

		Rent & Service Charges Setting and Collection Policy					
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1	Rent & Service Charge Setting and Collection Policy	P Latham	Sep 2024	Board	N/A	Sep 2024	Feb 2025
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1. Introduction

This policy seeks to set out Eldonian Community Based Housing Association's (ECBHA's) policy positions regarding all areas of its rents and service charge setting and collection policy statements.

This policy sets out how ECBHA intends to comply with the relevant legislation and regulatory guidance regarding the following areas:

- Social Rent setting
- Fair Rent setting
- Shared Ownership rent setting
- Service charges setting
- Income collection

The policy is relevant to all ECBHA homes. This policy does not relate to charges relating to leasehold management schemes.

2. Aims & Definitions

ECBHA aims to provide high quality homes and services at below market rents that will make our homes a better place to live. ECBHA's approach to rent and service charge setting and collection seeks to enable the organisation to optimise its income to support future investment in its homes, services and the local community.

The aims of this policy are to ensure that ECBHA:

- Rents are set at levels that are considered affordable.
- Services are provided to meet reasonable expectations and needs, with the costs suitably recovered through service charges.
- Is compliant with all relevant legislation and regulation including the Rent Standard set by the Regulator of Social Housing (RSH) relating to both rents and service charges.
- Optimises rent and service charge income to support the viability of the Business Plan.
- Is transparent with customers regarding its approach to rents and service charges.

ECBHA rents include two elements, the 'Core Rent' and a 'Service Charge'. Combined these amounts are called the 'Gross Rent'.

3. Core Rent Setting Summary

All properties will have a defined core rent amount. This will be stated in the occupancy agreement at the point of letting. Changes to the rent amount will be confirmed in writing to the named tenant during their occupancy of the property. Changes to the rent will usually be in the form of an annual rent increase.

How core rent is set will depend on:

- The tenure type
- If it is a new letting or an amended to the rent under an existing occupancy agreement.

ECBHA operates three main core rent tenure types. These are summarised as:

- Social Rent – often referred to as ‘Formula Rent’
- Fair Rent
- Shared Ownership

The approach to core rent setting for new and existing agreements are summarised in the table below:

	New Lettings	Existing Occupancy Agreements
Social Rent	Core rents set based on applying the RSH rent setting formula, with a permitted tolerance applied, subject to not breaching the RSH annual Rent Caps.	Changes to core rent are based on a ECBHA Board approved %, that is within the maximum permitted by the RSH within their published annual limit. Core rents must not breach the RSH annual Rent Caps.
Fair Rent	ECBHA no longer makes new lettings on a Fair Rent basis	Changes to core rent are based on a ECBHA Board approved %, that is within the maximum permitted by the RSH within their published annual limit. Core rents must not breach the RSH annual Rent Caps. Core rents must not breach the core rent element of the ‘Registered Rent’ a maximum amount that has been determined and registered by the Rents Officer at the government's Valuation Office Agency.
Shared Ownership	As the existing lease is sold to the new lease holding tenant the existing core rent levels is continued unless the lease makes a provision otherwise.	Change to the core rent are as per the formula stipulated within the shared ownership lease for the individual property.
All	ECBHA will stipulate in writing the initial core rent in the tenancy agreement / lease,	ECBHA will give written notice of core rent increases in line with the terms of the tenancy agreement or lease.

For weekly Social Rent tenancies, changes to the core rent are subject to a minimum statutory notice period of four weeks and is implemented on the first Monday after the 1st April of each year.

For weekly Fair Rent tenancies, changes to the core rent are subject to a minimum statutory notice period of four weeks and is implemented on the first Monday after the 22nd July each year unless the Board separately agree steps to change the annual rents cycle to an April increase.

For monthly shared ownership leases, changes to the core rent are subject to a contractual notice of one calendar month unless the lease states otherwise.

The annual plan for core rent setting is outlined in Appendix A

The required content for the rent setting and increase Board approval report is outlined in Appendix B.

4. Social ‘Formula’ Rent

This is the predominant core rent setting model used within ECBHA.

This model is reliant on the core rent setting formula that is stipulated within the RSH Rent Standard and its associated guidance including the Policy Statement on Rents for Social Housing 2020. ECBHA will operate within these requirements and will ensure there is sufficient independent assurance to measure that this commitment is being achieved.

The RSH provides the majority of the data needed to apply the formula. The exception being that a 1999 open market existing use valuation is required based on the RICS Red Book methodology. ECBHA will seek updated valuations from an appropriate independent surveyor in June each year which will be adjusted based on a recognised indices for use in the rent setting process for the following year.

The valuations for each property will be stored within the SDM Housing Management System. The Chief Operating Officer (COO) is responsible for commissioning the valuations and ensuring that these are input into SDM.

The RSH provides Registered Providers with the discretion to apply a tolerance over and above the formula rent calculation outcome of 5% for general needs homes and 10% of supported housing and housing for older people. In order to optimise income to support the delivery of homes and services ECBHA will apply the full tolerance, 10% for Robert Lynch House and Sibert House, an 5% for the remainder of ECBHA socially rented homes.

Once tolerance is applied to the formula result this will be the final formula rent for each property, unless it is in excess of the RSH published core rent caps. If a proposed core rent is in excess of the cap then the rent will be set at the cap applicable to the property size/locality.

The Chief Finance Officer (CFO) is responsible for calculating the draft formula rents in a spreadsheet format and undertaking the rent cap verification. The Chief Executive Officer will internally check and verify that the formula has been correctly applied. The completion of the calculations and the verification will be reported to the Board as part of the annual rent setting approvals report to the Board.

Once calculated, verified and approved the formula rents will be recorded against each property on SDM to ensure that there is a single correct formula rent source in use that is easily accessible for all staff should the property become vacant and be subject to re-letting.

4.1 Social 'Formula' Rent – Core Rent at Letting

All rented social housing lettings will be made using this core rent model.

All properties should be let at the calculated formula rent inclusive of the appropriate tolerance. The formula rent must be identified from the SDM system.

At the point that the property is due to be allocated or made available for nomination from Liverpool City Council, a member of the Housing Team will identify the rent from the SDM system. As part of the Allocations Panel and associated procedure, the member of the Leadership Team present will verify that the proposed rent identified from the SDM system is correct. This will be recorded in the Allocations Panel notes or on the allocation control sheet.

At least 2 weeks prior to a letting is due to take place, a member of the Housing Team will prepare the occupancy agreement, double checking the proposed rent with both SDM and the Allocations Panel notes. Once the occupancy agreement has been prepared a member of the Leadership Team that was not present at the Allocations Panel will further verify that the core rent is correctly stated on the draft agreement. This verification will be noted on SDM.

Once the applicant has signed the occupancy agreement. An electronic copy of the agreement will be saved on SDM. The Finance Manager will further verify that the stated rent is correct as part of activating the rent account on the SDM.

If a letting is being undertaken between the end of February and the end of March a supplementary addendum to the occupancy agreement must be completed confirming the core rent at sign up (based on the current financial years formula rent for the property) and core rent from the first Monday in April (based on the upcoming financial years formula rent for the

property). The checks required above for the occupancy agreement also apply to the supplementary addendum document.

4.2 Social 'Formula' Rent – Rent Changes

The core rent can only be changed once in the calendar year.

Annually the RSH publishes the maximum permitted increase. These are usually based on the Consumer Prices Index (CPI)+1%, however the RSH is able to make different directives. ECBHA seeks to optimise its rental income to support the delivery of homes and services and therefore will usually seek to implement the maximum permitted increase, subject to Board approval. In January each year the CFO will produce a report for Board to approve the rent increases for the upcoming financial year. To ensure that this report has all the information for Board to be an informed decision and be assured that a plan is in place for compliant rent setting a standard template of report complex is provided in Appendix B.

The report will include comparison data with other local Registered Providers and the open market to ensure that the Board can put ECBHA core rents in context and be assured that they are both broadly aligned with the sector and continue to be affordable by being below market rates.

CFO is responsible for calculating that the revised core rents, based on the Board approved rent change, and checking that the revised rates do not breach the RSH rent caps for the coming year. Once calculated, the revised core rents will be checked by the CEO prior to commencing consultations with tenants.

For weekly Social Rent tenancies, changes to the core rent are subject to a minimum statutory notice period of four weeks prior to being implemented on the first Monday after the 1st April of each year. The notice requires a prescribed format, the latest version of which is available on the .gov website. In February each year the COO is responsible for reviewing the notice letter to ensure that it still meets the requirements of the prescribed format. The Finance Manager is responsible for producing the rent increase letters, a sample of which will be reviewed by the COO to ensure the details are correct prior to distribution.

5. Core Fair Rents – Rent Changes

ECBHA does not grant any new tenancies on a Fair Rent basis. These provisions therefore relate to legacy Fair Rent tenancies that are anticipated to continue to reduce in number as they are converted to Social 'Formula' Rents over an extended period.

Rent changes are undertaken in the same manner as outlined in section 4.2, however there are two key differences:

- Changes to the core rent are implemented on the first Monday after the 22nd July each year unless the Board varies the date in line with current legislation and the RSH Rent Standard.
- The proposed rent must not exceed the current registered Fair Rent that has been determined by the Rents Officer at the government Valuation Office Agency.

For the avoidance of doubt, the actual rent and the Fair Rent are different. The Fair Rent is an amount that acts as a cap that landlords' actual rent must not exceed.

The rules for Fair Rents for regulated tenants are set out in the Rent Act 1997. An application to change a registered Fair Rent must be made to the Rent Officer. The application must be made on the relevant forms prescribed by the regulations. The Rents Officer will review the application and set a Fair Rent that must be adhered to for two years. The Rent Officer must hold a consultation as part of the setting process if either party requests it.

ECBHA is legally permitted to apply for a revised Fair Rent to be registered one year and nine months following the most recent Fair Rents registration date, however any decision would not come into effect until at least the full two year period has passed. Therefore ECBHA will make an application in the last week of April every other year with a view to ensuring that a new Fair Rent is registered prior to the upcoming planned rent increase. . The most recent

registrations occurred in 2024, therefore future registrations are expected in 2026 and 2028 and 2030.

The COO is responsible for overseeing the Fair Rent registration process and will confirm to the Executive Team and the Board when applications have been submitted and when the new registrations have been concluded. Both the Housing Team and the Finance Team will work collaboratively to ensure that all details are correct on registration applications.

For the avoidance of doubt, rent levels for tenancies under the Fair Rent model must not exceed:

- The registered Fair Rent
- The formula rent that would be applicable if the property was let on this basis
- The RSH published rent caps for the applicable year.

Any increases in the rent for a Fair Rent tenancy and associated service charge must be compliant with the content of the legally prescribed format.

6. Core Shared Ownership Rents

The rent on a shared ownership property is determined by the terms of the shared ownership lease. The rent will be initially set at 2.75% of the value of the unsold equity in the property at the lease start date. The purchase price for a property is determined using the RICS recognised methodology.

Rents will be reviewed annually, and rent will increase yearly in April in accordance with the rent increase mechanism stated in the lease. Rent increases will be set at RPI (in September the previous year) + 0.5% per annum. It is essential that all staff involved in setting the shared ownership refer back to the lease and check that the formula being applied is compliant. Shared ownership rents will reduce proportionally upon staircasing in accordance with the lease and reduced equity levels owed.

7. Service Charge Setting & Administration

Service charges are paid by tenants and shared owners in addition to rent. Service charges are usually set annually, however, subject to consultation service charges can be amended more frequently, this would usually be in response to a significant variation in expenditure.

Rent covers all charges associated with the occupation of the property such as maintenance and general housing management services. While service charges cover additional services which relate to communal facilities and areas and additional support or fuel payments supplied by the landlord or on behalf of the landlord within the tenancy agreement.

Service charges are subject to separate legal requirements. ECHBA limits the cost of providing these services to the costs incurred in the provision and management of them.

ECBHA seeks to operate a service charges method compliant with the service charge administration defined in the tenancy agreement.

ECHBA will set services charges in a reasonable and transparent way. Charges will reflect only the services provided. Tenants and shared owners will be supplied with clear information on what service charges cover and how they are set.

Although service charges are not governed by the same factors as rent, ECHBA will endeavour to keep service charge increases within the limit on its rent changes, of CPI + 1%. If new or extended services are introduced and an additional charge is applied, ECHBA will always consult with tenants and leaseholders.

Service charges can include costs for major works to the building or the communal areas of an apartment complex or estate. ECHBA tenancy agreements and leases set out our obligations in respect of the provision of services and outline how the costs of the services are apportioned between residents. Where there is no specific apportionment required by the lease, this will

normally be applied on a pro-rata basis, based on the number of homes receiving the service or facility.

In blocks of flats, costs associated with elements such as lifts, which not all residents may use, will be apportioned across the number of homes in the block including the ground floor and not solely on the basis of use.

In accordance with Section 20 of the Landlord and Tenant Act 1985 (as amended by S151 of the Commonhold and Leasehold Reform Act 2002). ECHBA will consult with shared owners before carrying out qualifying works or entering into a long-term agreement for the provision of services.

Service provided differ between property types and tenures and typically include,

But are not limited to:

- Grounds maintenance – grass cutting, hedge maintenance
- Cleaning of communal areas – corridors, stairwells, bin rooms, communal open space
- Cleaning communal windows
- Door entry system maintenance – maintenance contract and repairs
- Lift maintenance – maintenance contract and repairs
- Fire alarm maintenance – maintenance contract and repairs
- Safety inspections - including legionella testing, fire alarms and emergency lighting
- Emergency lighting – maintenance, servicing, and provision of emergency lighting
- Fire equipment – maintenance, servicing, and replacement of fire-fighting equipment
- Communal electricity – for internal or external areas
- Communal water – water services for communal areas
- Communal parking and unadopted roads
- Pest control in communal areas
- Repairs to communal areas
- Buildings insurance
- Communal heating
- Management administration costs
- Contributions to wear and tear funds for future maintenance (sinking fund) and the provision of energy by separate contract directly to each householder

7.1 Sinking Funds

ECHBA reserves the right to collect sinking and/or reserve funds in advance, for the planned maintenance/renewal/replacement of major building elements and communal facilities, over their anticipated lifespan.

Sinking funds will be held in separate accounts and will be used for that specific scheme.

For works not covered by the sinking fund, or where monies held in the fund are insufficient for the works, ECHBA will issue supplementary invoices to cover their additional portion of the costs. ECHBA may offer shared owners payment by instalments of such invoices at its discretion.

7.2 Management administration fees

ECHBA will charge a management fee of 15% of the cost of services provided to cover the costs incurred when providing and managing these services.

7.3 Service charge Value for Money

ECHBA is committed to delivering value for money in procurement and provision of all services and contracts. New contracts will be subject to competitive tendering under its procurement

guidelines. All contracts are supervised and managed to ensure they deliver the standards of service and cost effectiveness ECHBA expects.

7.4 Notification of Estimated Service Charges

ECHBA will aim to provide information on service charges that are accurate and informative to residents. For tenants and shared owners, estimated statements will be produced and sent with the details of the rent for the next financial year, normally in February. The estimated service charge is based on the actual expenditure for the previous 12-month period with an uplift for inflation not exceeding CPI +1% added where applicable.

7.5 Consultation

ECHBA will provide opportunities for residents to provide feedback and input into the services provided, the standard of services they receive and if they are delivering value for money.

ECHBA will consult with residents on:

- New or proposed services
- Renewal of service contracts (not utilities)
- Removal of services and/or making significant changes to existing services.

Consultation will be held through a range of mediums including individual meetings, group meetings, scheme meetings and through correspondence.

6. Eligible Charges

Most service charges are eligible for Housing Benefit or Universal Credit housing component. They are known as eligible charges which usually include any communal services.

1. Ineligible Charges

Types of charges which are not eligible for Housing Benefit or Universal Credit housing component include the following. This list is not exhaustive.

- Fuel and water charges (unless they relate to a communal area)
- Personal care and support.

8. Income Collection

Eldonian is in business to deliver services that will improve the lives of as many people as possible. A fundamental means of achieving this is to provide housing for people in need and to help them maintain their tenancies. We will help tenants claim benefits towards their rent, but the responsibility for maintaining a clear rent account rests ultimately with the tenant.

Eldonian needs rental income to be able to continue delivering quality housing and services.

The Association endorses a supportive approach towards tenants in debt, but those who refuse to pay their rent may ultimately find they lose their home.

- We will make it easy for tenants to pay their rent
- We will send tenants a statement every three months
- We will take early and effective action when tenants fall into debt
- We will help those that need assistance in claiming benefits
- We will treat tenants as individuals
- We will take firm and effective legal action against those who refuse to pay

It is easier and more cost-effective to collect debts from current tenants. There is no need to trace the debtor, no need for third party collection and the courts has stronger sanctions (i.e., the threat of possession). This needs to be borne in mind when considering whether to evict a tenant or not. However, where it is clear from past payment patterns that the arrears are more likely to increase than reduce, the Association will not shy away from eviction.

Officers should encourage the most cost-effective methods of income collection, those being payment by Bank Standing Order or by direct Housing Benefit.

Officers are expected to represent the association in court, saving on legal fees. However, where a case requires additional legal expertise due to allegations of disrepair or complicated case law, solicitors may be used at the discretion of the CEO/COO.

When selecting third party collection agencies, both the cost of collection and the rate at which debts are reduced should be considered.

The services outlined in this policy apply to Eldonian tenants, both current and former. Staff members are expected to comply with the procedures outlined herein. The policy covers the collection of income owed due to:

- Current tenant rent arrears
- Former tenant rent arrears
- Rechargeable repairs
- Court fees

9. Income Collection Responsibilities

The Board are responsible for:

- Receiving and scrutinising performance data regarding income collection performance and actions.
- Approving/ratifying write-offs as set out in the Financial Standing Orders

The Chief Executive/Chief Operating Officer is responsible for:

- Authorising eviction of tenants
- Approving the use of solicitors and third-party debt collection agencies.
- Housing Management staff is responsible for:
 - Ensuring staff are aware of procedures and comply with them
 - Ensuring staff are adequately trained to carry out their duties
 - Monitoring arrears performance and ensuring targets are met
- Reporting and seeking authorisation for write-offs as set out in the Financial Standing Orders
- Authorising rent refunds to tenants
- Authorising possession proceedings against tenants
- Taking payments at reception where necessary
- Representing the association in court where necessary
- Attending evictions where necessary
- Reporting potential evictions to the Chief Executive/Chief Operating Officer
- Reporting performance (including evictions) to Board

Housing Officer is responsible for:

- Ensuring rent arrears targets are met
- Taking payments at reception and ensuring a counter signed receipt is provided in an agreed format
- Maintaining regular contact with customers in arrears
- Providing welfare benefits advice to customers
- Helping tenants claim Housing Benefit where necessary
- Liaising with third party advice agencies where necessary
- Monitoring and pursuing current and former rent arrears
- Pursuing debts for rechargeable repairs
- Serving notices where necessary
- Applying for possession through Possession Claims Online (PCOL)
- Preparing court papers where necessary
- Representing the association in court possession proceedings
- Attending evictions where necessary
- Assisting with the provision of welfare benefits advice to tenants

Finance Officer is responsible for:

- Taking payments at reception and ensuring a counter signed receipt is provided in an agreed format

- Setting up repayment agreements/plans before a rechargeable repair is ordered
- Maintaining accurate, up-to-date rent account records in SDM
- Maintaining accurate records of court costs awarded and recharges.

10. Income Collection - Payment Methods

Eldonian offers a variety of ways for customers to pay their rent:

- Bank Standing Order: Customers should ask for a Bank Standing Order form, which they should complete and send to their bank.
- At the Post Office: Finance Assistant should issue customers with a Rent Payment Card. The card can be used to make cash payments at any Post Office.
- Internet banking: Customers can log into their bank and make payments direct to “Eldonian Housing Association” using the sort code 72-00-00 and account number 06111882. When prompted for a reference, the rent account number should be given.
- In exceptional circumstances by cash/cheque payment at our offices: If customers are not in possession of a rent card which will enable them to pay at a Post Office the Association will accept payment over the counter by cash/cheque or send cheques by post. The following protocol should be observed:
 - Any cash receipts paid in the office or collected from the tenant’s home must be issued with a receipt from the triplicate receipt book.
 - One copy of the receipt will be given to the tenant.
 - A further copy of the receipt will be attached to a completed rent adjustment form and the cash/cheque payment.
 - The third copy of the receipt will remain in the receipt book.
 - This will be submitted to the Finance team to be verified.
 - The Finance Director will authorise the rent adjustment sheet and pass it onto the Finance Assistant to process.
- By direct Housing Benefit: Claimants are encouraged to request payments direct to Eldonian for both Housing Benefit and Universal Credit housing cost elements. Officers can assist people in making a claim. Tenants on partial Housing Benefit or Universal Credit and those with arrears, should make up the shortfall using one of the methods listed above.

11. Income Collection – New Tenancy Sign-up

ECBHA will ensure that the foundations for effective income collection are put in place at the commencement of tenancy, activities will include:

- Assessing whether the tenant has the means to pay their rent through housing benefit, other benefits, earnings, savings, or a combination thereof. Officers should take particular care around housing benefit and under-occupation criteria.
- Explaining the payment methods listed above, making it clear that it is the responsibility of the tenant to provide relevant information and pursue the Housing Benefit department if necessary.
- Ascertaining whether the new tenant needs help with claim forms and assisting where necessary
- Agreeing how and when the rent will be paid

- EITHER taking the first week's/month's rent OR ensuring a housing benefit claim form is completed
- Explaining the consequences of non-payment of rent

12. Income Collection - Early Intervention & Regular Contact

Eldonian believe early intervention is essential to rent arrears management. It is better to deal with problems early, whilst the level of debt is manageable. As soon as it is apparent that a tenant has missed a payment, the Housing Officer should contact them. The contact method should be the most appropriate/effective for the individual concerned.

Early intervention and regular contact are the two most effective tools for tackling rent arrears. Repayment agreements should be based on the tenant ability to pay, the level of debt and the tenant repayment history.

13. Income Collection – Notices

If, despite early intervention and regular contact, the arrears are still increasing, then the Officer should serve a Notice. In most cases, it is expected that a Notice will be served when a self-payer owes more than five weeks' rent or when a tenant on housing benefit has had a claim stopped or suspended for more than five weeks.

Officers should consider whether the tenant would benefit from a referral to another support provider of specialist debt management advice agency such as the Citizens Advice Bureau. Officers should also consider if an application for the direct payment of housing related benefits would be appropriate.

Notices should be served with a covering letter, explaining the further consequences of non-payment, which could include eviction. Housing Officers are authorised to sign Notices on behalf of the Association and should take care to follow safety procedures when hand-delivering. The decision to serve a notice should be in accordance with the procedure and ratified by an appropriate member of the leadership team.

14. Income Collection - Court application and possession hearing

If, despite regular contact and the service of a Notice, the arrears continue to increase, then the Officer should apply to the courts for a possession hearing. In most cases, it is expected that a court application will be made when a self-payer owes more than eight weeks' rent or when a tenant on housing benefit owes more than eight weeks' rent and has had a claim stopped or suspended for more than four weeks. However, an application may be made earlier if several repayment agreements have been breached.

A member of the leadership team must assess compliance with Civil Procedure Rules' Pre-action Protocol for Possession Claims Based on Rent Arrears (Appendix 4) and any vulnerability issues before authorisation.

Officers should continue to seek appropriate repayment agreements with the tenant throughout the legal process.

The Association will usually seek possession unless the arrears have reduced significantly following the application to court (in which case, a Postponed Possession Order might be suitable).

15. Income Collection - Suspended Possession Orders & Suspended Possession

Where a Suspended Possession Order (SPO) is granted tenants should be advised to stay ahead of the order wherever possible, in case of unforeseen circumstances. If the tenant falls behind the agreement contact should be made with the tenant, warning them that failure to catch up with the agreement within a defined period will result in the Association applying to fix a date for possession.

An application to enforce a postponed order should not be made if the breach is due purely to a Housing Benefit / Universal Credit claim being suspended, if it is likely that the claim would be successful and if restoration of the entitlement would bring the tenant back into line with the court order.

16. Income Collection - Possession Warrant

A possession warrant should be sought in any of the following circumstances:

- Where an outright possession order has been granted in court
- Where an order to fix a date for possession has been granted

Before applying for a warrant:

- Permission to evict must have been authorised by the Chief Executive and a Board Member.
- The tenant should be given the opportunity to leave before the possession date and return their keys to the Association.
- The tenant should have been warned in writing at least one week prior to the application being made.
- Inform the local authority's Housing Options or Homelessness team about the potential for eviction.

17. Income Collection – Eviction

Eviction is seen as a last resort and should only take place with a possession order from the courts.

18. Income Collection - Suspended Warrant

If, after an application for a warrant has been made, the tenant proposes a new payment plan, they should be advised that the onus is on them to apply for a suspension; Eldonian will not withdraw a warrant for possession unless the arrears are cleared in their entirety, or the Chief Executive/COO has approved an alternative financial arrangement.

19. Income Collection - Collection of recharges

Rechargeable repairs should be charged according to the Repairs Policy.

Current tenants who have debts due to recharges and/or court fees should be advised to pay off their rent arrears first, since payment of rent is an explicit clause in the tenancy, the non-payment of which can lead directly to losing their home.

If debtors refuse to engage, they should be advised that the Association may pursue the debt through the Small Claims Court, that this could lead to a County Court Judgment (CCJ) and that they would be liable for any court costs incurred by the Association.

20. Income Collection - Collection of former tenant arrears

If debtors refuse to engage, they should be advised that the Association may take legal action and that they would be liable for any court costs incurred by the Association.

21. Income Collection - Death of tenant owing rent arrears or recharges

Where a tenant dies owing rent arrears, the Association may pursue the tenant's estate for the outstanding debt. When seeking to do so, an assessment should be made of any hardship it may cause to the tenant survivors.

If the tenant estate is not pursued, a request for the debt should be written off, with the authorisation of the Board.

22. Income Collection - Use of third-party debt collectors

Where there is abandonment, or a former tenant leaves without giving a forwarding address, or subsequently loses touch with the Association, third party debt collection agencies may be used. The Chief Executive/COO shall seek references and conduct investigations to confirm whether the agency is reputable, complies with Data Protection legislation and does not use criminal practices or agents. When selecting third party collection agencies, both the cost of collection and the rate at which debts are reduced should be considered. Agencies may be used to trace and collect or simply trace.

23. Income Collection - Bankruptcy & Debt Relief Orders

Any debts proven in a tenant bankruptcy should be written off and a money judgment may not be sought for them. However, the Association may continue to seek possession on the ground of rent arrears, exhibiting the arrears written off, since the tenancy has still been breached. Any arrears specified in a Debt Relief Order (DRO) are subject to a moratorium period of twelve months, during which legal proceedings may not be taken to recover the debt. The courts can extend the moratorium period by up to three months. They can also revoke the DRO, which has the effect of ending the moratorium period early. However – as with bankruptcy – the Association may continue to seek (or may commence seeking) possession on the grounds of rent arrears. Officers should note that any money judgement being sought should not include the arrears specified in the DRO. At the end of the moratorium period – provided the court has not revoked the DRO – the debts specified in the order should be written off (although possession action may continue).

24. Income Collection - Rent Refunds

Where a tenant has a balance more than eight weeks in credit, the association will write to the tenant informing them that they may apply for a rent refund unless the credit is suspected to be a result of a benefits overpayment or there are suspicions of money laundering.

25. Income Collection - Overpayment of Housing Benefit

If Housing Benefit / Universal Credit (HB/UC) has been overpaid, administrators usually chooses to deduct the overpayment from the tenant ongoing entitlement. If the tenant is no longer entitled to HB/UC, or if it is a large overpayment, they may invoice the Association for the outstanding amount.

Whilst recognising that reclaiming overpaid HB/UC is legitimate the association will not pay more than has been overpaid and will not usually pay if it arises from tenant error or deception. In such cases, the Association may:

- Request further details about the overpayment
- Ask the Council to change its decision
- Appeal against the overpayment through an independent tribunal

The Chief Executive/COO may decide to pay the Housing Benefit department back on the tenant behalf and manage the debt through the rent arrears procedure.

26. Relevant guidance/legislation and supporting information

This policy has been informed by our obligations under the following legislation and regulatory guidance.

- Landlord & Tenant Act 1985
- Protection from Harassment Act 1997
- Data Protection Act 1998
- Human Rights Act 1998
- Housing Acts 2004, 1996 and 1988

- Mental Health Act 2007
- Equality Act 2010
- Regulatory Framework for Social Housing in England, 2010
- Civil Procedure Rules:
- Part 27: The Small Claims Track
- Part 55A: Possession Claims
- Part 55B: Possession Claims Online
- Part 70: General rules about enforcement of judgments and orders

27. Roles, Responsibilities & Reporting

The Board has overall responsibility for ensuring this policy is fully implemented to ensure full compliance with the regulatory standards, legislation, and codes of practice.

The Board will receive regular updates on the implementation of this policy through:

- The provision of key performance indicators and other relevant data on a quarterly basis.
- Any identified non-compliance with the policy being raised with the Board through the Chief Executive Officer's operational exception reporting.
- Regular internal audit/assurance checks of both the rent and service charge setting and income collection functions.

The Chief Operations Officer is responsible for overseeing the operational implementation of this policy, supported by the wider ECBHA staff and leadership team.

Any non-compliance will be flagged by the Chief Operating Officer to the Chief Executive Officer in the first instance who will agree an appropriate course of corrective actions and necessary reporting and disclosures. Depending on severity and urgency this will be raised with the Chair for approval and the full Board made aware within the operational exception reporting at the next Board meeting or sooner if necessary.

It is the responsibility of all staff to support the implementation of this policy.

28. Data Recording, Sharing and Protection

Requirements for data recording has been outlined within each topic area within this policy. Overall it is further highlighted that, in line with the ECBHA ICT & Data Strategy, the organisation seeks to record data within its housing management system, SDM, in the first instance as a secure and consistent repository. For any documents that are not suitable for this location, a secondary secure location for records is provided within the ECBHA SharePoint. Both locations are subject to robust back up arrangements.

Delivery of this policy will require the sharing of data with third party contractors and agencies such as Universal Credit. Some of this data will include personal data regulated under the General Data Protection Regulation (GDPR) provisions. Data sharing protocols will be put in place as necessary and appropriate consents sought and recorded to maintain compliance. Data will only be shared for the purpose of delivering this policy and will only be retained inline with the National Housing Federation (NHF) data retention guidelines.

29. Monitoring & Review

We will monitor the performance of this policy and seek to identify areas for improvement. This policy will be reviewed every 3 years, or sooner if required by statutory, regulatory, or best practice.

30. Equality Impact Assessment

In implementing this policy, we aim to treat all customers fairly and equitably. An equality impact assessment has been carried out. Where customers require additional support, we will

endeavour to provide a service that reasonably meet the needs of a particular individual or household.

Appendix A – Rent Setting Cycle

When	What
January	<ul style="list-style-type: none"> • Present the annual report regarding rent setting / rent increases / service charge increases to Board. • Prepare Rent and service charge Increase Letters for Social 'Formula' Rent assured tenants • Prepare shared ownership lease rent and service charge increase notices in prescribed format • Check annual leave for delivery period • Prepare spreadsheet of properties and proposed rents and service charges • Cross reference current and proposed rents and service charges of all properties to ensure current uplift applied • Upload checked and Board approved formula rents to SDM as single point of reference
February	<ul style="list-style-type: none"> • Week 1 – Hand deliver Assured Rent and service charge Increase Notices • Week 1 – Hand deliver shared ownership lease Rent and service charge Increase Notice • Send notifications to LCC HB / UC • Upload new rents and service charges onto SDM • Void property position review
March	<ul style="list-style-type: none"> • All new assured tenancies to include Rent Increase Tenancy Addendum • Upload all letters onto SDM • Prepare any Fair Rent registrations that are due (every other year)
April	<ul style="list-style-type: none"> • 1 April – new lease rent charges apply for shared ownership properties • First Monday – new rent and service charges apply for assured • Week 4 – submit any Fair Rent registrations that are due (every other year)
May	<ul style="list-style-type: none"> • Prepare Fair Rent Increase Notices per legal requirements • Check annual leave for delivery period
June	<ul style="list-style-type: none"> • Week 1 – Any submitted Fair Rent registrations expected to be in place – raise alert with CEO if not in place. • Week 2 - Hand deliver Fair Rent and service charge Increase Notices (rent cannot be increased before 22 July) • Send notifications to LCC HB / UC etc – more detail

	<ul style="list-style-type: none"> • Ensure SDM is prepared with new rents and service charges for fair rents
July	<ul style="list-style-type: none"> • Not before 22 July – new rent charges apply for fair rent properties
August	<ul style="list-style-type: none"> • Conduct any required rent policy reviews / consultations
September	<ul style="list-style-type: none"> • Conduct any required service charge reviews / consultations
October	<ul style="list-style-type: none"> • September CPI released • September RPI issued
November	<ul style="list-style-type: none"> • Prepare rent setting benchmarks in preparation of the annual rent Board report.
December	<ul style="list-style-type: none"> • RSH annual rent setting directive published • Calculate Formula Rents for the coming financial year • Prepare annual rent setting / rent increases / service charges increases report for Board approval. • Agree any exceptions to Rent Increase with Executives eg tenancies starting in March without addendum • Ensure there is sufficient stationery/ink to undertake notification letters • Rent and service charge increase letter and notice template to be reviewed and prepared, three versions for: <ul style="list-style-type: none"> ○ Social 'Formula' Rent assured tenants ○ Fair Rent secure tenants ○ Shared owners

Appendix B – Annual Board Rent Approvals Report

The following content will be provided in the report to Board each year:

Section 1 - Context

- Summary of, and link to the RSH annual rent setting directive (usually published between November and December each year.
- Summary of any regulatory / legislative amendments to the rent setting requirements for the coming year.
- Current average core rents, service charge and gross rents by stock types & type as per the table below.

	No of Homes	Core Rent	Service Charge	Gross Rent
General Needs (Social 'Formula' Rent)				
1 bed bungalow				
2 bed bungalow				
3 bed bungalow				
2 bed house				
3 bed house				
4 bed house				
General Needs (Fair Rent)				
1 bed bungalow				
2 bed bungalow				
3 bed bungalow				
2 bed house				
3 bed house				
4 bed house				
Older Peoples Accommodation (Social 'Formula' Rent)				
1 bed - St Gerrards				
2 bed – St Gerrards				
1 bed – Robert Lynch				
2 bed – Robert Lynch				
1 bed – Sibert House				
2 bed – Sibert House				
Shared Ownership				
25% shared owners	1 bed			
	2 bed			
50% shared owners	1 bed			
	2 bed			
75% shared owners	1 bed			
	2 bed			

Benchmark contextual data based on the following table:

Social Rent & Fair Rent benchmarking based on latest SDR data release adjusted to current year for Liverpool area (define adjustment method)			
	Core Rent	Service Charge	Gross Rent

General Needs			
2 bed			
3 bed			
4 bed			
Older Peoples & Supported Housing			
1 bed			
2 bed			
Commentary:			
Market Rents, latest Liverpool / Merseyside / North West average market rent data from ONS rent indices:			
	September	October	November
1 bed			
2 bed			
3 bed			
4 bed			
Commentary:			

Section 2 – Formula Rents

- Revised formula rent calculations based on updated valuations and the annual rent RSH rent setting directive based, based on the following table:

	Current Financial Year Actual Formula Rents inclusive of tolerance	Next Financial Year Proposed Formula Rents inclusive of tolerance
General Needs		
1 bed bungalow		
2 bed bungalow		
3 bed bungalow		
2 bed house		
3 bed house		
4 bed house		
Older Peoples Accommodation		
1 bed - St Gerrards		
2 bed – St Gerrards		
1 bed – Robert Lynch		
2 bed – Robert Lynch		
1 bed – Sibert House		
2 bed – Sibert House		

Section 3 – Proposed Core Rent Changes

- The proposed core rent changes outlined in the following table:

	Social 'Formula' Rent Tenancies	Fair Rent Secure Tenancies	Shared Owners	Combined
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Proposed Percentage Increase	%	%	Not Applicable, rent increase as per lease formula	
Current financial year actual rent roll	£	£	£	£
Next financial year proposed rent roll	£	£	£	£
Change	£	£	£	£

Section 4 – Proposed Service Charges

- Changes to service charges within the following table

	General Needs	Robert Lynch	Sibert House	St Gerrards	Total
Current service charge charged per unit per week	£	£	£	£	£
Last calendar year service charge roll including service charge administration charge.	£	£	£	£	£
Last calendar year service charge applicable expenditure including service charge administration costs.	£	£	£	£	£
Last calendar year service charge surplus / deficit	£	£	£	£	£
Proposed next financial year service charge expenditure	£	£	£	£	£
Proposed next financial year service charge administration fee	£	£	£	£	£
Proposed next financial year total service charge roll.	£	£	£	£	£
Proposed next financial year service charge charged per unit per week	£	£	£	£	£
Change between current total service charge per unit and proposed service charge per unit	%	%	%	%	%
Commentary regarding any amendments to services impacting on the service charges:					

Section 5 – Proposed Rent Setting Key Milestone Dates

Key Dates	
Date for the circulation of Social 'Formula' Rent tenancy rent change notification letters. (at least 4 weeks prior to implementation)	
Date from which revised Social 'Formula' Rent rent levels will be charged (first Monday on or after the 1 st April)	
Date for the circulation of Fair Rent secure tenancy rent change notification letters. (at least 4 weeks prior to implementation)	
Date from which revised Social 'Formula' Rent rent levels will be charged (first Monday on or after the 22 nd July)	
Date ECBHA will apply for application of Fair Rent Registrations (applicable only in 2026, 2028... no more that one year and nine months since the last registration date.)	

Date by which any Fair Rent registrations are expected to have been concluded if applicable. (usually six weeks following the application date, triggers escalation to CEO re risk)	
Date by which new formula rents will be uploaded to SDM	