



# Arrears Management Policy

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## 1. Policy Aim

The aim of this policy is to sustain tenancies through actions that prevent, minimise, and recover rent arrears and other statutory debts and reduce the financial hardship arrears and debt can cause.

Where arrears have accrued, we manage engagement and recovery through a staged approach in line with current legislation and best practice. We offer customers personalised financial inclusion advice and support with the maximising their income and sustaining tenancies.

## 2. Policy Statement

Livin is committed to an efficient, effective, and socially responsible approach for the prevention and collection of arrears.

We take prompt, appropriate, fair, and proportionate action when managing the recovery of arrears. We take a partnership approach and collaborate with relevant partners (e.g. local authorities, debt advice agencies, advocacy services) in acting to both prevent and manage arrears. We use court recovery processes where it is unavoidable and only where it is reasonable and justified.

We seek eviction of tenants from residential accommodation as a last resort and only where necessary.

## 3. Policy Scope

This policy applies to all Livin general needs housing tenancies, shared ownership and leasehold units with rental and/or service charge obligations. The policy covers the prevention of arrears and recovery of the following charges.

- Current tenant rent arrears
- Former tenant arrears
- Water rates
- Court costs
- Garage Licensee arrears
- Rechargeable repairs arrears
- Service charge debts
- Shared Ownership debts
- Leasehold arrears Out of Scope

The following forms of income are out of scope of this policy.

- Commercial premises
- Allotments
- Garage sites ground rent

## 4. Regulatory Compliance

Livin complies with all current statutory and regulatory requirements relating to debt and arrears recovery including, but not limited to:

- Data Protection Act 2018
- Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020
- Equality Act 2020
- Housing Act 1988 (as amended by the Housing Act 1996)
- Housing Benefit (Recovery of Overpayments) Regulations 1997 (consolidated in the Housing Benefit Regulations 2006 No 213)
- Human Rights Act 1998
- Pre-Action Protocol for Possession Claims by Social Landlords 2020
- Protection from Eviction Act 1977
- Welfare Reform Act 2012

Rental obligations, including the repayment of arrears, is set out in Condition 6 – Rent and Other Payments – Your Responsibilities within the Starter Tenancy Agreement and the Assured Tenancy Agreement.

## 5. Financial Inclusion

Livin recognises that financial hardship and debt can have significant detrimental impact on individual and household health, wellbeing and quality of life.

We target personalised, effective financial inclusion support to those in need that tackles the underlying reasons for financial hardship, maximises tenant income and aims to sustain tenancies. Financial Inclusion support is available to all tenants not just those in arrears.

We offer tenants and customers advice and support either directly or via signposting and referrals to specialist provision related to;

- access to affordable financial products (bank accounts / credit / insurance etc)
- advocacy
- affordable furniture
- budgeting skills
- debt advice and solutions
- energy bills and fuel poverty
- sustainable living
- water bills and greener living
- welfare benefit maximisation

Tenants can self-refer for financial inclusion support by contacting us directly, contacting our Customer Service Centre or by completing an online form on our website.

All prospective new tenants will be offered financial inclusion support and advice at pre-tenancy stage to ensure they are making informed housing decisions based on their financial capability and the costs associated with running a home.

## 6. Accessing the Financial Inclusion Service

Livin has an omni-channel communication approach to enable tenants, residents and stakeholders to contact us regarding financial inclusion. The service is available to all. We aim to offer home, digital and telephone appointments at flexible times to suit personalised needs.

We seek all opportunities to engage tenants when managing financial inclusion and will make reasonable adjustments where appropriate to do so.

We recognise that customers seeking to take control and manage their financial situation can be stressful where debts and financial hardship exist. We seek to build honest relationships with customers based on trust, we act with integrity and professionalism and treat all customers with empathy and respect. Customers will be encouraged and given the opportunity to discuss the reasons for their arrears and supported to agree the appropriate individual actions to resolve the situation.

We will publish information about our service in different formats and publicise our Arrears Management Policy to tenants, residents, partners and stakeholders.

## Employment

Livin recognises that the best way to overcome financial exclusion is through employment. The Livin Futures programme offers training and employment opportunities personalised to the needs of individual tenants and householders. The Livin Futures service is a key element of Livin's financial inclusion offer and customers will be referred for support when appropriate.

## 7. Recording Contact

Livin will maintain accurate records of all communications with customers. Where necessary these records will be used to demonstrate all appropriate steps are taken to try and contact customers to resolve instances of arrears prior to the instigation of court recovery action.

## 8. Prevention

Livin aims to prevent rent arrears where possible through early intervention. Livin ensures that all tenants are aware of their responsibilities set out in their Tenancy Agreement. Tenants are encouraged to check their account balances regularly through the Livin App and to contact Livin promptly prior to missing rental payments to prevent arrears escalation.

Livin uses targeted tenancy visits to offer support for financial exclusion issues for all tenants and recognises that by taking prompt and effective inclusion action we can prevent rent arrears from accruing or escalating.

## 9. Methods of Payment

Livin's preferred method of payment is by monthly Direct Debit. We will actively promote Direct Debit to customers as the easiest and most convenient way to pay. We will assist customers to sign up for Direct Debit.

In addition to Direct Debit, Livin offers a variety of payment methods to suit customer needs.

## 10. Rent in Advance

At tenancy sign up we request that all new tenants pay one week's rent in advance. Following this, the Assured Shorthold Tenancy Agreement and Assured Tenancy Agreement state;

6.1.2 The payment of rent and service charges is due in advance on the Monday of each week.

The Assured (non-shorthold) Tenancy Agreement (Transferred Tenants) states;

6.1.2 The payment of rent and service and other charges is due weekly in advance Livin acknowledges that welfare benefits will contribute a percentage of their rental obligation through Universal Credit or Housing Benefit.

Both benefits take time to be processed and established. Tenants will be asked to pay the rental obligation not estimated to be covered by welfare benefits. Livin's benefit and budgeting calculator which is an industry leading calculator provided by Policy in Practice, will be used to make this determination.

## 11. Repayment Arrangements

Where customers fall into rental arrears, we will undertake a thorough assessment of individual circumstances to understand barriers to payment and subsequently negotiate fair, sustainable and realistic repayment arrangements to repay arrears as quickly as practicable, and that promote sustainable payments thereafter.

## 12. Former Customer Arrears

Livin will attempt to recover rental arrears from customers who have terminated their tenancy. We will utilise all reasonable means including the use of external tracing agencies where no forwarding address is available and debt management agencies where this is appropriate

We will write off former debt where all possible action has been taken to collect the debt and in line with our Corporate Write Off Policy.

## 13. Credit Balances

Livin will recover all other debts owed to prior to refunding any credit balance present on an account. Where another debt is identified we will contact the tenant and ensure they are informed prior to any credit being moved to clear existing debts. Only where no other debts are owed will credit balance refunds be processed.

Where a credit is due to an overpayment of a social security benefit which has been paid directly to Livin we will refund the credit to the relevant organisation (Local Authority / Department for Work and Pensions) and not to the customer.

Where a tenant is due statutory home loss or any compensation payments, all existing debts will be cleared prior to any monies being passed to the tenant.

## 14. Links to Other Policies and Procedures

The policy should be read in conjunction with.

- Existing Income Recovery Procedures
- Former Tenant Arrears Procedure
- Rechargeable Repairs Policy
- Durham Key Options Policy
- Garage Procedure

## 15. Data Protection

General Data Protection Regulation & Data Protection Act 2018

Effective prevention and management of arrears may involve partnership working with a variety of agencies. All data sharing will be undertaken according to the appropriate legislation ensuring compliance with Livin's commitment to ensure that all data is:

- processed lawfully and in a transparent manner
- collected for a specific and legitimate purpose and not used for anything other than this stated purpose, or as provided for in our privacy notices.
- relevant and limited to whatever the requirements are for which the data is processed accurate and where necessary kept up to date with identified inaccuracies amended or removed without undue delay.
- stored for as long as required as specified within Livin's Retention Policy
- secured appropriately so as to protect the data against unauthorised or unlawful
- processing and accidental loss, destruction or damage.



## 16. Continuous Improvement

This Arrears Management Policy is underpinned by a commitment to appropriate organisational learning and development with regular, up-to-date training delivered to frontline employees. Livin recognises financial inclusion and arrears management is a complex subject area and to maintain consistency in service delivery and continuous service improvement, we are committed to a learning environment and continuous professional development through the effective analyses of data.

## 17. Monitoring and review

This policy will be reviewed every three years but will be subject to earlier review if there is significant change to either the legislative/regulatory environment or in the light of significant learning from good practice or customer complaints.

The policy has been developed in consultation with our customers.