



Sussex Housing & Care

Rent Arrears – Sheltered Housing: Policy

Approved by:	Board
Date approved:	27.03.18
Ownership:	Director of Housing & Care
Version:	V4
Implementation date:	27.03.18
Next revision due:	Usually every two years (subject to annual check)
Cross references:	<ul style="list-style-type: none">• Former Tenants Arrears (FTAs) and Sundry Charges Policy• Rent arrears – Sheltered: Procedure• Proportionality Assessment Procedure• Care Homes Arrears Recovery Policy & Procedure• Leaseholder Service Charge Arrears Procedure

Change control details:

Record any changes to this document in the table below to provide a documentation audit trail.

Date	Version	Reason for changes
	V4	Updated to include: <ul style="list-style-type: none">• New legislation• Welfare Reform• Reflect that a new set of standard letters will accompany the procedure• Includes this Pre-action protocol https://www.justice.gov.uk/courts/procedure-rules/civil/protocol/pre-action-protocol-for-possession-claims-by-social-landlords• Changes the time to serve a NOSP from three month's arrears to one month• Service now provided by the Income Recovery Officer• Need to undertake a proportionality assessment in relation to Equality Act 2010 and Human Rights Act 1998• A resident's ability to secure a Debt Relief Order (DRO)

Legislation & regulation

This policy is informed by legislation and regulation (which can be found at <http://www.legislation.gov.uk/>) including:

- Protection from Eviction Act 1977
- Housing Acts, 1985, 1988 & 1996
- Mental Capacity Act 2005
- Limitation Act 1980
- The Insolvency Act 1986
- Landlord and Tenant Act
- Welfare Reform Act 2012
- Housing Benefit Regulations 2006
- Universal Credit Regulations 2013
- Pre-action protocol <https://www.justice.gov.uk/courts/procedure-rules/civil/protocol/pre-action-protocol-for-possession-claims-by-social-landlords>
- Equalities Act 2010
- [Human Rights Act 1998 \(Article 8\)](#)

Homes England Regulatory Standards - Tenancy

Good practice

Chartered Institute of Housing guidance:

- [How to manage income collection effectively](#)
- [How to protect your rental income stream](#)

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Rent arrears – sheltered housing: Policy

1. Introduction

- 1.0 The role of Sussex Housing & Care (SHC) is to actively prevent rent arrears and encourage our tenants to clear any debts which occur as a priority. Our tenants can be vulnerable, so money and debt problems could cause them high levels of anxiety and concern.
- 1.1 This policy covers the sheltered housing owned and managed by SHC. Money owed in relation to Care Home fees is covered by our **Care Home Arrears Recovery Policy**.

2.0 Legal and regulatory framework

- 2.1 Homes England (formerly the Homes & Community Agency) emphasises in its regulatory framework that:

‘Registered providers shall develop and provide services that will support tenants to maintain their tenancy and prevent unnecessary evictions.’¹

- 2.2 This Policy, alongside the **Rent Arrears – Sheltered Housing: Procedure**, is designed to meet the relevant legislative and regulatory requirements. This includes, but is not limited to, the [Pre-Action Protocol for Possession for Social Landlords](#) which aims:

*‘(a) to encourage more pre-action contact and exchange of information between landlords and tenants;
(b) to enable the parties to avoid litigation by settling the matter if possible; and
(c) to enable court time to be used more effectively if proceedings are necessary’.*

Proportionality Assessment

- 2.3 If a rent arrears case reaches the stage where a legal remedy may be considered, SHC staff will carry out a Proportionality Assessment. This will be used to assess whether an action taken by SHC in a rent arrears case, such as applying for a Suspended Possession Order, is proportionate. This assessment by SHC will include:
- What type of action is being considered?
 - What informal and formal action is being taken in this matter so far? E.g. visits, mediation
 - Is Respondent vulnerable? E.g. A learning disability? Victim of domestic abuse?
 - Is the Respondent disabled within the meaning of the Equality Act 2010? If yes, please give details including whether it is believed that there is a link between this disability and the Respondent’s rent arrears.

¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/419209/Tenancy_Standard_2015.pdf

- Summarise why the proposed action is considered to be necessary and proportionate.
- 2.4 This assessment will also enable SHC to consider if its actions are proportionate in relation to the [Human Rights Act 1998 \(Article 8\)](#), which could be used by a Respondent as a defence.²
- 2.5 This assessment will be documented using a standard form and then kept under review as the case progresses, to check if SHC are still acting proportionately.
- 2.6 Staff should refer to the **Proportionality Assessment Procedure** for the template form and guidance on how to complete this assessment.

3.0 Purpose of policy

- 3.1 The mission statement of SHC is *‘to help people live their later lives to the full’*. It aims to keep its promises regarding standards of service and to be *‘efficient and seek value for money in all that we do’*.
- 3.2 The key objectives of this policy are to:
- Intervene early to prevent rent arrears building up
 - Be proactive in rent arrears prevention
 - Maximise rent collection and debt prevention
 - Maximise benefit take up
 - Ensure a consistent process for dealing with current rent arrears, including standard letters which will be used at each stage of the process
 - Improve our sheltered tenants’ awareness of the help SHC, and other organisations, can offer to help them deal with their arrears
 - Help the prevention of homelessness and tenancy sustainment.
- 3.3 All letters used to communicate with tenants will be clear, easy to understand and encourage them to contact SHC to gain advice and assistance. A set of standard arrears letters will be produced to accompany our **Rent Arrears Procedure**.

4.0 Our rent paying principles

- 4.1 Rent is a **priority debt** and must be paid without exception. It is one of the most important bills our sheltered tenants have to pay. Failure to pay rent could put their home at risk and mean that we have less to spend on important services on SHC homes.
- 4.2 There will be an emphasis on the prevention of arrears and SHC will offer appropriate support and advice, as well as sign-posting other support agencies where needed.
- 4.3 Like other social landlords, we will enforce tenancy conditions and use appropriate legal action to recover outstanding monies.

² http://england.shelter.org.uk/legal/security_of_tenure/possession_proceedings/public_law_and_human_rights_defences#4

5.0 When is rent due?

5.1 Rent (and other charges such as service charges) are due every week.

6.0 Key performance indicators

6.1 To monitor our performance in this area, SHC reports these key performance indicators (KPIs) to its Board:

- Housing Rent Arrears (gross)
- Former Tenant Arrears (Housing).

6.2 Additional performance indicators relating to arrears are also reported regularly to Senior Management Team, to enable them to monitor SHC's rent arrears performance.

7.0 Welfare reform

7.1 Although the majority of welfare reforms apply to people of working age, some of our tenants will have been affected or face these changes in the future. The key changes to welfare reform which could impact on our tenants are:

- Universal Credit
- Pension Credit
- Personal Independence Payment (PIP)
- Council Tax Support.

So SHC has a strong commitment to:

- Understanding welfare reforms
- Assisting tenants to understand the changes to welfare reforms
- Signposting specialist advice and information about benefits and ways to maximise their income
- Providing the widest range of ways to pay rent
- Signposting the means of gaining affordable credit e.g. credit unions.

8.0 Digital inclusion

8.1 Applying for benefits, along with services such as those offered by local authorities, are increasingly an on-line process. SHC is keen to find ways to help its tenants become digitally included, which:

'...means helping people become capable of using and benefiting from the internet'.³

SHC, where possible, provides terminals in the communal areas of sheltered schemes to enable tenants to claim benefits on-line.

³ <https://www.gov.uk/government/publications/government-digital-inclusion-strategy/government-digital-inclusion-strategy>

8.2 SHC will explore other ways to assist tenants, such as the Scheme Manager:

- Arranging advice sessions on 'how to access the internet'
- Inviting Age UK, or other advice organisations, to explain the welfare system and encourage tenants to claim the full range of benefits.

9.0 Debt Relief Orders (DRO)/bankruptcy

9.1 To protect SHC's income revenue and ensure the financial viability of our services: should a tenant seek a [DRO](#) or bankruptcy order, which includes rent arrears owed to SHC, we reserve the right to apply to court to request a Possession Order on the grounds that an obligation of the tenancy has been broken or not performed. In cases such as these, individual circumstances will be considered on a case by case basis to determine the most appropriate course of action.

10.0 Former tenants

10.1 Rent money owed to SHC by people who are no longer our tenants is dealt with in the **Former Tenants Arrears (FTAs) and Sundry Charges Policy**.

11.0 Equalities and diversity

11.1 SHC will treat all its residents equally and we seek to ensure that this policy does not discriminate against them on the grounds of race, gender, sexual orientation, ethnicity, religious belief, disability, illness or age.

11.2 An Equalities Impact Assessment has been carried out to assess the impact of this policy and related procedure on all our tenants.

12.0 Training

12.1 SHC will provide all staff responsible for implementing this policy with comprehensive training as required.