

COSSINGTON HOUSING CO-OPERATIVE RENT ARREARS POLICY

Aims of rent arrears policy

The following are aims of the rent arrears policy:

- the co-op and its tenant members are protected by ensuring that the co-op receives the rental income it needs to meet its financial obligations;
- members are encouraged to pay their rents and avoid debt;
- co-op members are treated fairly and equally;
- appropriate levels of support are provided to members where they have difficulties in paying their rent;
- confidentiality is maintained until possession enforcement.

Delegated Authority

- 1 The co-op delegates its service provider to carry out the following actions in relation to its Rent Arrears Policy and authorises them to:
 - take actions in relation to communications with members regarding rent arrears;
 - negotiate arrangements with members for arrears payments;
 - provide advice and support to members regarding payment of rent and welfare benefits and debt advice, including where appropriate, a referral service to independent advice agencies.
- 2 The co-op also delegates its service provider to carry out the following actions after they have been authorised by the Chair or another designated committee member:
 - serve Notices to Quit;
 - engage with the co-op's solicitors regarding applications to the County Court for a court hearing to start possession proceedings;

- in partnership with the co-op's solicitors to represent the co-op at a court hearing;
 - take steps leading to enforcement of a possession order and any money judgment;
 - seek to recover all legal costs incurred after service of a Notice to Quit.
- 3 The Chair or another designated committee member will liaise with the service provider to oversee operation of the rent arrears policy. Their role will be to ensure that the rent arrears policy is being properly implemented. Co-op members should not discuss their rent accounts with them. Only the service provider is authorised by the co-op to discuss rent arrears cases with members.
- 4 The Chair (or another designated committee member) and the service provider have access to confidential data contained in rent accounts and manage the data in accordance with the co-op's Data Protection Policy. Both will keep information regarding member rent accounts strictly confidential. Any particular information relating to individual rent arrears cases will be reported to the committee anonymously.

General policy statement

- 5 The co-op's future and its members' homes would be at risk if the co-op does not collect enough rent to cover costs. The co-op expects members to make rent payment a priority. The co-op will take prompt and firm action if tenant members do not pay. If all reasonable steps fail, the co-op will take legal action leading ultimately to repossession of the property.
- 6 The co-op recognises that complex circumstances may be involved in arrears and will seek to provide support and assistance to members prior to any formal recovery proceedings.
- 7 The co-op's approach to managing arrears will be conducted in accordance with good practice:

- Early and sustained contact with members, including support with universal credit/housing benefit claims, where requested
- Particular support for vulnerable tenants
- Flexibility of response both when and how members are contacted and in agreeing and rescheduling repayment arrangements when circumstances change
- Referral of members to independent advice as appropriate
- Close liaison with welfare benefit departments and the Department for Works and Pensions where possible, and
- Clear and constructive communication with members.

Dealing with non-payment

- 8 The service provider will normally monitor all rent accounts on a weekly basis, taking appropriate action with regards accounts that are in arrears in accordance with the rent arrears policy.
- 9 Unless there are specified reasons not to do so, rent arrears action will be taken as follows:

Time	Action
2 weeks or more in arrears or immediately after a cyclical payment is missed	Communication/ correspondence with the member
Between 2 and 6 weeks arrears	Ongoing communication with the member together with a formal request to the member to discuss their arrears case at the office
6 weeks arrears	Notice to Quit issued
10 weeks arrears	Court Action

10 Specified reasons why the above actions may not be taken could include:

- where a member has written proof that they are waiting for resolution of a universal credit claim and/or where they have written proof that they are receiving independent advice to assist resolution of their claim
- where a member is in receipt of Universal Credit and where it will be possible to receive direct payments from DWP as a result of the member being 8 weeks or more in arrears
- where a member has made an agreement to pay their arrears and they are adhering to the agreement
- where there are documented health reasons why action should not be taken
- where it is considered unlikely that the Court will grant possession
- other reasons considered important by the service provider and the Chair (or other designated committee member).

11 The service provider will discuss specified reasons why action should not be taken with the Chair (or other designated committee member).

12 The service provider will discuss rent arrears cases with members as sympathetically as possible and will explore the best means for resolution of the rent arrears. Where appropriate, the service provider will refer the member to independent advice agencies to assist in resolution of benefit problems or in relation to debt advice.

13 Where a member currently receives or is entitled to receive Universal Credit and is 8 or more weeks in arrears, the service provider will usually apply for direct payments from the DWP to cover rent and a contribution to arrears.

Court action

- 14 At the point of expiry of a Notice to Quit, the resident ceases to be a tenant and member of the co-op, and any money received by the co-op will only be accepted as "mesne profit" – ie. in exchange for use and occupation of the property - and without prejudice to any action the service provider is taking on behalf of the co-op. The former tenant will be advised accordingly and that their membership of the co-op has been suspended pending resolution of the issue the Notice to Quit was issued in relation to.
- 15 The co-op will normally seek a Suspended Possession Order after the expiry of a Notice to Quit. An outright Possession Order will normally be applied for to take effect no more than 14 days after the court hearing date (unless the Court extends the period by up to 6 weeks if it considers that the former tenant will be caused exceptional hardship).
- 16 If authorised by the Chair (or other designated committee member), the service provider will engage with the co-op's solicitors to apply to the court for a Possession Warrant. As soon as possible, The service provider will inform the occupant of the date of execution and ask that all personal belongings be removed from the property.

Committee reports

- 17 The service provider and the Chair (or other designated committee member) will present rent arrears reports to the Management Committee. Reports will include:
 - total annual rental income
 - arrears due to monthly payments, housing benefit payments and other arrears - as absolute amounts and as a percentage of annual rental income
 - numbers of tenants owing between £0 and £100 rent arrears; between £100 and £250; between £250 and £500; and over £1000 rent arrears with total amounts in each band
 - comparisons with the previous month's figures
 - a graphic showing the rent arrears trend

- an anonymous summary of action being taken in each case where a member owes more than £500 rent.

18 The co-op will annually review its target percentage of rent arrears.

Risks to be avoided:

- The co-op does not take the action it needs to prevent and manage rent arrears and rent arrears spiral
- There is insufficient advice given or personal contact and communication with residents that could prevent more serious action
- The co-op continues to consider a resident a member of the co-op after expiry of a Notice to Quit
- The Management Committee does not monitor arrears performance