

Policy Name:	Rent & Service Charge Arrears Policy and Procedure
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Policy Custodian:	Head of Youth Services
Policy Champion: <small>(if applicable)</small>	Rent & Service Charge Manager

This document also relates to the following St Basils policies, procedures and guidelines:

- Assessment & Support Planning
- Safeguarding
- Confidentiality
- Engagement
- Code of Conduct
- Equality, Diversity & Inclusion
- Comments, Compliment and Complaints
- Move on & Fair Exit
- Eviction & Abandonment
- Lettable Standards
- Referrals & Allocations
- Health and Safety
- Rent Setting
- Financial Standing Orders

Consultation Framework:

Consultation of this policy has taken place with the following parties during the following periods of time:

Custodian	21.03.2018 – 24.04.2019
Champion	21.03.2018 – 24.04.2019
Senior Leadership Team	24.04.2019
Employees	10.07.2018 – Policy Development Day
Committee	12.08.2019
Board	16.09.2019
Other (please specify)	

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Policy Statement

This policy sets out the main principles necessary to maximise income through proactive rent collection procedures.

St Basils objectives are to:

- Prevent arrears arising wherever possible
- Minimise rent arrears where they cannot be prevented
- Constructively engage tenants in rent arrears in joint efforts to control and reduce rent arrears
- Take legal action to repossess only where it is necessary to do so.

We will:

- Ensure that all tenants receive full information on the level and composition of rent and service charges at the beginning of their tenancy and at each rent and service charge review.
- Clearly specify the amount of rent due in the tenancy agreement
- Secure inter-departmental communication in the management of rent arrears, led by Rent and Service Charge team and involving other departments. One method of achieving this will be through the use of 'Arrears Actions' and 'Arrears Activities' on each rent account.
- The Association will not withhold services from tenants in arrears.
- Ensure that all tenants and applicants are given clear and helpful information on their responsibility to pay rent and how to pay their rent
- Ensure that every tenant is given good quality information about agencies that may be able to help, for example, through the provision of welfare benefit advice and debt counselling services

The effective collection of rent forms a crucial element of financial management for St Basils. The prevention, management and recovery of rent arrears is a key element of our overall future financial viability.

St Basils endeavours to set rent and service charge levels that meet the operational needs of the organisation without placing excessive burden on the young person or welfare system. St Basils aims to promote the financial independence of each young person through our mission to prepare young people for independent living. We achieve this through a series of strategies outlined in this document.

This policy will be applied sensitively to all young people especially those that are vulnerable. Operating procedures will identify safeguards to both protect our income and assist vulnerable young people.

St Basils will apply this policy in order to deliver a consistent approach to arrears recovery. Eviction is always a last resort.

Scope of Policy

This policy applies to all employees, volunteers, casual and contracted workers in all departments and services as well as young people who are St Basils' residents.

For the purposes of this policy the term 'employee' will include all employees (whether full time or part time), volunteers, casual workers and contracted workers.

This policy applies to all income collected from current and former tenants, and licensees.

Definitions

Core Rent – this charge covers mortgage or lease costs, maintenance and insurance related to the building, plus a contribution to planned maintenance and management overheads. This charge is eligible for Housing Benefit

Service Charge – this charge covers the cost of services provided within a property (i.e. communal cleaning, communal lighting, grounds maintenance, furniture replacement, on-site housing management functions). The cost is shared between all the tenants in the building. This charge is eligible for Housing Benefit.

Ineligible Service Charge (Personal Charge) – this charge covers the cost of providing utilities to the individual property (i.e. the cost of electric, gas, water or Wi-Fi). The cost of the service charge is directly linked to the annual running cost of that property which means it may fluctuate from year to year in response to consumption. This charge is NOT eligible for Housing Benefit.

Arrears – this is a legal term for the part of a debt that is overdue after missing one or more required payments. The amount of the arrears is the amount accrued from the date on which the first missed payment was due.

QL software (also referred to as Aareon) – these two names refers to the same piece of housing management software that facilitates rent management. Aareon are the software developers. QL is the computer language that the software is written in.

Legislation and Guidance - The legal powers available for landlords and the procedures to be followed in order to evict tenants and licensees who are in arrears are set down in:

The Protection from Eviction act 1977 – Protected and Excluded Licensees

The Housing Act 1988, and Housing Act 1996 – Assured Short hold tenants

Housing Act 1985 grounds for possession

Human Rights Act 1998- Possession proceedings

Housing Benefit Regulations

Data Protection Act 2018

Welfare Reform Act 2012

Children & Families Act 2014

Supporting People Programme / Quality Assessment Framework

We will work to develop partnerships with Housing Benefit, the Department for Work and Pensions, Social Service teams and other stakeholders, in order to remain up to date with changes in legislation and welfare reform.

General Principles

It is essential for St Basils to maximise its rental income in order to achieve its objectives of continuing to provide affordable housing and delivering effective housing management and maintenance services. Amongst our objectives is the provision of advice and support to enable young people to meet their obligations under the tenancy/licence agreement, including the payment of rents and services charges

We shall promote a positive and empowering rent payment message to all young people at St Basils. This message will be supported with a rent handbook, standardised letters or emails plus a range of young people centred meetings such as budgeting and benefit advice.

The ability to budget and make regular payments of rent and service charges are crucial skills which young people need if they are to avoid becoming homeless in the future. Budgeting is about personal management, having control over one's life and learning to make choices about competing priorities.

St Basils recognises that its client group will include some of the most vulnerable people in society and that the majority of its tenants/licensees will either be in low paid employment or dependant on state benefits as their source of income.

We will ensure young people understand their responsibility to make sure that payments are made promptly and on time, including young people in receipt of Housing Benefit, Universal Credit and Social Services funding.

We will provide a range of payment methods that are flexible, accessible and convenient for young people to use and promote the most cost effective payment methods as our preferred methods of payment. St Basils uses dedicated software to manage rent accounts. The Rent and Service Charge team and Finance team have responsibilities for maintaining the accuracy of the rent data. This software provides the only source of data for every tenancy at St Basils, whether it is a current or former tenancy. Employees at the projects are given access to the software and the data so that they can work effectively with each young person under their care.

Rent management involves following strict financial procedures that produce accurate data and minimise financial abuse or fraud. The procedures are explained in this document. The data is analysed by the Rent

and Service Charge team on a periodic basis to track performance and identify where arrears is occurring. The Senior Leadership Team are provided with a series of performance indicators. Data is provided to frontline Employees and young people in a variety of ways to enable the payment of rent.

St Basils arrears escalation process is linked to the total non-payment of rent for a specific property and without prejudice to the young person.

We acknowledge that society is increasingly using electronic methods of communication. We endeavour to incorporate the best of these methods into our procedures so that young people are provided with and can access rent information in a timely fashion.

We will work with young people and their advocates to help them to complete benefit claim forms and promote advice services to ensure our young people are offered access to welfare benefits advice, debt management advice and other financial services, such as basic bank accounts and credit unions where available.

We will support and work with Local Authorities and other agencies to assist them in fulfilling their duty to prevent homelessness and sustain the communities in which we work.

We will comply at all times with legal requirements and good practice when dealing with young peoples who are declared bankrupt or who have an Individual Voluntary Arrangement.

We will involve our young people, employees and other stakeholders in shaping the income collection, arrears service and setting service standards.

Roles and Responsibilities

Rent and Service Charge Team are responsible for producing periodic rent performance data, disseminating performance data to the SLT and front line employees, monitoring all rent accounts to identify high level arrears, investigating and advising frontline employees of remedies to high arrears, delivering training to employees and monitoring the quality of work.

The Finance team are responsible for performing the weekly rent debit run, maintaining rent and housing benefit payments to individual accounts, processing changes to individual housing benefit awards, managing the collection of Social Service income, posting adjustments (corrections) to tenant accounts and preparing annual rent setting figurers.

Youth Service Managers are responsible for overseeing the delivery of an effective rent collection system at their service(s). According to the resources available to them, they must decide how to achieve the following processes which will maximise rent payment and minimise arrears.

Housing Officers are responsible for managing tenancy changes at their scheme, completing the weekly rent reconciliation, raising weekly arrears actions, working alongside Progression Coaches and Night Support Staff to engage positively with young people through their tenure at the scheme to maximise rent collection. The Housing Officer will administer the rent arrears escalation process through to eviction where necessary.

Progression Coaches are responsible for playing a proactive role with positively engaging the young person to pay their rent and providing support that enables young people to have an income and to receive the correct Housing Benefit support where appropriate. All Progression Coaches within accommodation services are required to carry out housing services tasks as directed by their line manager.

All employees have a duty to check that the data is accurate. If errors or anomalies are identified employees must contact the Rent and Service Charge team and Finance in the appropriate way.

Training Requirements

The arrears policy and procedures combine the need to maximise rental income with the provision of early advice and support to those who require it, ensuring a firm yet fair approach to arrears recovery. All employees will be provided with training on the Rent and Service Charge policy and procedures.

St Basils will ensure that all employees receive appropriate levels of training in relation to welfare benefits and local support groups. St Basils will also deliver ICT training to employees so that they can use computer software to monitor and manage rent collection.

Communication

This policy will be communicated effectively to all employees via a range of different media avenues and can be produced in other formats where needed.

Responsibility

The Head of Youth Services is responsible for ensuring this policy is implemented and monitored.

The Rent and Service Charge Team, with support from Youth Service Managers, will ensure this policy is promoted, understood and implemented by all relevant employees ensuring consideration is given to any implications arising from policy decisions.

Continuous Renewal Clause

This procedure will be reviewed every 3 years by the organisation to ensure it is in accordance with good practice guidance, prevailing legislation and statutory obligations. However this policy may be assessed before that time as necessary – such as:

- if it becomes ineffective
- to reflect substantial changes in practice
- following inspection, as recommended by auditors
- or changes required by law

Disclaimer

This document can only be considered valid when viewed on the St Basils intranet/Shared: Drive. If this document has been printed or saved to another location, you must check that the version number on your copy matches that of the document online. Hard copies of this document are considered uncontrolled – please refer to the St Basils Intranet for latest version.

This policy is supported by the following Rent & Service Charge Management Procedures:

[Rent Management Procedure A - Arrears Prevention](#)

[Rent Management Procedure B - Maximising Rent Collection and Tackling Arrears](#)

[Rent Management Procedure C – Housing Benefit Payments](#)

[Rent Management Procedure D – Children’s Services](#)

[Rent Management Procedure E – Rent Arrears Agreements](#)

[Rent Management Procedure F – Ex-residents Arrears and Bad Debts](#)

RENT MANAGEMENT PROCEDURE A - ARREARS PREVENTION COMMUNICATION, INFORMATION AND GUIDANCE AT EACH STAGE OF THE YOUNG PERSON'S ST BASILS JOURNEY

1. Pre-admission stage

- 1.1 Young people approaching St Basils are usually experiencing some kind of crisis. Those who must be accommodated should be advised that they will become responsible for paying the rent. This message must be given in an appropriate way.
- 1.2 Young people approaching St Basils may have no form of income, no bank account and possibly no formal identification. Young people will be advised that all of these things are required to be able to live in the accommodation.
- 1.3 If a young person requires accommodation immediately but cannot provide all the information, the Youth Service Manager for Direct Access accommodation will consider accommodating them for seven days to allow them time to provide all necessary information or apply for benefit. Support to get these items will start immediately.
- 1.4 At the assessment stage, where it is decided that a young person will be referred to St Basils accommodation, they will be given the rent handbook.
- 1.5 Employees will use the handbook to explain how the rent is to be paid, who is to pay the rent and information the young person will need to provide to enable rent payments.
- 1.6 Young people will be informed that they are responsible for making sure 100% of the rent and service charge payments are made to St Basils and that failure to pay these will lead to the loss of accommodation and the risk of homelessness.
- 1.7 To aid smooth and swift admission to the accommodation, young people will be advised to have ID and proof of income ready to hand. This will enable benefit claims to be made where necessary.
- 1.8 Young people being referred to the waiting list must receive support to secure ID, proof of income and to claim benefits whilst they wait to be accommodated.
- 1.9 The Admissions Panel will consider the young person's welfare in regard to the Safeguarding policy and ensure the assessment around, no recourse to public funds and sanctions is accurate. A decision will then be made on whether the young person can be placed on the waiting list having fully considered the young person's circumstances to ensure fair access.
- 1.10 The Rent and Service Charge team will provide information relating to former tenant arrears and other benefit related questions that may occur during an assessment. They will also complete Housing Benefit calculations if a young person with employment requires accommodation.

St Basils has responsibility to prevent young people from accumulating rent arrears that may trap a young person in a cycle of poverty or lead to their eviction. We aim to take prompt, appropriate and effective action to prevent and control rent arrears.

2. Waiting List Stage

- 2.1 The waiting list stage is an opportunity to reinforce messages regarding rent and service charge payments.
- 2.2 To aid smooth and swift admission to the accommodation, young people will be advised to have ID and proof of income ready to hand. This will enable benefit claims to be made where necessary.
- 2.3 Young people returning to St Basils will be advised that former tenant arrears is not a barrier, however, a repayment plan is required.

3. Admissions Stage

- 3.1 For young people admitted to St Basils at short notice or in an emergency, rent and service charge payments must be discussed at the earliest opportunity.
- 3.2 This information must be provided on the day of admission, or the next day if the young person is admitted at night or in a distressed state.
- 3.3 Employees completing the admissions process (viewing followed by admissions interview) must ensure the following:
- Every young person is provided with a rent and service charge information sheet, which explains in detail their responsibilities regarding ensuring these are paid
 - Every young person signs a license or tenancy agreement that accurately states the rent and service charge
 - Every young person makes an online housing benefit claim if eligible
 - Every young person provides copies of ID, national insurance number and proof of income
- 3.4 Young people will be offered support to establish other relevant benefit claims. Employees will help with necessary paperwork and the submission of forms.
- 3.5 Working young people will be informed that Housing Benefit entitlement is based on the level of income. St Basils will complete a Housing Benefit calculation to see whether entitlement is likely after which an online application will be completed.
- 3.6 The Benefit Service WILL NOT consider awarding Housing Benefit if a working young person withholds or does not have access to payslips.
- 3.7 Working young people must provide the following information before the Benefit Service consider awarding a claim:
(Bank statements submitted on their own do not qualify as evidence of earned income - although they do supplement wage information):
- 5 consecutive weekly wage slips or
 - 3 consecutive fortnightly wage slips or
 - 2 consecutive monthly wage slips
- (These should include the method of payment, gross and net amounts of pay, amounts paid for the year)*
- 3.8 Other examples of proof required to support a claim for Housing Benefit include:
- 2 recent consecutive bank and current account statements
 - 2 recent consecutive building society account statements
 - Premium bonds
 - Passbook from bank/building society
- 3.9 Working young people must be informed that a housing benefit calculation is an estimate and that the Benefit Service decide exactly how much benefit should be awarded. The assessment period may take up to 28 days. The Benefit Service have the right to withhold payment until a satisfactory amount of information has been provided to them.
- 3.10 Young people whose rent and service charges are to be paid by Children's Services or other statutory bodies will be informed about the rent payment arrangements, including how the ineligible amount is to be paid.
- 3.11 The "Registration of Social Services Tenancy Form" (available in the Finance Documents Group on Work Place or in Finance Forms on the Shared Drive) should be completed and submitted to the finance department in order to register the funding agreement and begin the process of recovering the rent charges. Finance should be informed if funding ceases and a new form completed if the

agreement is changed, otherwise invoicing will take place on a four-weekly cycle in line with the housing benefit cycle.

- 3.12 Young people will be informed that failure to pay their rent and service charges, will lead to the loss of accommodation and the risk of homelessness.
- 3.13 Where there are concerns regarding how the rent and service charges are to be paid, e.g. young people with no recourse to public funds, or the young person's benefits are sanctioned the Youth Services manager must be informed.
- 3.14 The Youth Services Manager will consider the young person's welfare in regard to the Safeguarding policy and ensure the assessment around, no recourse to public funds and sanctions, is accurate. A decision will then be made on whether the offer of accommodation is appropriate, having fully considered the young person's circumstances to ensure fair access.

4. Preventative Measures

- 4.1 Young people with no arrears receive a rent statement every four weeks. This confirms the activity and balance of their rent account. This strategy simplifies communication and reduces administration time.
- 4.2 We will provide service charge statements and summaries in accordance with the relevant legislative requirements and policy. They will be in a format that is easy to read and understand and in an alternative format on request.
- 4.3 We endeavour to offer different payment methods to allow young people flexibility to pay their rent.
- 4.4 Developing confidence between progression Coaches and young people enabling them to discuss rent and personal income information is key to a successful tenancy at St Basils.
- 4.5 The teamwork between Housing Officer, Progression Coaches and Night Staff will underpin successful rent management process that sets a positive culture at each St Basils scheme.
- 4.6 'Paying ahead' is an important discipline for all tenants and home owners. Young people should be advised to pay an extra amount towards their rent each week. The amount they choose is flexible and any credit will be refunded to the young person when they leave the accommodation. The extra payments should stop once the credit reaches the necessary weekly, fortnightly or monthly amount.
- 4.7 Progression Coaches will support young people to maintain a regular income, manage debts which may interfere with regular rent and service charge payments and where necessary refer the young person to specialist debt support agencies.
- 4.8 Progression Coaches will be alert to any support needs which may increase the risk of non-payment e.g. substance misuse, mental health problems, non-payment in previous accommodation and address the issue within the support plan and refer the young person to specialist support as necessary.
- 4.9 The young person must remain at the centre of the process throughout their stay at the property even if their account remains in credit.
- 4.10 Progression Coaches will maintain regular and ongoing contact with young people to ensure appropriate information advice and support can be provided regardless of whether a young person is in arrears.
- 4.11 Maintaining regular rent and service charge payments will be addressed within support sessions.
- 4.12 Young people should be told to expect a rent statement on a four week cycle regardless of their rent balance.

5. Current Tenant Arrears

- 5.1 The Housing Officer will review the rent account each week and choose the appropriate Arrears Action if required.
- 5.2 St Basils will make early personal contact with young people with arrears, to offer advice and support to help sustain tenancies/licenses, and minimise the use of legal remedies, as well as prevent homelessness.
- 5.3 Young people with arrears receive standardised correspondence in addition to the four week rent statement. This correspondence is necessary for arrears control and audit purposes but most importantly it is the start point of providing enhanced and focused support to each young person with arrears.
- 5.4 Young people with arrears will receive one-to-one advice and support appropriate to their circumstances and level of debt. Support will continue throughout their stay in the accommodation even if eviction proceedings have begun.
- 5.5 Young people with ineligible service charge arrears will be contacted by their Progression Coach in response to the Arrears Action. If the arrears continues to increase then the Housing Officer will implement the eviction process through to the point of eviction if the balance is not repaid.
- 5.6 Progression Coaches will complement the Housing Officer role by choosing the appropriate Arrears Activity. The activity must be proactive in nature and aim to reduce the young person's arrears (debt) before the next weekly Arrears Action is chosen.
- 5.7 Young people must be made aware that the greatest risk of falling into rent arrears happens if they have a change of income (i.e changing from benefit to work or vice versa) which they do not declare to the Benefit Service (the local Housing Benefit Department).
- 5.8 The Department of Work and Pensions have a mechanism for informing the Benefit Service of any such change. The Benefit Service then suspend the Housing Benefit claim until the necessary evidence has been provide by the young person.
- 5.9 Young people moving from one to another of St Basils properties must be supported to complete a Housing Benefit Change of Address form on the day, or the next available day that the new tenancy is signed.

6. Ending a Current Tenancy

- 6.1 Young people planning to leave their accommodation should notify their progression coach at the earliest opportunity. They must provide the appropriate period of notice as explained in the license or tenancy agreement.
- 6.2 Housing Officers will issue a letter explaining the current rent balance. Young people in arrears should complete a repayment plan as well as the forwarding address for the new property.
- 6.3 Progression Coaches will support the young person to close down their room in a way that leads to period between termination and re-let being as short as possible. This is important to the exiting young person because it keeps the notice period as short at possible which reduces the period of rent liability to the young person.
- 6.4 Progression Coaches will also support the young person to complete an 'unavoidable overlapping liability' application request in situations where the new landlord has forced the new tenancy period to start on the day or within days of the viewing taking place.

7. Former Tenant Arrears

- 7.1 Young people leaving their property with arrears will receive a letter confirming the closing balance.

- 7.2 The Progression Coach or Housing Officer will make the first and second contact with the young person. The aim is for an individual with a good rapport with the young person to engage them to establish an affordable and meaningful repayment plan.
- 7.3 The Housing Officer will issue the third letter according to the Former Tenant Arrears procedure.
- 7.4 Young people should be advised verbally and in writing that refusing to pay arrears may have an effect on their attempts to apply for housing especially if they return to St Basils in need of accommodation. Their ability to apply for credit may also be effected.
- 7.5 St Basils reserves the right to use legal methods to recover arrears.

RENT MANAGEMENT PROCEDURE B - MAXIMISING RENT COLLECTION AND TACKLING ARREARS

1. Rent Account Management

- 1.1 St Basils operates a seven day rent cycle. The rent charge is applied to all current (live) tenancies each Monday. The charge covers the next seven day period.
- 1.2 Housing Officers must reconcile all cash rent payments from the previous week each Monday morning. They must submit the 'Payment Report' and the bank slip to the Finance Team by 11.00am each Monday. (This process is designed to identify any financial errors or irregularities occurring in the seven day period.)
- 1.3 All employees, but particularly Housing Officers, have the responsibility to report payment errors or irregularities to the Finance and Rent Team via email as soon as they are identified.
 - 1.3.1 The email should be titled 'Rent Adjustment' followed by the correct 'Tenancy Number'. The body of the email should include:
 - tenant name,
 - tenancy number,
 - value of the payment,
 - a brief description of what has been identified.
- 1.4 The account will be checked and amended as required by the Finance team.
- 1.5 It is critical that employees do not post cash or make changes to any tenancy during the Monday debit run.
- 1.6 The Finance team will send an email confirming when activity should stop. They will send a second email explaining when activity can start again. The Finance team will send an alternative email in an event where the debit procedure cannot be completed as planned.

NB – a single activity carried out during this period of time could cause QL to corrupt. This may lead to Aareon, the software developers, having to intervene which would have financial consequences.

2. Managing Non Payment

- 2.1 Managing Non Payment. We will make direct personal contact with our young people, using the opportunity to negotiate and/or monitor realistic agreements including offering help and advice. Agreements will be closely monitored and reviewed if circumstances change.
- 2.2 Attempts to negotiate arrears payment agreements will continue, where possible, alongside any legal action. When all other reasonable options have been exhausted, possession proceedings will be instigated as a last resort.
- 2.3 Where there is failure to maintain payments in line with the licence or tenancy agreement, St Basils may make use of legal remedies to tackle rent arrears, including seeking to regain possession of the dwelling, seeking a money order or attachment of earnings. St Basils will not use distress or distraint as a method of arrears recovery.

2. Arrears Control Process

- 2.1 The arrears control process should be run as soon as the Finance team confirm that the debit run was completed successfully.
- 2.2 The Housing Officers (or the nominated employee) will run the 'Arrears Report' for their scheme. This will happen every seven days.

- 2.3 The 'Arrears Report' shows the ineligible balance (the amount not paid for by Housing Benefit) for each current tenancy.
- 2.4 Housing Officers (or nominated employee) must check that the 'tenant source entitlement' for each young person is correct using the Arrears Report data. Employees should email the Rent and Service Charge and Finance Teams if an amount is incorrect. Where possible, employees should avoid doing this task on a Monday or Tuesday when other rent account updates take priority though a check must be made every seven days.
- 2.5 The Housing Officer (or nominated employee) will select the correct Arrears Action using a simple calculation (ineligible balance ÷ by the value of the tenant source entitlement = average weeks arrears). The answer determines which Arrears Action to send. The table below explains the Arrears Actions.
- 2.6 The Housing Officer must choose the appropriate 'Arrears Action' for every current tenancy. Once this has been done, an arrears letter or email will be generated through QL. The letter should be delivered by the Housing Officer or distributed by email.
- 2.7 The Housing Officer will escalate the arrears action in situations where a young person persistently does not pay or pays late.
- 2.8 The escalation process (see table 1) implemented by the Housing Officer, with help from the software, is firm but fair. It is applied to all current tenancies and is applied without prejudice to the young person.

3. Arrears Actions Explained – Ineligible Service (Personal Charge) only

- 3.1 The process in this section applies to all payments of rent that is due directly from the young person, excluding that element of rent covered by an active Housing Benefit claim, or Children's Services and for this purpose is referred to as 'Personal Arrears'.
- 3.2 St Basils will add an Arrears Action to each current tenancy on a weekly basis. The Arrears Action is appropriate to the balance on that given day.
- 3.3 An Arrears Action acts as evidence that the account has been checked; The Housing Officer (or the nominated person) will monitor these accounts on a weekly basis.
- 3.4 Personal arrears accrue when the young person fails to pay the full ineligible amount of the rent, or fails to pay their rent and service charges from their wages if they are working young people.
- 3.5 Personal arrears accrue when the young person fails to pay the full ineligible amount of the rent regardless of their income source.
- 3.6 Young people that start employment may accelerate through the escalation process faster than when they were on full benefits. This is because the amount of HB entitlement will reduce according to their new income and because the first wage will be paid in arrears.
- 3.7 It is mandatory for all young people that accrue rent arrears to begin the escalation process at ARR030 regardless of the level of arrears.
- 3.8 St Basils ask young people to make a payment agreement which will confirm the date and amount of their first payment. If the payment is missed the eviction proceedings will commence.
- 3.9 The Arrears Actions escalate in severity as the debt grows. The language of the letter escalates accordingly in order to warn the young person of the situation and encourage them to meet with either their Progression Coach or the Housing Officer.
- 3.10 Each Arrears Action produces a standardised letter. The purpose of the letters is to do three things:
 - inform the young person of the balance
 - advised them of any action they should take in the next seven days
 - explain what action will follow if the balance is not reduced in the next seven days

Accounts with a credit balance: add the ARR_CR action code so that no correspondence is generated.

3.11 Accounts with an arrears balance – the Housing Officer must select the correct arrears action from the table below.

Table 1

Average Weeks Debt	Arrears Action Code	Arrears Activity and aims
0 – 1 week	ARR000	PC makes curtesy call/contact with YP. Aim, remind young person to make payment and check if support is needed. QL is updated with outcome.
1+ weeks	ARR010	PC makes curtesy call/contact with YP. Aim, remind young person to make payment and check if support is needed. QL is updated with outcome.
2+ weeks	ARR020	PC/HO make contact with YP. Aim, remind young person to make payment and check if support is needed. QL is updated with outcome.
3+ weeks	ARR030	HO issues first formal letter to YP. It explains that no contact or sufficient progress has been made. Please come to a meeting with named individual. QL is updated with outcome.
4+ weeks	ARR040	HO issues final reminder. It explains that no contact or sufficient progress has been made. Please contact named individual asap. QL is updated with outcome.
5+ weeks	ARR050	HO formally gives notice that the tenancy will end if Youth Services Manager approves NTQ request. Notice will be withdrawn if arrears is cleared.
6 + weeks	ARR060	HO issues Notice countdown letter reminding young person of how many days remain before licence/tenant expires.

PC = Progression Coach, HO = Housing Officer

3.8 The correct code is calculated by dividing the ineligible charge balance by the weekly ineligible charge as shown in this example below.

Example:

Jay lives at Milner Court, the weekly ineligible charge is **£11.35**. He has an active HB payment which means he must pay the ineligible charge from his DWP income.

His ineligible balance is currently **£26.00**. The calculation to apply is $£26.00 \div £11.35 = 2.2$.

Jay's average weekly debt is 2.2 weeks which means action **ARR020** should be chosen from the table above.

3.9 The ARR050 notice cannot be served without a Notice to Quit request form being completed by the Housing Officer. The request form must confirm that the appropriate Arrears Actions and Arrears Activities by the Housing Officer and Progression Coach have been completed.

- 3.5 The Youth Services Manager cannot approve the request if the QL history shows that the full set of Arrears Actions and sufficient Arrears Activities have not been completed. This is to safeguard the young person from insufficient support prior to eviction procedures starting.
- 3.6 The termination notice will be withdrawn upon full payment up to 10.00am of the final day of the notice.
- 3.7 The Progression Coach must make sure that every young person has an appointment at the Youth Hub prior to the notice expiring.

4. Evictions

- 4.1 Where permitted Ground 8 may be used where all other reasonable alternatives have been used and failed and will be subject to approval of a member of the senior management team. Due regard will be paid to the household circumstances of the young person and any identified vulnerabilities when deciding if to use mandatory grounds for possession. St Basils will adhere to the Pre Court Action Protocol for possession.
- 4.2 Once a case has been entered into court, the resident must pay the arrears and costs before it is withdrawn.
- 4.3 Once a possession order has been obtained and an eviction is booked, it can be cancelled, providing all the arrears and legal costs incurred are paid.

5. Reporting and Monitoring of Arrears

- 5.1 The monitoring of all individual rent arrears cases will be undertaken by the Rent and Service Charge team on a monthly basis to ensure the procedure is strictly followed and exceptions are properly authorised.
- 5.2 In addition, each month the Rent and Service Charge team will monitor all cases in excess of 8 weeks arrears.
- 5.3 Every quarter a report will be prepared, by the Finance Director, for the Business Support & Audit Committee giving details of St Basils current arrears position.
- 5.4 In February of each year, the Rent and Service Charge team will send a list of former tenant arrears to the Finance Director who will recommend a list of potential bad debts for write-off to the Board. These potential bad debts will be discussed with Managers before being presented to the Business Support & Audit Committee.
- 5.5 Compliance with these procedures will be monitored through the quarterly KPIs.

RENT MANAGEMENT PROCEDURE C - HOUSING BENEFIT PAYMENTS

1. Management of Housing Benefit Payments

- 1.1 The Rent and Service Charge team have responsibility for overseeing all rent accounts, particularly the payment of Housing Benefit. The team provide performance information to the Senior Leadership team on a four week cycle.
- 1.2 The four week rent analysis categorises each account based on equivalent age of the debt. The action for each category is explained in the 'Housing Benefit Arrears' section. The Rent and Service Charge team work closely with Progression Coaches, Housing Officers and the local authority in order to fix claims.
- 1.3 The Rent and Service Charge team will notify projects of any suspended Housing Benefit notifications that are sent to head office.
- 1.4 Housing Officers and Progression Coaches will support young people to make Housing Benefit applications and to sustain the claim throughout the tenancy.
- 1.5 Employees that require advice or guidance regarding a claim or young person's circumstances should contact the Rent and Service Charge team.

2. Making a Housing Benefit Claim

- 2.1 The young person must be fully cooperative in efforts to receive payments: e.g. providing ID, NI, proof of income/benefit, maintaining JSA/Income Support Claims, informing their Progression Coach of any changes in circumstances such as stopping or starting work or training, change of benefits and benefit sanctions.
- 2.2 Young people will be requested to have housing benefit paid directly to St Basils. Young people who wish to receive their housing benefit directly will be informed that their accommodation is at risk if they do not pay their rents and service charges in full when they receive payments.
- 2.4 During this period the employees will ensure that the Housing Benefit Claim has been submitted and all relevant information provided to the Benefits Services.
- 2.5 Confirmation must be sought to confirm that the claim will be paid, and the amount of payment.
- 2.6 The Progression Coach will take action to rectify any problems that could lead to the claim not being paid e.g. a change in circumstances or missing information.
- 2.7 The Progression Coach will contact the young person to inform them that their claim is not in payment and that there are arrears and any action they must take to rectify the situation.
- 2.8 The Progression Coach must inform the young person that their accommodation is at risk if the claim is not paid.
- 2.9 If the arrears accrue because there has been a break in claim, the Progression Coach with support from the Housing Officer should attempt to get housing benefit payments backdated wherever possible.
- 2.10 Where this is not possible and there are arrears outstanding, the resident will be required to pay the amount outstanding.

3. Housing Benefit Overpayment

- 3.1 The Progression Coach will ensure that when an overpayment of Housing Benefit is being clawed back, the resident cooperates fully in the process of contacting the Housing Benefit Department.
- 3.2 The resident should be fully informed and supported through this period in regards to their current rent and service charges payments.

4. Housing Benefit Arrears

- 4.1 Due to four weekly arrears payment cycles, young people will have arrears most of the time. The Rent Team will closely monitor these payments via the St Basils rent system so that they are alerted to any problems with the claim and can take early action to rectify the problem.

- 4.2 The Rent Team will categorise all current tenancies into the following groups on a four week cycle based on the age of the arrears. The age of the arrears is calculated by dividing the total debt by the daily property charge. See table below.

Table 2

Age of debt	Action Required
Under 14 days	No action
Under 21 days	No action
Under 28 days	No action required if tenancy is new and if evidence of housing benefit claim is available. If evidence is not available then the Housing Officer must provide an urgent update of the situation to the Rent and Service Charge team. The Housing Officer has responsibility for ensuring the claim is set up correctly. The Rent Team will provide support to the Housing Officer if necessary.
Under 35 days	Rent and Service Charge team contact the Housing Officer to request an urgent update regarding the young person's circumstances. If the information from the Housing Officer raises concerns that payment will not arrive without intervention the Rent Team may contact the local authority
Under 56 days	Rent and Service Charge team complete thorough investigation of the rent account. The information informs the team of what remedy will bring the account under control. All employees supporting the young person will be involved in the process for bringing this account under control.
Over 56 days	The Rent and Service Charge team will pursue all options for claiming back missing Housing Benefit. If payment cannot be recovered then the team will contact the Young Service Manager regarding whether an application for notice is necessary to prevent arrears rising further.

5. Non-Payment of Arrears

- 5.1 Young people are responsible for the arrears on their account and must co-operate with their Progression Coach and Housing Officer to bring the account back to an acceptable level.
- 5.2 Housing Officers will issue a 'Request to give Notice' to the Youth Service Manager if the arrears are not paid by week 6.
- 5.3 Where notice has been issued and the arrears are due to legitimate benefit agency delays, the notice may be suspended with authorisation from the Youth Service Manager.
- 5.4 Where a Young person is entitled to Housing Benefit, any arrears due to the payment cycle or other delays in payments will not lead to repossession proceedings.

RENT MANAGEMENT PROCEDURE D – CHILDREN’S SERVICES PAYMENTS

1. Children’s Services Rent Payments

- 1.1 Young people who are not entitled to benefits may be eligible for their rents and service charges to be paid by Children’s Services. This generally applies to looked after children and care leavers who are 16 or 17.
- 1.2 Written confirmation of the agreement to pay will be sought from an appropriate Senior Manager in Children’s Services before the young person is offered accommodation.
- 1.3 The written confirmation of payment must state the date of commencement and the duration of the agreement.
- 1.4 Where a 16/17 year old is referred by Children’s Services, but they do not have the duty to pay the rent, St Basils will request a rent guarantee agreement.
- 1.5 Where a young person has been referred by Children’s Services and is not eligible, for their rent to be paid by Children’s Services, or a rent guarantee and arrears accrue, Children’s Services will be notified of the situation. In certain circumstances they can assist with repayment of arrears.
- 1.6 Written confirmation of agreement to pay and rent guarantee agreement once obtained, must be forwarded to the St Basils Finance Department.
- 1.7 St Basils will invoice Children’s Services every 4 weeks in arrears.
- 1.8 In cases of non-payment of an invoice St Basil’s debt recovery procedures will be activated by the Finance Department.
- 1.9 St Basils will inform the relevant Manager in Children Services that arrears are accruing and the young person’s accommodation is at risk.
- 1.10 St Basils will inform the young person in writing that their rent has not been paid and that their accommodation is at risk.

RENT MANAGEMENT PROCEDURE E – RENT ARREARS AGREEMENTS

1. Rent Arrears Agreement

- 1.1 In cases where the resident cannot clear the arrears in a single payment, St Basils will negotiate an arrears agreement with the resident.
- 1.2 The Arrears Agreement is included in the letters/documents appended to this policy.
- 1.3 Arrears agreements are made in a formal meeting with the resident. The standard arrears agreement appointment letter, and the standard arrears agreement form will be used.
- 1.4 An arrears agreement is a formal document signed by the young person and an employee of St Basils, which states how much arrears is owed and how it is to be repaid. The resident must be given a copy of the agreement.
- 1.5 The purpose of the agreement is for arrears to be paid off in addition to the weekly rent and service charges.
- 1.6 In coming to an agreement on the rate of repayment, the Progression Coach and/or the Housing Officer must undertake a budgeting assessment with the young person in order to calculate the amount the young person can afford to repay.
- 1.7 It is important that the arrears agreement is affordable. This increases the likelihood of the resident adhering to the agreement.
- 1.8 If the resident fails to adhere to the agreement in full or part, request for notice can be issued.
- 1.9 Caution and judgement needs to be exercised at this point and leniency exercised if the young person is making an effort to pay but has had a lapse in payment.

2. Missed appointments

- 2.1 If a young person misses an agreed arrears agreement appointment it should be re-arranged with the minimum of delay. The resident must be reminded of the importance of attending, and that they are placing their accommodation at risk by not doing so.
- 2.2 The Progression Coach must make concerted efforts to ensure the young person makes and keeps to an arrears agreement.
- 2.3 Where the young person is failing to attend appointments or are avoiding contact, the Progression Coach should also inform anyone with statutory parental or support responsibility for the young person, that they are placing their accommodation at risk.

3. Serving Notice

- 3.1 Where a young person has accrued arrears and has failed to make or adhere, to an arrears agreement, St Basils will commence the process for seeking possession of the property.
- 3.2 Serving notice for possession is the last stage of the arrears recovery process and will only be taken when all other means of arrears recovery have been exhausted.
- 3.3 For further guidance refer to the Evictions policy and procedures.

RENT MANAGEMENT PROCEDURE F – EX-RESIDENTS

1. Recovery of Arrears and Bad Debts from Ex-residents

- 1.1 The purpose of this procedure is to clearly establish at what stage of pursuing ex residents debts, the economics of such recovery are acceptable. Debts include any costs, arrears, and damage to property.
- 1.2 Because the Progression Coach is most likely to know the resident and their move-on address, it is most appropriate for them to take responsibility for writing (and keeping records of) follow-up letters. The relevant service are responsible for the letters and follow-up with the resident.
- 1.3 If no positive outcome has been achieved within 4 weeks of the resident's departure then all the information should be sent to the Finance Department who will follow-up on behalf of the organisation.

2. Debts of Less than £500

- 2.1 Three letters will be sent to all known addresses requesting the young person to contact St Basils to arrange repayment of the arrears.
- 2.2 These letters will remind the young person that failure to do so may result in St Basils refusing to accommodate them in the future, and would prevent St Basils being able to provide a positive reference to other landlords.
- 2.3 If unsuccessful, the arrears will be submitted for write-off by the Finance Department, within two months from end of tenancy, providing no housing benefit is due to be paid or reclaimed for arrears of rent.

3. Debts in Excess of £500

- 3.1 Pursue as above and consider, where appropriate, action through the small claims/county court procedures.
- 3.2 Review progress quarterly, and submit for write-off after six months from the end of tenancy, if a debt is not pursued through the legal system.

4. Exceptions

- 4.1 No procedure of this nature can cover every eventuality and judgement has to be continually exercised with regard to young people's individual circumstances.
- 4.2 The procedure delegates responsibility for action to the maximum possible extent to Managers. In some cases however, there may be need for a greater degree of flexibility and in all cases, departure from the procedure must be authorised by the Head of Youth Services or the Operations Director as appropriate.

5. Previous Rent Arrears

- 5.1 Where a young person returns to live in St Basils or moves to a new address within St Basils and there are arrears from their previous address, the resident will be asked to agree a repayment plan with the new project, combining the arrears and the current rent and service charge, using the rent arrears agreement process.