SP04 Rental Income Policy

1 Scope

This policy sets out how Soha manages tenants' rent accounts. This policy does not cover income from former tenant arrears, garages, and sundry accounts, which are set out in SP08 Sundry Income Recovery Policy.

2 Policy Statement

1. Soha aims to maximise rent income collection. This is crucial, in terms of increasing the resources available to maintain our stock and to provide excellent services to residents. In managing rent arrears, Soha will adopt a supportive approach and work with tenants to maximise income, enable better budgeting, and offer support into work where appropriate. These measures will precede any formal, legal arrears action.

2. Rent is due to Soha in advance, on the due date set out in the tenancy agreement. Most tenants want to pay their rent promptly and many will benefit from a Financial Inclusion service & Tenancy Sustainment Assessment. A minority of tenants who choose not to pay will be managed fairly and transparently through the pre-legal and legal parts of the Supporting Tenants with Rent Arrears Procedure (Dec 2023).

3. Soha will fully use Information & Communication Technology (ICT) to streamline the arrears process and ensure consistency in case management. Efficiencies from this approach will be used to offer a one-to-one, financially inclusive service for our more challenging cases.

4. Soha aims to help tenants keep a clear rent account and we will emphasise this in all relevant procedures. A major element of Soha's policy for controlling arrears is to provide all tenants with advice and assistance on claiming benefits entitlements.

5. Soha offers a Tenancy Sustainment Service for our vulnerable tenants to help them avoid eviction, as well as support with claiming Discretionary Housing Payments, access to Soha's Tenancy Sustainment Fund and Hardship Fund.

6. Soha manages the impact of Welfare Reforms through management of arrears cases affected by Universal Credit, Bedroom Tax, Benefit Caps, and Local Housing Allowance.

7. Where a tenant is in arrears, Soha will take a firm and fair approach to recovering rent arrears, water, and service charges, and will place a particular emphasis on early identification of debt and early settlement from the tenant rather than escalating legal action.

8. Soha will contact tenants with unpaid rent promptly to set clear expectations that rent payments should be made on time and to offer advice services where there is financial difficulty. Officers will use a flexible approach with the goal always being a cleared or reducing rent account. All tenants are offered a Tenancy Sustainment Assessment, prior to

formal arrears action, to maximise income and support with budgeting and employment opportunities.

9. In cases of persistent rent arrears or where repayment arrangements are not kept, Soha will take firm action, including legal action to secure full payment or repossess the property. Soha does not use distraint (seizure of property) in arrears recovery but may pursue other legal remedies such as attachment of earnings where possession is inappropriate.

10. Soha will work with partnership agencies to promote financial inclusion as part of our work in tackling poverty and deprivation and helping our tenants to budget. We will profile groups, such as the Under 35 age group, to tailor our approach and engage as many tenants as possible to prevent arrears accruing.

11. Soha will apply this policy consistently and fairly and will not discriminate against any customer on grounds of their race, colour, ethnic or national origins, religion, sexual orientation, disability, gender, age or any other matter which may cause a person to be treated with injustice.

3 Implementation

1. Soha will offer a range of payment methods, having regard to Value for Money, to make it as convenient as possible for residents to pay their rent and other charges. Our preferred payment method is direct debit.

2. Soha will have consistent and clear procedures in place to collect income, giving full details of action to be taken if a tenant is in rent arrears and a timetable for action, including:
    a. Rent arrears recovery, emphasising the need for personal contact to be made at an early stage and maintained throughout the debt recovery process. Procedures will follow the Pre Action-Protocol (Civil Procedure Rules), taking reasonable steps to ensure that the tenant understands any information given.
    b. Continuing access to Soha's Tenancy Sustainment service. All tenants who are slipping into 'new rent arrears' will be offered an Early Intervention visit from our tenancy sustainment team.
    c. Procedures setting out when and how we may switch-back to landlord payments for tenants who have arrears (APA or Alternative Payment Arrangement, as well as TPDs or Third-Party Deductions from the Department for Work & Pensions);
    d. When and how Soha may escalate to use discretionary and mandatory possession grounds offered in legislation (including Ground 8) where a tenant is persistently in arrears with rent due. In cases where repossession is being considered, we will work in partnership with Local Authority Housing Department and, where appropriate, Social Services.
    e. Although housing associations are not bound by the Duty to Refer (Homelessness Reduction Act 2017), Soha does adopt the Commitment to Refer households at threat of eviction to our local authority partners, and work in partnership to avoid evictions where possible.

3. Soha has specific procedures to deal with impact of the Welfare Reforms (bedroom tax, LHA cap, Universal Credit & benefits cap) which include:

a. Offering advice and possible options to help tenants manage the impact of welfare reforms.
b. Using discretion when acting over related arrears if a tenant is proactive and has engaged with us to agree an Action Plan to limit the impact of welfare reforms.
c. Working in partnership with appropriate agencies to limit the impact of welfare reform and to provide training to our tenants to help them cope with this.
d. Soha will use APAs as appropriate to secure rent payments, clear arrears and avoid legal action and additional costs for our tenants. When using an APA, we will also refer tenants to our Tenancy Sustainment Service.

4 Support and Financial Inclusion

1. Soha will signpost our vulnerable tenants to our Tenancy Sustainment Service or specialist partner support services to offer advice on money management, support to make housing related benefit claims and managing the impact of welfare reform.

2. Soha will have procedures in place to maintain landlord payments for vulnerable tenants, as set out in Government guidance.

3. Soha will work with tenants to support them with Universal Credit and other welfare reforms and to help them to budget and to pay their rent to us. We will also support tenants when we apply for an APA and TPD.
4. Soha understands rent arrears contributes to and can be a product of wider challenges Therefore, when a tenant seeks specialist debt advice we will take a unified approach and work with registered Debt Advisers (authorised by the Financial Conduct Authority), Local Authority (where they provide debt advice) or Official Receiver working for the Insolvency Service to support our customers in their decision to take a responsible approach. When this results in personal insolvency Soha will contribute to resolve rent arrears related debt (within a legal framework) to help relieve some of the pressure and stress caused by being in debt and develop financial resilience for the future.

5 Resident Involvement

1. Soha has a tenant-led Eviction Review Panel, who scrutinise all proposed evictions, can request information and make recommendations to Soha, requiring a formal response. We will also monitor satisfaction with the arrears process and assess the equality impact of our approach.

2. Involved residents are involved in the formulation of this policy prior to it obtaining approval from Members' Forum and Board.

6 Monitoring/Responsibility

Soha will set clear targets for collecting rent and will report performance to the Members' Forum and Board. We will monitor separately the impact of the welfare reforms.

The Director of Housing & Communities is responsible for successfully implementing this policy.

7. Context

- SP03 Lettings Policy (Transferring with arrears)
- Soha's Financial Inclusion Plan

- SP19 Safeguarding Vulnerable Adults & Children Policy
- SP33 Tenancy Sustainment Fund
- Supporting Tenants with Rent Arrears Procedure Dec 2023
- RSH Regulatory Framework
- Housing Acts 1985 & 1996
- SP08 Sundry Income Recovery
- Equality Act 2010
- Ministry of Justice - Pre-action Protocol for Possession Claims based on rent arrears & Coronavirus Act 2020
- The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020
- The Insolvency Rules (England and Wales) 2016

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