Current Rent Arrears Policy

1 Introduction

1.1 We support customers to pay the rent and to understand and claim the full range of benefits they are entitled to, to maximise their income whether as self-payers or through the housing element of Universal Credit.

1.2 Sapphire will ensure that the rent arrears policy complies with legislation, regulation and good practice requirements. The relevant legislation and regulatory guidance, which includes

- Social Housing Regulation Act 2023
- Housing and Regeneration Act 2008
- Housing Act 1985, 1988 (as amended by section 101 of the Housing Act 1996)
- Protection from Eviction Act 1977
- Equality Act 2010 •
- Human Rights Act 1998
- Welfare Reform Act 2012, 2016
- Homelessness Reduction Act 2017
- GDPR 2018

1.3 In addition, the Pre-Action Protocol for Possession Claims by Social Landlords contains guidance on good practice in the collection of rent arrears.

1.4 Our approach to rent recovery is based on:

- Prevention is the key to arrears control, and the Association will ensure that measures are taken to minimise the risk of rent arrears arising in the first instance. This will be done fairly and consistently, while remaining sympathetic to tenants' individual needs.
- Early intervention – contacting the customer as soon as a payment is missed
- Working with the customer who falls into rent arrears to agree a repayment agreement that is reasonable and realistic for them
- Monitoring the arrears and taking further action if the repayment agreement is breached
- Escalating intervention through to legal action only when all other attempts to support the customer to clear the arrears have failed

1.5 We will take a consistent and proportionate approach to income collection and arrears recovery, recognising the individual circumstances and needs of our customers.

1.6 This policy applies to customers where we are responsible for collecting rent and other accommodation-related charges. This policy applies to all Sapphire's properties where we charge rent: social rents, intermediate rents, shared ownership, and specialist, supported housing rents.

2. Rent & Service Charges

2.1 We will only accept nominations and referrals for housing where evidence is provided that the prospective resident can meet their rent and service charge costs, either from their personal income, entitlement to benefits or guaranteed social services payments.

2.2 We provide customers with a full breakdown of their accommodation-related costs and an explanation of their rent and service charges at sign-up for general needs residents or booking in a meeting for supported housing residents. Shared owners are provided with a list of charges at the point of sale/ completion.

2.3 It is the customer's responsibility to pay rent and all other accommodation-related charges when they sign their tenancy or occupancy agreement. For guaranteed social services payments, the commissioning body is responsible for paying these charges in full. We will support customers in meeting their accommodation-related responsibilities when required.

2.4 The rent is reviewed/increased once a year at the beginning of April, in line with the government rent settlement policy. Service charges will also increase at least once a year. Additional service charge increases may take place after consultation with customers if the actual cost of delivering services changes. We write to customers each year to tell them of any changes to their rent and charges, giving at least one month's notice before the changes take effect. Please refer to our Service Charge Policy.

2.5 We will send customers rent statements on a twice-yearly basis, or at the customer's request.

2.6 We offer customers a wide range of payment methods and information on how to pay their rent at sign-up and booking in. We also offer advice on managing finances, entitlement to benefits and assistance with making claims.

3. Arrears Recovery

3.1 There is a rent arrears procedure that accompanies this policy which provides more detail on our processes. We will contact customers whenever an expected payment is missed to support them in repaying the arrears and prevent the debt from increasing. We will work with customers to agree a repayment plan that is fair and affordable, helping them clear the debt as quickly as practically possible.

3.2 We will continue to monitor rent accounts and work with customers who are struggling to pay their rent and/or service charges. We are committed to preventing unnecessary evictions, and we will signpost customers to independent advice, where necessary, to provide specialist debt advice and support.

3.3 When considering taking legal action to recover the arrears, we follow the Pre-Action Protocol for Possession Claims. We may seek a money judgment with any possession order, in addition to an order for the costs incurred, where appropriate.

4. Legal Action and eviction

4.1 We view eviction and legal action as a last resort and will take all reasonable steps to support customers to pay their accommodation charges and prevent debt. All action taken is recorded and must be provided as supporting evidence when considering legal action or eviction.

4.2 Permission to serve possession notices must be approved by the Team Leader or Operations Manager, depending on the terms of the customer's occupancy agreement.

4.3 Residents have the right to appeal as per the details enclosed in the Notice they are served.

4.4 Evictions must be approved by the Director of Operations or another Director in their absence. If an eviction proceeds, the customer will receive a letter in advance notifying them of the time and date of the eviction. They will be advised to clear the property of their possessions before the eviction is carried out.

4.5 The customer will be recommended to seek advice independently. The Association will notify the Local Authority Homelessness Team of possible evictions.

5.0 Equality and Diversity

5.1 Equality and Diversity: We are committed to fairness and equality for all regardless of their colour, race, ethnicity, nationality, gender, sexual orientation, marital status, disability, age, religion or belief, family circumstances or offending history, as referred to in our relevant Group policies. We aim to ensure that our policies and procedures do not create an unfair disadvantage for anyone, either directly or indirectly.

6.0 Confidentiality

6.1 We will always treat any sensitive or personal information given to us as confidential in accordance with the Data Protection Act 1998 and the General Data Protection Regulation (GDPR) 2018. We will only pass this information onto third parties such as statutory organisations if: • We are required by law to do so - either for the prevention or detection of crime or the apprehension or prosecution of offenders. • There is an information/data sharing protocol, contract or confidentiality agreement in place. • The person who gave us the information is happy for us to share the information.

6.2 Our employees will always respect confidentiality and will not share any information given in confidence unless justified by the assessed risk to the vulnerable person or required by law. We will discuss confidentiality with the customer when there are safeguarding concerns or alerts, and explain that this information may need to be shared with other people to resolve the situation.

7 Current rent arrears target

7.1 An annual target will be set for current rent arrears in line with the corporate plan.

8 Monitoring and review

8.1 We will monitor and review this policy in conjunction with customers to ensure its effectiveness and relevance to the Association's stated aims and objectives.

Sapphire Independent Housing Ltd

Policy Name: Current Rent Arrears Policy	Date Created:	
Approved By:	Date Approved:	
Department Director: Director of Finance and IT	Last Review Date:	December 2024
Linked Policies and Procedures: Breach of License Agreement Policy Rent Setting Policy Service Charge Policy Former Rent Arrears Policy	Next Review Due: (3 years)	December 2027