Collecting rents and service charges Policy

The basics

Rents and service charges are the core of the relationship between us and our customers. People pay us to live in their homes, and we use that income to maintain and manage properties and communities. Rents and service charges are one of the biggest items in most households' budgets, and they are the main source of income to pay for the services we provide.

Our approach

We set rents to comply with the law and regulatory guidance (see Rent Setting Policy and Service Charge Setting Policy) and take a firm but fair approach to collecting money owed to Leeds Federated. This includes:

- Easy access to clear, up-to-date information about rents and service charges
- Early contact and action if someone misses a payment
- Free, expert help with budgeting and benefits from our Money Matters team
- Prompt legal action for non-payment if it's needed, with eviction as a last resort.

Customers can expect us to be prompt, friendly and non-judgemental, and to take proper account of people's individual differences and needs.

Different rents and charges

We charge various kinds of rents and service charges for different types of homes, tenancies and leases:

- **Social rents** – typically for older homes at around 50% of local market levels
- **Affordable rents** – mostly for newly built and relet homes, within 80% of local market levels (inclusive of any service charge)
- **Fair rents** – for a small number of tenancies that began before 1989, set by the Valuation Office Agency
- **Shared ownership rents** – fixed and increased according to the lease for each home (only paid on the share owned by Leeds Federated)
- **Market rents** – at full local market levels
- **Service charges** – charged on a variable basis to cover the actual costs of providing local services (for example, cleaning, gardening and caretaking), in line with the Landlord and Tenant Act 1985.

Rents are normally increased from 1st Monday of April each year, in line with **Government guidance.** We must give at least 28 days' written notice of any change to a customer's rent or service charge.

Key points for customers

Paying the rent and service charges due; up front and on time; is a **prime condition of the tenancy or lease agreement**. Failing to pay is a breach of this contract, which we will take action to put right. This means if you pay monthly, you need to cover all the weeks due before you pay again, without the account falling into arears in between.

We offer a range of **easy and convenient ways to pay**, including:

- Direct Debit from a bank or building society account
- Standing orders
- AllPay – by phone, online or at any PayPoint or Post Office.

By collecting information about our customer's and keeping in touch, we try to **identify anyone who might be likely to have financial problems**. If so, the Money Matters team will make contact to offer help and support, including advice about welfare benefits and pensions.

We'll **make contact quickly** (usually by phone, email, letter or visit, between 9am and 6pm unless by prior agreement) if a payment is missed. If it's not possible to pay the full amount owing immediately, in the first instance we'll consider **making a reasonable agreement** for the debt to be paid off in instalments.

If further payments are missed, or the agreement is broken, we'll offer further help and advice. To stop debts becoming unmanageable, we will normally **serve a legal notice if we're owed four weeks' full rent arrears or there has been an arrears balance for more than eight consecutive weeks.** We have a Hardship Fund to help in cases of particular hardship.

As a final resort, we will **take legal action through the County Court in compliance with the Pre-Action Protocol** if someone persistently fails to pay their rent or service charge. If this happens, the resident will also have to pay our legal costs.

Where we consider it is not proportionate to seek possession of a property for rent arrears, we may decide to obtain a money Judgement through the County Court. Once awarded, we would look to collect the debt through an attachment of earnings order, asking bailiffs to attend to recover monies or seize goods or a third party debt order.

We encourage residents facing legal action to seek support from the Housing Loss Prevention Advice Service (HLPAS) - GOV.UK (www.gov.uk) or get advice on debt through the Debt Respite (60-day Breathing Space) Scheme.

In all our contact about rents and service charges, we'll be **open, purposeful, positive and personal**, taking account of people's individual circumstances.

If a customer's tenancy or lease ends with money owing, we will work to recover this from the outgoing customer.

We will engage with our Customer Voices Panel on how we put this policy into practice and how we can improve it.

Key points for colleagues

Colleagues will implement this policy and all relevant legislation, regulatory standards and proposed changes. The six core, good practice principles we follow are:

- **Acting early and quickly** – not waiting until debts have built up to an unmanageable level, or allowing non-payment to continue.

- **Prioritising debts** – working with customer's to make sure essential commitments come first (for example, current rent, service charges and energy bills). We pursue court costs, recharge repairs and other debts only after current rent and service charges have been paid in full.

- **Maximising people's income** – through expert help via our 'Money Matters' Team with budgeting and benefits and by considering the impact of welfare reforms. https://www.lfha.co.uk/

- **Collecting what we're owed** – building relationships, offering support and making realistic agreements for customers to repay any debts.

- **Taking legal action** – through court proceedings to enforce the terms of the tenancy/lease agreement, including serving notices, money orders, possession orders and warrants for eviction. We follow the Pre-Action Court Protocol and may rely on the use the mandatory Ground 8 for serious rent arrears where there has been a lack of co-operation by a customer in clearing the arrears and we've made all reasonable efforts to recover the debt.

- **Write offs** – seeking approval to write off debts or credits that cannot be resolved (for example, if a resident cannot be traced).

- **Credits** – where there is credit on a customer's account a refund form should be completed. If the customer receives Housing Benefit or Universal Credit, we'll check there is no debt owed to the local authority or Department for Work and Pensions.

Using the information we and our partners (for example, local councils' Housing Benefit teams and the Department for Work and Pensions) collect and hold about customer's and their homes, we will:

- **Identify customer's most likely to owe us money** – and proactively engage with them to prevent and minimise debts, and maximise their income

- **Refer people needing financial support** – to our own Money Matters team and/or other national and local independent services (for example, Citizens Advice)

- **Take account of the diverse communities we serve** – including people's individual differences, needs and situations.

The Income Services Team will review and update this policy at least every two years, with consultation from the Customer voices Panel.

Key points for board/committee members and the regulator

Our Customer Experience Committee are responsible for approving this policy and making sure it **supports the Association's strategies** to:

- Thrive
- Engage
- Evolve

Through this **governance**, we consider collecting rents and service charges as part of our:

- Budget and business plan
- Strategic risk register
- Corporate balanced scorecard and performance management
- Regulatory compliance and Tenant Satisfaction Measures
- Equality, diversity and inclusion strategy
- PlaceShapers commitment to education, skills, work, wellbeing and financial inclusion.

The board and Customer Experience Committee receive regular reports on how we set and collect rents and service charges, and are responsible for approving statistical and performance returns to the Regulator of Social Housing.

Policy updates

The Income Management team is responsible for updating this policy.

Policy updated and approved by Customer Experience Committee in August 2025. Next review due August 2027.