

Policy on :	Rent Arrears Management
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Compliant with Scottish Social Housing Charter :	Charter Outcome-2 Communication; Charter Outcome- 3 Participation; Charter Outcome-13 Value for Money; and Charter Outcome- 14 and 15 Rents and Service Charges.
Compliant with Tenant Participation Strategy:	Consultation Ongoing
Compliant with Equality & Diversity:	Yes
Compliant with Internal Business Plan :	Yes

Date Approved Following Consultation:	September 2017
Date for Review :	September 2020

Responsible Officer:	Director of Customer Services
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*This leaflet can be made available in different languages
and alternative formats*

1. INTRODUCTION

- 1.1 This policy outlines Barrhead's approach to maximising our rental income through optimising opportunities for payment, early intervention and prompt, effective debt recovery and control of rent arrears.
- 1.2 At Barrhead we aim to incorporate best practice in achieving our overall objective of collecting the maximum amount of rent and other related charges promptly to protect the provision of services; keep our rents affordable and meet our key business objective to ensure financial viability.
- 1.3 Barrhead accepts that a tenant's personal circumstances may change (for example through illness or unemployment) and this can sometimes make it difficult to pay rent. We aim to assist tenants in sustaining their tenancies through effective support to prevent, minimise and clear rent arrears. Our Welfare Advise Service forms an essential part of this support.
- 1.4 Rental income for Barrhead includes current and former tenant rent accounts and any service charges applied. Rents are due monthly in advance. An account will be considered to be in arrears if the required payment has not been received by the date it is due (usually 1st of the month)

2. POLICY BACKGROUND

- 2.1 The Scottish Social Housing Charter most relevant to this policy is:
SSHC 13: Value for money
Social landlords manage all aspects of their businesses so that: tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay. This standard covers the efficient and effective management of services. It includes minimising the time houses are empty; managing arrears and all resources effectively; controlling costs; getting value out of contracts; and giving better value for money by increasing the quality of services with minimum extra cost to tenants, owners and other customers; and involving tenants and other customers in monitoring and reviewing how landlords give value for money.

3. LEGAL FRAMEWORK

- 3.1 The Association's Arrears Management Policy operates within the legal framework affecting Housing Associations in Scotland including:
 - Housing (Scotland) Act 2001;
 - Housing (Scotland) Act 2010
 - Debt Arrangement and Attachment (Scotland) Act 2002;
 - Bankruptcy (Scotland) Act 1985 (Low Income, Low Asset Debtors etc.) Regulations 2008;
 - Data Protection Act 1998; and
 - Access to Personal Files Act 1987; and
 - The Equality Act 2010.

4. POLICY OBJECTIVES

- 4.1 Our policy for maximising rental income and controlling rent arrears is to provide all tenants with early advice on benefits, inform tenants promptly of changes to their rent charges and make early personal contact with tenants whose accounts go into arrears.
- 4.2 We will adopt a firm but fair approach to rent arrears recovery and have effective and accountable policies for dealing with the prevention, control and recovery of rent arrears.
- 4.3 We will emphasise to tenants in rent arrears that our aim is to assist them to come to sensible and affordable repayment arrangements with Barrhead but that we will take action against those who persistently or wilfully do not pay.
- 4.4 Although our primary objective is to assist tenants to sustain their tenancy we recognise that where all other efforts have failed, and as a last resort, Barrhead may have to take legal action to repossess the property.
- 4.5 Barrhead recognises that effective arrears management and recovery procedures are inextricably linked to rent collection services and accounting systems. We will therefore establish rent collection systems that offer a choice of payment methods where possible and rent accounting systems that record payments made accurately and promptly.
- 4.6 We will ensure that all procedures and systems set up for rent collection, arrears monitoring and debt recovery support and complement the objectives set out in this policy.
- 4.7 We will establish, at the earliest opportunity, personal contact with tenants in arrears.
- 4.8 To prevent homelessness occurring within the East Renfrewshire area.

5. ARREARS PREVENTION

Barrhead is committed to prevent debt and we will adopt a supportive approach to our customers with the emphasis on early prevention, advice, counselling and sign posting to other agencies where necessary.

- 5.1 We will seek to maximise our rental income and minimise rent arrears by:

6. ASSESSMENT, SUPPORT AND LIAISON WITH OTHER AGENCIES

- 6.1 The Association will offer a detailed financial assessment to all tenants when it is identified that their rent account is in arrears in order to assist in the management of his/her tenancy and ensure that rent is paid.

All tenants in arrears will receive information about sources of advice and assistance to ensure compliance with the pre-court requirements of the Housing (Scotland) Act 2010.

- 6.2 The Association will offer a detailed financial assessment to all tenants when it is identified that their rent account is in arrears in order to assist in the management of his/her tenancy and ensure that rent is paid.

All tenants in arrears will receive information about sources of advice and assistance to ensure compliance with the pre-court requirements of the Housing (Scotland) Act 2010.

- 6.3 Barrhead will:

- Work closely with local authority Housing Benefit Departments/DWP to ensure that claims for our tenants are processed as efficiently as possible.
- Assist tenants to complete a Housing Benefit/Universal Claim form at sign up of their tenancy.
- Visit tenants at home who have failed to complete a Housing Benefit/Universal Credit review form within the target date.
- Agree with the tenant an appropriate payment if applicable, until an award of Housing Benefit/Universal Credit is confirmed. Where assessment shows that the tenant may not be entitled to full Housing Costs Benefit, the tenant will receive a letter confirming their estimated monthly charge, which will be due until further notice.
- Refer any appropriate cases to our Welfare Rights Officer for benefits advice.
- Sign-post tenants to relevant agencies where if there are multiple debt issues and money advice.

- 6.4 Barrhead will involve other agencies to assist in supporting the tenant when appropriate e.g. Social Work Services.

- 6.5 Barrhead will not evict a tenant who would be considered vulnerable if they were to lose their home (e.g. family with children under 16, young single person under 25, elderly household), without initiating a formal request to Social Work and East Renfrewshire Council's homeless accommodation team to support the tenant in reducing their arrears or supporting the tenant with help in finding suitable alternative accommodation with an eviction pending.

- 6.6 Barrhead will liaise with the DWP on matters relating to the direct payment towards rent arrears from their benefit.

7. ARREARS RECOVERY

- 7.1 Our policy aims will be supported by procedures that include achievable timescales for prevention and recovery action.
- 7.2 We will produce, and keep up to date, detailed guidance for Customer Services staff that have responsibility for rent arrears recovery. This guidance will clearly establish for staff what actions staff should take at each stage in our attempts to recover debts.
- 7.3 Rent arrears recovery will be based on a staged escalation process, up to and including repossession for non-payment of rent. It will comply with the requirements of the Housing (Scotland) Act 2010.
- 7.4 The process will be based on a preventative approach that seeks to maximise tenants' entitlement to benefits and secure regular payments. The Customer Services Officer will place emphasis on intensive management and early personal contact whilst arrears are at a relatively low level, in order to prevent the escalation of arrears.
- 7.5 We will provide clear information about the terms of the tenancy, and outstanding rent/financial obligations giving tenants reasonable time to respond. We will provide a breakdown of total arrears, including service charges, and give tenants a written copy of any agreed repayment plan. In addition we will provide a description of any charges e.g. court expenses that will be incurred if arrears are not paid.
- 7.6 The Association will consider legal action to recover rent arrears where management actions prove ineffective.

8. LEGAL ACTION

- 8.1 Barrhead HA will commence legal proceedings (issue Notice of Proceedings) against any tenant who does not make, or fails to honour an arrangement to clear their arrears and that arrear is equal to or greater than three months rental charge. All Secure Tenancies will have Notices of Proceedings served in line with Pre Action Requirements.
- 8.2 Court action will be commenced when no arrangement has been made or honoured to clear or reduce the arrears.

- 8.3 In accordance with the terms of Section 11 of the Homelessness Act 2003 and the Statement of Best Practice on Sustaining tenancies and preventing homelessness, written contact will be made with the Local Authority Homelessness Dept. & The CAB.
- 8.4 In accordance with Pre-Action Requirements introduced in the 2010 Act a NOP will not be issued unless the following requirements have been complied with:
1. The landlord has provided the tenant with clear information about the terms of the tenancy agreement, the outstanding rent and any other outstanding financial obligation of the tenancy, including a description of any charges likely to be incurred if the money is not paid.
 2. The landlord has made reasonable efforts to provide the tenant with advice and assistance on whether the tenant may be able to get housing benefit or other financial help (such as benefits or grants).
 3. The landlord has provided the tenant with information on where to go for debt advice and assistance.
 4. The landlord has made reasonable efforts to agree with the tenant a reasonable plan for paying the money due and paying the rent in the future.
 5. The landlord has asked the tenant if they have made an application for housing benefit and, if they have done, the landlord has considered the likely effect of that application on the money due.
 6. The landlord has considered whether the tenant is taking any other steps to pay the money due.
 7. The landlord has considered whether the tenant is taking any other steps to pay the money due.
- 8.5 The decision to request a decree for eviction will only be taken when all other means of recovery of rent arrears have been exhausted. If decree for eviction is granted we will either through letter or email, inform Social Work Services of the date from which it is valid and provide any new additional information.
- 8.6 Every effort will be made by the Customer Services Team to maintain personal contact with the tenant throughout the legal process. This will include evening or other out of hours visits to their home or workplace if necessary.
- 8.7 Decrees for eviction and summary cause action for repayment of rent arrears will be requested at the court hearing.
- 8.8 All requests to implement a decree for eviction or to continue a tenancy will be approved by the Director of Customer Services and authorised by the Governing Board.
- 8.9 Barrhead HA will aim to recover all legal costs, as determined by the Court, associated with court action from the tenant.

9. ENFORCING DECREE

- 9.1 A report will be made to the Governing Board to allow them to make the decision either to proceed with the removal of a tenant from their home once a decree has been granted or if an arrangement has been made and adhered to, to continue the tenancy.
- 9.2 The tenant and any qualifying occupiers will be notified of their decision and contact made with the relevant statutory authorities
- 9.3 The tenancy will then be ended on the eviction date.

10. FORMER TENANT ARREARS

- 10.1 Former tenants are tenants who have terminated a tenancy and have outstanding rent arrears related to the property vacated. This policy operates in conjunction with the Debt Recovery Policy.

All tenants, when terminating their tenancy, are responsible for paying any outstanding arrears of rent and will be advised of the implications involved if rent arrears are not paid in full.

11. MONITORING & REPORTING

- 11.1 The Governing Board will be provided with the following information on a quarterly basis on:

- Rent Collected as a percentage of total rent due in the reporting year;
- Gross Rent Arrears (all tenants) as at 31 March each year as a percentage of rent due for the reporting year;
- Current tenant arrears as a percentage of rent due for the reporting year ;
- Former tenant arrears as a percentage of rent due for the reporting year;
- Total number of arrears cases;
- Number of Notice of Proceedings issued;
- Number of court actions initiated;
- Number of Decrees granted;
- Number of evictions.

- 11.2 Barrhead will annually set arrears targets based on recognised performance benchmarks and past performance.

12. EQUALITY & DIVERSITY

Barrhead Housing Association is committed to providing fair and equal treatment to all our customers to comply with the Equality Act 2010. The Act established 9 protected characteristics (the grounds on which discrimination is unlawful). These cover age, race,

sex, religion/belief, sexual orientation, pregnancy/maternity, gender reassignment, disability and marriage/civil partnership.

The Association will not discriminate against anyone on the grounds of race, colour, ethnic or national origin, disability, religion, age, sexual orientation, marital status, family circumstances, employment status or physical ability.

We will offer customers a range of options for communicating with us, since requiring to contact us may have to be in writing and this may be a deterrent, for example for people with poor literacy skills, visual impairment, or where first language is not English.

13. COMPLAINTS

Barrhead Housing Association operates a complaints policy that is open and transparent. Should any customer or service user feel the need to make a complaint against an individual or the organisation, the complaints policy and procedure will be implemented.

Should any customer or service user have a complaint that is unresolved to their satisfaction they can refer the complaint to The Scottish Public Service Ombudsman, the details of which can be found in the complaints policy.

Barrhead Housing Association operates a complaints policy that is open and transparent, should any customer or service user feel the need to make a complaint against an individual or the organisation, the complaints policy and procedure will be implemented.

This is covered by a separate policy and you should request a copy if you wish to make a complaint.

In keeping records about complaints and in allowing access to our files we will comply with the legislative requirements including, Access to Person at Files Act 1987 and Data Protection Act 1998.

14. POLICY REVIEW

This Policy will be reviewed at least every three years. However, improvements in performance and service delivery may be made on a regular basis to reflect change and in light of various factors such as:

- New or revised legislation
- Changes in good practice
- Organisational change, e.g. revision of operational practices
- Views of tenants and other service users
- Auditing practices
- Resource requirements

