

Rent Arrears Policy

If you have difficulty with sight or hearing, or if you require a translated copy of this document, we would be pleased to provide this information in a form that suits your needs.

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Glen Oaks' vision statement 'Where Communities Thrive' and our mission statement 'Our aim is to provide good quality affordable housing and an excellent service. We will encourage resident participation and work with other agencies to regenerate our community' provide the foundation for Glen Oaks Housing Association's commitment to its residents and the communities they live in.

This commitment is also demonstrated in the Association's values which were agreed following discussions with the Board and staff. Glen Oaks' values are fundamental to how we carry out our day-to-day activities.

Our values are:

respectful

we trust and respect our customers and each other.

dedicated

we will give 100% commitment to our work.

transparent

we will be open and honest about what we do.

aspirational

we will strive to achieve the best we can for our communities.

Equality & Diversity Statement

The Association is intent on ensuring people or communities do not face discrimination or social exclusion due to any of the following protected characteristics: age; disability; sex; marriage & civil partnership; race; religion or belief; sexual orientation; gender reassignment; pregnancy & maternity.

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

The Association will regularly review this document for equal opportunities implications and take the necessary action to address any inequalities that result from the implementation of the policy.

Notifiable Events

Notifiable Events will be reported to the Scottish Housing Regulator in line with the Notifiable Events policy.

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1.0 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 Rent Arrears, both current and former tenant.

2.0 Aims and Objectives

- To create a culture where tenants attach a high level of importance to ensuring their rent and tenancy charges are paid.
- To take a proactive approach to preventing arrears where possible
- To provide tailored advice and support to those tenants that find themselves in arrears.
- To take appropriate and timely action to recover outstanding arrears
- To use eviction as a last resort and only where the tenant has failed to engage or make any consistent effort to pay their rent and tenancy charges and outstanding arrears.
- 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 reflect the policy guidelines that support staff in delivering the aims of the policy effectively.

3.0 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 - Outcome 11: Tenancy Sustainment

Social landlords ensure that:

“tenants get the information they need on how to support to remain in their home; and ensure suitable support is available, including services provided directly by the landlord and by other organisations”.

This outcome covers how landlords can help tenants who may need support to maintain their tenancy. This includes tenants who may be at risk of falling into arrears with their rent.

- SFHA Raising Standards in Housing document, Rent Arrears: Prevention, Management and Recovery.
- CIH Good Practice Briefing, Managing Rent Arrears.
- The legislative framework affecting the Rent Arrears Policy namely:
 - Housing (Scotland) Act 1987
 - Housing (Scotland) Act 2001
 - Housing (Scotland) Act 2010
 - Housing (Scotland) Act 2014
 - The Scottish Secure Tenancies (Proceedings for Possession) (Pre-action Requirements) Order 2012
 - Debtors (Scotland) Act 1987
 - Debt Arrangement and Attachment (Scotland) Act 2002
 - Data Protection Act 1998
 - General Data Protection Regulation (GDPR)
 - The Children (Scotland) Act 1995
 - The Human Rights Act 1998
 - Matrimonial Homes (Family Protection) (Scotland) Act 1981
 - Homelessness (Scotland) Act 2003
 - Freedom of Information Act (Scotland) 2002
 - Equality Act 2010

4.0 Prevention

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

4.1 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 PayPoints, 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 tenant's rent account within 2 working days.

4.2 Allocation of a Tenancy

The Association recognises that a key stage in preventing arrears arising is before the tenancy begins. At the pre-tenancy 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.

4.3 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 Housing Benefit / Universal Credit (UC) application (if appropriate).
- assist with making a claim for any period of overlap.
- encourage payment of this benefit direct to the Association where appropriate
- make appointments with the Welfare Rights Team.

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 Rent Arrears policy. Where support issues have been highlighted, staff will provide appropriate information and advice.

4.4 New Tenants

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

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

4.5 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 social media platforms.

As part of the Rent Increase exercise a rent payment calendar is issued and every 5 years a household Census Form is issued with the rent increase exercise, for the tenant to update and return. This enables the Association to maintain accurate records for each tenancy.

Regular rent statements are issued when appropriate.

4.6 Former Tenants

On receipt of a termination of tenancy the Housing Services Officer (HSO) should contact the tenant to ensure payment of any due monies will be made before or when the keys are handed in.

5.0 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. Records of arrears actions will be maintained including the use of computerised diary system, signed interview forms and letters.
- contacting tenants and former 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, including discussion regarding any other outstanding monies due to the Association. Where there are benefits, support or debt issues identified referral will be made to the Welfare Rights Team or external agencies. Realistic payment arrangements will be made including arrears direct payments and alternative payment arrangements where appropriate.
- four weekly monitoring of **former** tenant arrears by Housing Services Assistants (HSA) and quarterly monitoring by the Housing Services Manager (HSM)
- weekly monitoring of all **current** arrears cases by the Housing Services Officer (HSO) and four weekly audits of arrears cases by the Housing Services Manager (HSM).
- review by Housing Services Director (HSD) and the HSM to cases where court action has resulted in Decree for Eviction.

6.0 Liaison with Other Agencies

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

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.

7.0 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 HSM and/or the HSD.

An appointment for a joint discussion with the HSO and the HSM should be made at this stage.

7.1 Notice of Proceedings

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. However, where there are exceptional circumstances and good reasons for delaying such action, this decision should be approved by the HSM.

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.

A notice of proceedings 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.

7.2 Court Action

When the HSO is considering proceeding with court action, approval must be given by the HSM or HSD. The following options exist if court action then progresses:

- recovery of property
- recovery of debt
- conjoined action for both of the above

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.

7.3 Post Decree

Where Decree for Repossession has been granted. the occupier can only be removed by Sheriff Officers enforcing the Decree.

The decision to implement the Decree is taken by the Housing Services Director (HSD). The Association will seek to recover legal costs as awarded by the court.

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

7.4 Trust Deeds and Sequestration

Where an individual has their debt placed in a Protected Trust Deed this debt is not pursuable for the duration of that protection. When the protected period is over the creditors will be issued with an outcome which will either require the debt to be written off in full or an offer of payment will be issued, and any remaining debt will be written off.

In the case of Sequestration (bankruptcy), any arrears accrued up to the date of declaration will be written off.

In either case, the terms of the tenancy agreement have been broken by failure to pay rent due. While the debt itself may not be pursuable, a judgment will be made on a case-by-case basis as to whether action should be taken to repossess the tenancy.

7.5 Write Off

On an annual basis, depending on the level of debt The Board of Management will be presented with a report of those debts to be written off. This may include irrecoverable debts including:

- those left by deceased tenants.
- abandoned tenancies and/or failure to provide a forwarding address where debt recovery action is unlikely to be successful .
- former tenant arrears too low to warrant legal action.
- unsuccessful Debt Recovery cases.

8.0 Responsibility

The Housing, Technical, Health and Safety Sub-Committee delegates all responsibility for operational arrears management to the Association's staff.

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

The HSM or HSD will decide which cases will be subject to legal action.

The HSD will decide if a Decree for Eviction is to be implemented.

9.0 Performance Monitoring

The Board and the Housing, Technical, Health and Safety Sub-Committee will receive reports on the following to monitor the overall level and trends in arrears:

- Current Tenant Arrears
- Technical Arrears
- Former Tenant Arrears
- Progress of cases where Decree has been granted

The targets are set annually as part of the Departmental and Corporate Work Plans and monitored by the Board, the Corporate Management Team and Housing, Technical, Health and Safety Sub-Committee.

The Association will also monitor its performance in comparison to other Registered Socials Landlords through benchmarking forums.

10.0 Consultation

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

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

11.0 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.

12.0 Risk Management

Risk arises from the Association's Rent 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, effective management of this policy is vital.

13.0 Complaints

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

If a tenant or former tenant is dissatisfied about how this Policy, or the related procedure has been handled, or any other issue in respect of its implementation, then they may make a complaint which will be handled in accordance with our complaints handling procedure.

A copy of our complaints handling procedure can be obtained from the Association's website or requested from the Association's office.

If you require a copy of this Policy or our complaints procedure in another language or in another form (such as Braille or audio tape), this can also be available on request.

14.0 Links with Other Policies

The Rent Arrears Policy is related to the following policies:

- Writing off Debts and Credits Policy
- Allocations Policy
- Void Management Policy
- Data Protection Policy
- Rent Setting Policy
- Tenancy Management Policy
- Complaints Handling Procedure