| Rent Arrears Policy | : V1<br>Author: MM<br>Date: 18 June 2026<br><br>Approved by Committee: 07 July 2026 |
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## 1. Introduction

1.1 Southward Housing Co-operative (SHC) must collect all rent due from our tenant-members in order to maintain the financial health of the co-operative. Rental income directly funds essential repairs, maintenance, and the ongoing management of our homes. Maximising rental income is therefore a core principle of this policy.

1.2 This policy supports Southward Housing Co-operative's compliance with the Regulator of Social Housing's Consumer Standards, including the Tenancy Standard, Tenant Involvement and Empowerment Standard, and Neighbourhood and Community Standard. SHC is committed to ensuring that all rent collection and arrears recovery activities are fair, transparent, and proportionate, and that members are treated with respect and supported to sustain their tenancies.

1.3 We aim to make paying rent as straightforward as possible and to ensure members can easily contact us to discuss rent payments or arrears. Rents Officer will be available by telephone, email, letter, or in person (by appointment). Contact finance@southwardhousing.co.uk or call 07907 631 333

1.4 We recognise that members may experience financial difficulties. SHC will take a supportive and understanding approach, offering signposting to appropriate welfare, benefits, and debt-advice services. Where we cannot provide the necessary support directly, we will help direct members to agencies that can assist.

1.5 However, where rent arrears persist or no reasonable engagement is made, SHC will take proportionate enforcement action when required, in line with our responsibilities to the wider membership.

## 2. What we mean by Rent Arrears

2.1 Rent arrears occur when rent is not paid on the date it is due, regardless of how short the delay is. Rent is payable monthly in advance. Any member whose payments are not fully up to date will be in arrears.

## 3. Aims and Objectives of the Rent Arrears Policy

3.1 The objectives of the policy are:

- **To set out clear framework** for monitoring members' rent accounts and taking action where arrears occur. This framework is designed to protect the financial interests of the co-operative while ensuring that all members are treated fairly, consistently and with sensitivity.

- **To ensure timely and appropriate intervention** by the Management Committee or managing agent at the earliest possible stage, and to ensure that members, particularly those who may be vulnerable, can access the support they need.

- **To provide guidance** to members, the Management Committee and managing agents on how the rent arrears process operates, including procedures for arrears monitoring, timescales for action, and standards of record keeping.

- **To ensure compliance** with the Civil Procedure Rules and the Pre-Action Protocol for Possession Claims based on Rent Arrears.

- **Equality and Fair Treatment SHC** is committed to meeting its obligations under the Equality Act 2010. We will ensure that no member is treated less favourably on the basis of a protected characteristic, including age, disability, race, sex, gender reassignment, sexual orientation, religion or belief, pregnancy or maternity, or marital status.

- Where a member has a disability or health condition, SHC will make reasonable adjustments to communication methods, meeting arrangements, or arrears processes to ensure they are not placed at a disadvantage. We will take into account any relevant medical, social, or support needs when agreeing repayment plans or considering enforcement action.

3.2 To achieve this, SHC will:

- Ensure that all tenants are aware of their responsibility to pay rent in full and on time.

- Promote and provide a range of convenient payment options.

- Encourage and support a positive payment culture among tenants.

- Assist tenants to maximise their income, including through signposting to welfare rights and benefits advice.

- Offer practical advice and support to help tenants reduce and manage rent arrears.

- Ensure all communications are clear, accessible and encourage early contact.

- Monitor rent accounts proactively and intervene early to prevent arrears escalating.

- Take appropriate and proportionate action based on the level and circumstances of the arrears.

- Sustain tenancies and prevent homelessness by ensuring that eviction is always a last resort and only pursued when all other reasonable options have been exhausted.

## 4. Tenancy Status and Legal Policy

4.1 Members of SHC hold contractual tenancies which provide less security of tenure than secure or assured tenancies. A contractual tenancy can be ended by service of a Notice to Quit. However, the co-operative must still obtain a possession order from the court before any eviction can take place.

## 5. Data Protection and Information Sharing

5.1 SHC will process all personal data in accordance with UK GDPR and the Data Protection Act 2018. Information relating to rent arrears will be handled securely and only shared where necessary to manage the tenancy, recover arrears, or support the member.

5.2 This may include sharing information with:

- the Department for Work and Pensions (for Alternative Payment Arrangements or Third-Party Deductions)
- the local authority (for Housing Benefit enquiries or safeguarding concerns)
- authorised support agencies where the member has given consent

5.3 SHC will never share personal data with third parties for marketing or non-tenancy-related purposes.

## 6. Arrears Prevention and Early Intervention

6.1 We believe that prevention is better than cure, so we aim to ensure that members have all the information they need to pay their rent on time, as well as access to support and assistance when claiming welfare benefits.

6.2 There will be occasions where arrears cannot be prevented. However, early intervention is essential in identifying issues quickly so that the right advice and support can be offered as soon as possible. Rent arrears are often a symptom of wider difficulties, such as debt, illness, or redundancy. When these underlying problems are addressed, there is a much greater chance that arrears can be resolved effectively.

6.3 New members will receive a thorough induction, which will include:

- An explanation of rent and any service charges (where applicable).
- Information about the payment methods offered by the co-operative. Members will be asked to confirm how and when they intend to pay their rent.
- Guidance on claiming welfare benefits and accessing financial support.

6.4 Existing members who fall into arrears will be contacted promptly to prevent debts from building up to unmanageable levels.

## 7. Welfare Benefits

7.1 SHC recognises that many members receive one or more forms of welfare benefits, and that some rely on Housing Benefit or the housing costs element of Universal Credit to pay part or all of their rent.

7.2 It is the tenant’s responsibility to ensure that all benefit claims are made correctly and on time, and to inform their benefit provider immediately of any change in circumstances that may affect their entitlement. This includes, but is not limited to:

- rent increases

- changes to employment or income
- changes in household composition
- changes in care needs or disability status
- any other change that may affect benefit calculations

7.3 While responsibility for claiming and maintaining benefits lies with the individual member, our managing agent will provide welfare benefits advice to those who need support.

7.4 If a tenant falls into arrears, SHC may request direct rent arrears deductions from the tenant's Universal Credit through the Third-Party Deduction Scheme.

7.5 In some circumstances, tenants who receive Housing Benefit or Universal Credit and are struggling with their housing costs may be eligible for a Discretionary Housing Payment. Where appropriate, SHC will encourage and support eligible tenants to make a DHP application to help cover any shortfall in rent. These payments can be particularly helpful for tenants affected by the Benefit Cap or the removal of the spare room subsidy.

## 8. Vulnerable Members

8.1 While it is a firm principle of this policy that all members must pay their rent, SHC recognises that some members may be vulnerable due to age, disability, health conditions, or other personal circumstances. We also acknowledge that some members may experience difficulties understanding written communications because of low literacy or limited English.

8.2 Where we are aware that a member in arrears may be vulnerable, we will make every effort to establish personal contact at the earliest opportunity. We will take appropriate steps to ensure they are aware of the arrears, understand what action is required, and are supported to take those steps. Where possible, we will offer assistance directly, and where we cannot help, we will make every effort to signpost the member to an appropriate support agency.

8.3 SHC will take proactive steps to identify members who may be vulnerable or require additional support. This may include:

- checking for known health, disability, or support needs
- liaising with support workers or advocates (with consent)
- offering home visits or alternative communication formats

8.4 Before progressing to legal action, SHC will ensure that all reasonable steps have been taken to engage the member, assess their circumstances, and secure appropriate support. Eviction of a vulnerable member will only be considered where all other options have been exhausted.

## 9. Rent Arrears – The Recovery Process

9.1 In the first instance, SHC will always seek to recover rent arrears through constructive negotiation with the member. We will make at least three attempts to contact the member, by letter, email, telephone, or a combination of these, and will make efforts to establish personal contact before serving a notice or making any application to the County Court.

9.2 If a member falls into significant arrears and is unwilling or unable to clear the debt, or to maintain a satisfactory repayment agreement, the co-operative will begin legal proceedings to recover the arrears.

9.3 Action to recover arrears will normally begin when a payment is 14 days overdue. The first step will always be to make contact with the member. Where the member is known to be vulnerable, we will aim to establish personal contact at an early stage, which may include meeting in person or contacting their trusted advocate.

9.4 Members will always be given the opportunity to make a repayment agreement, paying their arrears by weekly or monthly instalments.

9.5 For the purposes of this policy, "significant arrears" will normally mean arrears equivalent to four weeks' rent or more, or a pattern of persistent underpayment that indicates the arrears are likely to increase.

9.6 However, SHC may take earlier action where:

• arrears are escalating rapidly
• the member has broken previous repayment agreements
• there is evidence of non-engagement

9.7 SHC may delay action where the member is engaging constructively and making reasonable efforts to reduce the arrears.

9.8 Responsibility for deciding the appropriate action when a member falls into arrears rests with the Management Committee. The Committee may delegate certain decisions to the managing agent, but it will always retain responsibility for decisions to:

- Serve a Notice to Quit
- Apply for a possession order or warrant of possession
- Evict a member from their home

9.10 The staged actions taken when a member falls into arrears are set out below. The timescales comply with the Civil Procedure Rules: Pre-Action Protocol for Possession Claims, which all landlords must follow before making an application to court.

9.11 These timescales are for guidance only. There may be circumstances where delaying legal action is appropriate, or where earlier action is necessary. In cases of long-standing or repeated arrears, SHC may take legal action after a single warning.

| STAGE | ACTION | TARGET TIME |
|---|---|---|
| 1. | First contact reminding the member that their rent payment is overdue.<br><br>Follow up call for vulnerable members. | Within 14 days |
| 2. | Second contact advising the member that they are now in arrears and asking them to clear the arrears in full or to make contact to discuss a repayment arrangement.<br><br>Where the member is vulnerable, this should be followed by a home visit. | Within 21 days |
| 3. | Third contact (letter or email) advising the member that the Management Committee have authorised the service of a Notice to Quit if the arrears are not cleared within 7 days.<br><br>A telephone call or home visit should also be attempted to establish the member's circumstances and discuss a repayment plan. | Within 28 days |
| 4. | Serve a Notice to Quit.<br><br>Where feasible, SHC will attempt to visit the member and serve the notice in person. If this is not possible, a letter will be sent/ hand delivered to the property. | Within 6 weeks |
| 5. | If the arrears persist, an application will be made to the County Court for a possession order.<br><br>A letter should also be sent explaining the court process and potential consequences. | After 2 months |
| 6. | Apply for a warrant of possession.<br><br>Once the warrant is issued, unless the arrears are cleared in full or there are exceptional factors (such as vulnerability), SHC will request that bailiffs enforce the warrant as soon as possible. | After 2 months |

## 10. Monitoring and Reporting

10.1 Rent arrears will be monitored monthly by our management committee. Action will be taken in respect of every account that is in arrears, unless the member is maintaining an agreed repayment arrangement.

10.2 Each month, the Management Committee will review a rent arrears report based on information provided by the co-operative's nominated officer or managing agent. This report will include:

- The total cash value of arrears, including arrears expressed as a percentage of the annual rent roll.
- The direction of travel, indicating whether arrears are increasing or decreasing.
- Details of actions taken in relation to members with rent arrears.
- Any recommendations regarding legal action that should be taken.

10.3 Information relating to individual members' rent accounts will be presented to the Committee in an anonymous format.

10.4 Each year, the Management Committee will report to the membership on arrears performance at the Annual General Meeting, or at another general meeting if appropriate.

## 11. Former Tenant Arrears (FTA)

11.1 Former Tenant Arrears

SHC will take reasonable steps to recover arrears owed by former members. This may include:
• issuing final statements and reminders
• agreeing repayment arrangements
• referring debts to an external collection agency where appropriate

11.2 Former tenant arrears will be monitored and reported to the Management Committee. Debts may be written off only with Committee approval, normally where:
• the debt is uneconomical to pursue
• the former tenant cannot be traced
• the member has died and no estate exists

11.3 Any write-off decisions will be recorded for audit purposes.

## 12. Policy Review

12.1 This policy will be reviewed periodically to ensure it remains relevant and compliant with any changes to the Co-operative’s rules, legislation, or regulatory framework.