

Current Rent Arrears Policy

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	Policy number:	HS 07
	Policy approved on:	September 2016
	Due for review:	September 2019

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GLEN OAKS HOUSING ASSOCIATION

Current Rent Arrears Policy

1. Introduction

Glen Oaks Housing Association is a registered Social Landlord. It aims to ensure effective, efficient and accountable management of its properties.

Rent is the Association's main source of income. This policy aims, through effective but sympathetic guidance and advice to tenants, to minimise debt while maximising the income to the Association.

This policy covers current rent arrears. Former tenant arrears are covered by separate policies and procedures.

2. Equality & Diversity statement

2.1 The Association is intent on ensuring people or communities do not face discrimination or social exclusion due to the following personal characteristics: age; disability; gender; race or ethnicity; language; faith, religion or belief; sexual orientation; gender identity.

2.2 This policy complies with the Association's equality & diversity policy.

2.3 The Association will regularly review this policy for equality & diversity implications and take the necessary action to address any inequalities that result from the implementation of the policy.

3. Aims and Objectives

- Glen Oaks Housing Association will adopt a firm but fair approach to the recovery of rent arrears. The Association recognise being in rent arrears is stressful and seek to deal with these matters in a non-threatening and sensitive manner whilst communicating the seriousness of the situation.
- The Association recognises the importance of rental income, and therefore prevention and pursuit of rent arrears are given high priority.
- Procedures are in place that reflects the policy guidelines that support staff in delivering the aims of the policy effectively.
- The rent accounting system will be accurate and up to date and a variety of convenient payment methods will be available to tenants.

- Rent arrears will be identified and tackled at an early stage to prevent arrears escalating.
- The Association will prioritise personal contact in recovering rent arrears.
- Repayment arrangements will be realistic and therefore maintainable.
- The Association will provide advice on claiming benefits where possible and will refer tenants to specialist organisations for benefits advice and/or debt management advice if required.
- The Association will liaise with relevant organisations to ensure appropriate advice and assistance is available to tenants in arrears.
- Where it is identified that the tenant may have any special requirements, the Association will take steps to provide the appropriate assistance or support.
- All possible action will be taken to reduce arrears to help prevent an arrears problem resulting in homelessness.
- Legal Action will be implemented as a last resort when all other methods have failed.

4. Compliance with Legislation and Good Practice

In developing this Policy Glen Oaks Housing Association have taken into consideration: -

- The Scottish Government's Scottish Housing Charter - Outcomes and Standards, specifically:
Outcome 9: Housing Options
 Social landlords ensure that:
 People at risk of losing their homes get advice on preventing homelessness.
Outcome 11: Tenancy Sustainment
 Social Landlords ensure that:
 Tenants get the information they need on how to obtain support to remain in their home; and ensure suitable support is available, including services provided directly by the landlord and by other organisations.
Outcome 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.
- The legislative framework affecting the Rent Arrears Policy namely:-
 Housing (Scotland) Act 2001
 Homelessness (Scotland) Act 2003
 Housing (Scotland) Act 2010
 The Scottish Secure Tenancies (Proceedings for Possession) (Pre-action Requirements) Order 2012

Debtors (Scotland) Act 1987
Debt Arrangement and Attachment (Scotland) Act 2002
Equality Act 2010
Data Protection Act 1998
The Children (Scotland) Act 1995
The Human Rights Act 1998
Matrimonial Homes (Family Protection)(Scotland) Act 1981

5. Prevention

The Association will maintain accurate and efficient monitoring systems to identify arrears early and clear procedures for recovering outstanding rent.

5.1 Rental Payment Methods

Glen Oaks Housing Association have made available a range of convenient payment methods for tenants via the 'AllPay' system, this includes payment at the post office, any Pay Points, standing order, direct debit, telephone banking and internet payments. The Association can also accept credit/debit card payments at our office or by telephone. Normally all rental payments will be credited to a tenants rent account within 4 working days.

5.2 Allocation of a tenancy

The Association recognise that a key stage in preventing arrears arising is before the tenancy begins. At the housing options interview any potential tenancy support issues will be identified. When offering a tenancy the rent and service charge for the property will be confirmed to ensure prospective tenants are aware of their rental liability.

5.3 Acceptance of a tenancy

At the sign up interview we will ensure tenants are aware of rent and service charges applicable. The Association will:

- Help the tenant complete the appropriate benefit application (if required)
- Assist with making a claim for any period of overlap
- Where possible ,encourage payment of benefit direct to the Association
- Make appointments with both the Welfare Benefits Officer and the Energy Advice Officer

Rent payments are due four weekly in advance and tenants will be encouraged to pay the first rent at the sign up interview where applicable. Staff will emphasise the importance of ensuring rent payments are made, explaining the Current Rent Arrears policy. Where support issues have been highlighted staff will provide appropriate information and advice.

5.4 New tenants

Close monitoring of payments will be carried out at the start of tenancy. Where there is a delay in receipt of the benefit payment, staff will follow up on non-payment with both the tenant and Housing Benefit/DWP as appropriate. Early intervention, particularly personal contact is essential to prevent arrears accruing to unmanageable levels.

Any tenants identified as requiring debt counselling services will be referred to the relevant agencies.

5.5 Information and Advice

The Association recognises the promotion of a positive payment culture can help prevent arrears arising, actively publicising the importance of paying rent via our newsletters, information leaflets, posters and the payment information section of our website and the reception information screen.

Tenants are sent a bi annual statement of their rent account. A rent payment calendar is sent annually as part of the rent increase exercise. Additional statements are issued when appropriate.

A household census form is issued for the tenant to update and return on an annual basis. This enables the Association to maintain accurate records for each tenancy.

5.6 Gold Service

Glen Oaks Housing Association makes every effort to encourage the development of a payment culture through our Gold Service. Tenants who have had their tenancy for eight weeks, have a clear rent account, or are maintaining an agreed payment arrangement for eight weeks (providing the arrear is eight weeks or less) are eligible to become Gold Service members. By rewarding prompt and regular payment of rent the Gold Service provides valuable

incentives to tenants to pay their rent. Please refer to the Gold Service policy and procedures for criteria and rewards available.

6 Recovery

Glen Oaks Housing Association expects rent payments to be made four weekly in advance and has clear and effective rent arrears procedures for staff covering the following:

- Maintaining accurate and efficient monitoring systems to identify arrears early.
- Contacting tenants in arrears as soon as possible, in timescales, that is proportionate and targeted.
- Priority to personal contact, which can include house visits, letters, telephone calls, text messages, e-mail.
- Arrears interviews covering reasons for non-payment, income and expenditure advice on housing/welfare benefits or explanation of technical arrears, are carried out .The interview will also include discussion regarding any other outstanding monies due to the Association. Referrals to advice agencies can be made where there are support or debt issues identified. Realistic payment arrangements will be made including arrears direct payments where appropriate
- Encouraging notification of changes in circumstances to Housing Benefit/DWP to help prevent overpayments and arrears developing.
- Records of arrears actions will be maintained including the use of computerised system, signed interview forms and letters.
- Weekly monitoring of all arrears cases by the Housing Services Officer and four weekly audits of arrears cases by the Housing Services Manager.
- Review by Housing Services Director and the Housing Services Manager to cases where court action has resulted in Decree for eviction.

7. Liaison with other Agencies

Glen Oaks Housing Association endeavours to minimise arrears by working with other agencies to improve debt and budgeting advice to tenants.

Referrals are made to appropriate agencies as required. These agencies provide a mixture of support, money advice, benefit checks, income maximisation, energy efficiency, budgeting and debt counselling.

We will ensure compliance with the Data Protection Act 1998. Where required we will make sure that the tenant gives permission to the Association to liaise with external agencies on their behalf.

A Section 11 notice will be issued (on our behalf) to Glasgow City Council as part of the solicitor's procedure for court action.

8. Legal Action

When the tenant fails to co-operate in reducing arrears and has not made any payment arrangements or continuously breaks repayment arrangements, legal action can be taken after consultation with the Housing Services Manager and/or the Housing Services Director. An appointment for a joint discussion with the Welfare Rights Officer from Social Work Department and the Housing Services Manager should be made at this stage which indicates to Glasgow City Council Social Work Department the Association's intention to begin legal action against the tenant. A referral is made to the Prevention of Homelessness project – which they choose to accept will give the tenant access to independent advice.

8.1 Issuing a Notice

A Notice of Proceedings for Recovery of Possession should be served when the tenant is eight weeks or more in arrears. The Notice includes the pre-action requirements which the Association must have complied with. This should only be issued when it is the genuine intention to start legal action as the routine issue of such notices only reduces their effectiveness. However where there are exceptional circumstances and good reasons for delaying such action, this decision should be approved by the Housing Services Manager. Prior to the Notice being served enquiries should be made to ascertain qualifying occupiers

(persons aged 16 or over). When such a Notice is issued to the tenant, notice should also be issued to any qualifying occupier within the household. These persons have a right to be represented in any legal action relating to the recovery of possession.

8.2 Court Action

When the Housing Services Officer is considering proceeding with court action, approval must be given by the Housing Services Manager or Housing Services Director. The Association's Solicitors will then issue the Section 11 notice to Glasgow City Council as part of their procedures when a case is being sent to court. The following options exist if court action then progresses –

- Recovery of property
- Recovery of debt
- Conjoined action for both of the above

During the court process, actions may be continued to allow further information to be obtained, monitoring of payment arrangements or benefit issues to be explored.

The court action may also be sisted (which postpones a case long term) where payment arrangements have been made.

Decree for repossession and repayment are requested, unless an arrangement is being maintained or a payment is awaited

Other legal methods such as wage arrestment and small claims actions will be used where applicable.

Clear instructions will be given to the Association's solicitors immediately prior to the court date

8.3 Post Decree Procedure (please refer to Post Decree Policy and procedures)

Where Decree for repossession has been granted the tenant ceases to be the tenant and his/her occupation is without any legal right. The occupier can only be removed by Sheriff Officers enforcing the Decree.

If Decree has been granted, the tenant may, through legal representation request a 'Minute of Recall' where the case is heard again in court when the

Sheriff can decide to uphold the Decree or to continue for the reasons stated above. If the Decree is up held at this stage, the tenant has no further course of recall.

The Decision to implement the Decree is taken by the Board. The Association will seek to recover legal costs as awarded by the court.

Prior to enforcing the decree for repossession the Association will notify the Social Work Department and the tenant will be offered information and advice on securing alternative accommodation.

9. Staff/Committee Responsibility

The Board delegates all responsibility for operational arrears management to the Association's staff.

The Housing Services Director will ensure staff are suitably trained to follow the Associations rent arrears procedures, and that their roles are carefully defined and properly understood.

The Housing Services Manager or Housing Services Director will decide which cases will be subject to legal action.

The Board will receive reports on arrears management performance.

The Board will decide if a Decree for eviction will be implemented.

The Housing Services Director has delegated authority to suspend eviction where change in circumstances requires a review of the Board decision.

9.1 Performance Monitoring

The Board will receive reports on the following to monitor the overall level and trends in arrears.

- Current tenant arrears
- Technical arrears
- Former tenant arrears
- Costs of Legal Action associated with Arrears Recovery
- Progress of cases where Decree has been granted

The targets are set annually as part of the Internal Management Planning process and are monitored by the Corporate Management Team and the Board.

The Association will also monitor its performance in comparison to other Registered Social Landlords through a benchmarking forum.

9.2 Confidentiality

To maintain confidentiality tenants arrears will not be discussed with third parties except:

- With the written permission of the tenant
- To the tenants solicitor
- The Association's solicitor
- Glasgow City Council's Social Work Department
- Glasgow City Council Financial Services – Housing Benefit

Cases reported to the Board will not disclose the tenants name or address.

9.3 Consultation

Glen Oaks Housing Association will develop the Policy in consultation with tenants, using a range of methods as outlined in the Communications Strategy and account will be taken of representations made.

A copy of the approved policy is available from the website and can be obtained on request from the office.

9.4 Review of the Policy and Continuous Improvement

The Rent Arrears Policy will be reviewed every three years in consultation with tenants as stated previously.

The Association will keep abreast of developments in best practice and will periodically review staff training needs and provide relevant training

More regular reviews will be considered where, for example, there is a need to respond to legislative or other feedback.

We will endeavour to improve the quality of systems for managing rent arrears and to improve the quality of management information required to deliver this service,

9.5 Risk Management

Risk arises from the Association's Arrears Policy in a number of respects:

- Loss of rental income
- Increased legal costs resulting from a high number of serious arrears cases
- Failure to meet targets in a key performance area

Given the importance of the risks identified, the effective management of this policy is vital.

9.6 Complaints

We accept that despite our best efforts, problems arise from time to time.

Should you have a complaint about how this Policy or the related Procedure has been handled or any other issue in respect of its implementation then you should use our Complaints Procedure.

This is a separate document and can be obtained from the Website or requested from the Association's office.

If you require the Complaints procedure on tape, in Braille, in large print or in translation please tell us when you contact us.

9.7 Links with other policies

The Rent Arrears policy is related to the following policies

- Former Tenant Arrears
- Write –off Policy
- Post Decree Policy
- Gold Service Policy
- Allocations Policy
- Voids Policy
- Data Protection

- Rent Setting Policy
- Communications Strategy