy is about and why we need it.

1.1 This policy relates to rent collection and arrears management as it forms an integral part of the operational management of Acis Group Limited (AGL). For the purposes of this policy, 'rent collection' will relate to rent and service charges (where applicable). It will cover all property types and forms of tenure.

1.2 The Acis corporate strategy "2030 - Getting there together", sets out our vision "to be there to support you when you need us". The corporate strategy identifies our priorities as:

- Home – creating spaces where people can thrive.
- Support – help for people across a range of challenges.
- Quality – embedding and exceeding service standards.

This policy supports delivery of the corporate strategy, its vision and priorities. Through our core services we'll identify anyone we work with who may need support ahead of a crisis point. We will do this by developing a proactive management process in all our business units, which we'll review and check regularly.

1.3 This policy covers rent collection, rent accounting, arrears prevention and arrears recovery including the treatment of former tenant debt and sundry debt. The aim of the policy is to maximise income and keep the level of arrears to an absolute minimum in the interests of both AGL and its customers by sustaining tenancies. Central to achievement of this is to maintain a person-centred approach. AGL has a responsibility to ensure that all rent payments are made in line with customers' obligations under their respective tenancy agreements and payments are made when they are due.

2 Who does this policy apply to?

2.1 This policy applies to all AGL people involved in rent collection and arrears management and to customers

3. Our policy is…

Payment Methods/Options?

3.1 AGL recognises that the first step in maximising payment and preventing rent and service charge arrears is to provide a range of convenient and flexible payment methods, catering for differing needs and preferences in support of this.

3.2 The following payment options will be offered free of charge to customers:

- Any day direct debit
- Standing order
- Bank transfer
- Debit or credit card through AGL website
- MyAcis Portal
- Debit or credit card over the telephone
- Post office or paypoint/payzone outlet

3.3 In order to maximise efficiency and security of income collection, AGL will promote direct debit as its preferred payment method. This may include properly costed incentive campaigns in order to increase the take-up of direct debit by customers.

3.4 Due to the cost of some payment options and size of the weekly charge, all new garage licence agreements will only be offered the option to pay by direct debit or standing order.

3.5 AGL is aware of the fraud, money laundering and safety and security risks associated with cash payments, and these will only be accepted in exceptional cases, as approved by the Head of Customer Support or other senior manager in their absence.

3.6 The effectiveness of different collection methods will be evaluated periodically with regard to staff safety, efficiency, collection rates, costs, arrears levels, accounting and IT systems. AGL will always seek to identify and promote the methods that offer customers choice whilst achieving value for money.

Rent Accounting/Information

3.7 We will use an efficient and effective rent accounting system, which is able to provide good quality information to both AGL and its customers, including:

- Rent accounts to be updated within 24 hours of receiving payments into the bank
- Individual rent statements to be made available to all customers through the customer portal and to any customers on request
- Welfare benefits to be properly accounted for
- Accounts for sundry payments (e.g. rechargeable repairs, legal costs and former tenant arrears) to be held separately from current tenant main rent accounts
- Accurate operational, management and performance data to be provided
- Tenant contact information to be recorded

Arrears Prevention

3.8 AGL recognises that prevention and early intervention are key to arrears control. Preventative customer centred measures will include early tenancy support, and pro-active work to ensure maximum take-up of benefits.

3.9 During the sign-up process it will be expected that the customer will be required to pay a minimum of one week's rent in advance for weekly tenancies and one month in advance for monthly tenancies, in line with their tenancy agreement. Exceptions will only be made in cases of extreme hardship, at the discretion of the Area Service Manager. Regardless of the frequency of payment, customers will always be set up at the start of their tenancy to maintain a clear account.

3.10 New rent accounts will be monitored closely to ensure that payment obligations are being met. Liaison with benefits agencies will take place as required to ensure that new or revised benefits claims are processed as efficiently as possible. These customers will receive a follow-up contact to maintain communication within 4-6 weeks of the tenancy commencing.

3.11 To the extent permitted, AGL may ask customers to give their consent to welfare benefits being paid directly for processing.

3.12 We will seek to utilise all available schemes offered by the Department for Work and Pensions (DWP) to maximise our income. These may include but will not be limited to the following:

- Alternative Payment Arrangement
- Third Party Deductions
- Trusted Partner Status

Arrears Recovery

3.13 Whilst a serious view will be taken of outstanding rent arrears, it is recognised that many customers are financially disadvantaged and rent collection methods will therefore be sympathetic to individual needs and circumstances. We will maintain close links with local authorities and other agencies to prevent future homelessness resulting from rent arrears wherever possible. Every effort will be made to maximise customers' ability to pay and prevent arrears arising. This will include, where appropriate:

- Promotion of welfare benefits

- Referral to independent agencies
- Direct assistance to sustain tenancies

3.14 If arrears do arise then there will be flexibility regarding the use of recovery options to encourage and enforce payments. As part of the recovery process, AGL will follow the pre-action court protocol set by Her Majesty's Courts and Tribunal service.

3.15 Ultimately, if a customer fails to make adequate payment after AGL has obtained a court order, a Warrant of possession of land will be sought. Warrants will normally be applied for in cases where the terms of a suspended possession order or immediate possession order have been broken and no satisfactory response to the 'eviction warning' letter has been received.

3.16 During the eviction process, the customer will be advised of their right to appeal at the County Court and also to seek advice from the local CAB. A member of the Income team (Income Manager/ Income Management Officer) will review the terms of a tenant's request to suspend an eviction application and will decide the AGL response.

3.17 Where legal action is required as a result of arrears recovery activity, the necessary documents will always be served in writing to the customers.

3.18 Throughout the arrear's recovery process, constant efforts will be made to agree payment terms with the tenant and offer assistance including benefits and signposting for financial advice. Eviction action will only be taken as a last resort having completed a proportionality assessment. AGL prefers not to take action against its customers that could result in their eviction but will do so if other attempts to recover arrears are unsuccessful. AGL has a duty to all its customers to keep rent arrears and associated costs to a minimum and will not hesitate to take appropriate action if a tenant refuses help, fails to co-operate or does not give proper priority to the payment of their rent.

3.19 This policy is supported by detailed operating procedures, which explicitly set out the arrears recovery and prevention steps to be undertaken by responsible members of staff. The procedures will identify the trigger points for escalation of action, based on the amount of arrears and / or the time elapsed since the previous action. These trigger points will be reviewed periodically to ensure best fit with required performance levels and changes to the external environment.

Write Offs/Former Tenant Debt

3.20 Our policy on the writing off of former tenant debt is that all reasonable steps will be taken to ensure a clear account prior to tenancy termination with a pre-termination contact. If arrears remain on the account post termination, a range of recovery letters will be sent to the forwarding address (where known) and attempts made to contact via telephone or email (where known)

3.21 Debts owed by former customers will be "written off" in an accounting sense only when:

- They are considered uneconomic to pursue
- The debtor cannot be traced or there is no prospect of recovery
- For exceptional reasons it is felt inappropriate to pursue them

3.22 We will process the writing off of any debt in accordance with the approved Financial Regulations.

3.23 If the debtor is found or payments commence then the debt can be written back on

3.24 Former tenant debts with a value of greater than £150 which have been written off will be forwarded to a debt collection agency for ongoing recovery action.

Sundry Debts

3.25 Sundry debtors cover a variety of debts such as septic tanks, sewage treatment plants, training fees, maternity payments, car loans (no longer offered) etc. Where an invoice for works is unpaid reminder letters will be issued requesting payment. As with other debts, repayment arrangements may be entered into to recover the full debt.

3.26 Where payment is not forthcoming or any repayment arrangement has been breached, then our next step would be to refer the matter to our legal team to expedite recovery. If the debt remains unpaid after this action, then the use of court action will be considered.

Accessibility

3.27 AGL will seek to ensure that its services relating to rent collection and arrears management are accessible and reflect customer's stated preferences. This could include:

- Home visits
- Web messaging through the MyAcis Portal
- Text messaging
- Email
- Large print
- Use of a translation service

4. How we will monitor this policy

4.1 We will monitor this policy by the following metrics: -

- Current arrears as % of the debit
- Current and former arrears as a % of the debit
- Rent collection rates
- Former tenant arrears
- Write off levels
- Recharge and court cost statistics

5. Procedures and other documents that link into this policy

5.1 Procedures that link into this policy are:

- Rent Collection & Arrears Management Procedure
- Annual rent setting plan
- Tenancy Management Procedures

6. Links to other policies, legislation and/or regulations

6.1 Policies, legislation and/or regulation that links to this Policy are listed below:

- Equality Act 2010
- Tenancy Management Policy
- Customer Experience Strategy
- Financial Regulations
- Pre-action court protocol (Her Majesty's Courts and Tribunal Service).

7. When this policy will be reviewed

7.1 This policy will be reviewed at least every three years. Supporting procedures will be reviewed and updated in response to business needs and any changes to the operating environment or legislation

8. Jargon buster

Reference	Definition
Alternative payment Arrangement	For universal credit claimants who would normally receive the payment themselves this is a method of

	requesting payments direct to AGL usually after falling into 2 months arrears.
Notice of Seeking Possession	The first step in legal action to either recover arrears or evict – a warning to the tenant that the terms of the tenancy agreement have been breached and that the landlord intends to apply to the court for possession of the property if this is not rectified.
Possession order	A court order which gives the landlord the legal right to repossess the property on a specified date. Can be suspended if the court decides that an agreement to repay the arrears in instalments is the most suitable course of action.
Third Party Deductions	A means of receiving payment towards rent arrears through deductions made from benefits received by the tenant.
Trusted Partner Status	A Trusted Partner is a social landlord appointed by DWP to identify tenants who are unlikely to pay their rent. The landlord assesses the need for a managed payment to the landlord and arranges support for the tenant.
Universal credit	A new benefit paid direct to the customer replacing housing benefit and other personal benefits
Warrant of possession of land	A legal document which allows a bailiff to accompany a representative of the landlord to a debtor's property in order to enforce an eviction.

9. Appendices *(if any)*

Version history

Version no.	1	**Date effective:**	17/07/08
Full / partial review?		n/a	
Brief summary of changes:		n/a	
Staff consultation (teams):		n/a	
Resident consultation:		n/a	
Signed off by:		Mark Davies	

Author:	Income Manager

Version no.	2	**Date effective:**	July 2011
Full / partial review?		Full	
Brief summary of changes:		Introduced sanctions to enable recovery of garage tenancies where customers have rent arrears on their main account. Garage rents to be only available via direct debit or standing order More detail on the eviction process.	
Staff consultation (teams):		Finance Director, Company Accountant Income Team Area Housing Managers	
Resident consultation:		Presented at LMB in Sheffield and Gainsborough during August 2011	
Signed off by:			
Author:			

Version no.	3	**Date effective:**	November 2014
Full / partial review?		Full	
Brief summary of changes:		Change statement frequency and range from six monthly to quarterly and only for those customers in arrears. Customers can still request statements at any stage and the development of the customer portal will make this more easily accessible. A minimum of a week gross rent to be taken in advance from new customers. Where refunds of rent are paid a minimum of a weeks rent should be left on the account. Reference to benefits rather than housing benefit due to welfare changes. Removal of specialist advice for sheltered scheme customers for housing benefit – this should be consistent across all customers at viewing and sign-up Reference to returning customers removed as this will be covered under the allocations policy. Removal of procedural aspects of warrants and write-offs.	

	Increase in limit being sent to the debt recovery agency from £150 to £250. Reference to the fraud / money laundering risk posed by large cash payments inserted.
Staff consultation (teams):	Income Team - Neighbourhoods
Resident consultation:	Policy Sounding Board (October)
Signed off by:	Simon Hatchman, Finance Director prior to Board approval
Author:	Mark Davies, Income Manager

Version no.	4	**Date effective:**	November 2017
Full / partial review?		Full	
Brief summary of changes:		Changes to customer payment options The non-acceptance of cash payments Confirmation of the intention to seek to utilise all available schemes offered by the DWP to maximise our Income with the roll out of Universal Credit Additional action in respect of former tenant debt write offs The change to the threshold (£250 - £150) for former tenant debts which have been written off to be forwarded to a debt collection agency for ongoing recovery action	
Staff consultation (teams):		Customer support - Neighbourhoods	
Resident consultation:		Website and social media (October)	
Signed off by:		Paul Woollam (Director for Customer Excellence) prior to Board approval	
Author:		Mark Davies, Head of Customer Support	

Version no.	5	**Date effective:**	January 2021
Full / partial review?		Full	
Brief summary of changes:		Changes to customer payment options Inclusion of reference to Customer Portal Changes to statement availability on portal rather than issued quarterly Inclusion of sundry debtors	

Staff consultation (teams):	Customer support - SMT ELT
Resident consultation:	Website and social media (January)
Signed off by:	ELT
Author:	Mark Davies, Head of Customer Support

Version no.	6	**Date effective:**	March 2024
Full / partial review?		Full	
Brief summary of changes:		Changes to customer payment options	
Staff consultation (teams):		Customer support - SMT ELT	
Resident consultation:		Email to 1800 customers	
Signed off by:		Finance and Development Committee	
Author:		Mark Davies, Head of Customer Support	