
RENT ARREARS POLICY

Title:	Rent Arrears Policy
Purpose of Procedure:	To manage and minimise arrears levels
Section:	Housing Management
Date:	February 2024
Review Date:	February 2027

Charter Standard:

AS1.8 Arrears: We act to prevent arrears of rent and service charges building up. We recover any arrears fairly and effectively. Some of the other Performance Standards which also influence this policy:

AS1.3 Tenancies: We offer the most secure form of tenancy compatible with the purpose of housing. The agreement makes clear the rights and duties of the tenant and landlord. We act to uphold these rights and duties in a fair and responsible manner.

GS1.2 Policies and Procedures: We have high quality written policies and procedures to guide our actions.

GS1.3 Commitment to continuous improvement: We actively strive for continuous improvement in all that we do.

GS1.4 Resource Management: We make best use of our people and our physical resources to achieve high efficiency, best value, continuous improvement and to deliver high quality services that meet the needs of our service users.

GS2.1 Equal Opportunities: We embrace diversity, promote equal opportunities for all and eliminate unlawful discrimination in all areas of our work.

GS3.1 Responsiveness to service users: We place the people who want to use our services at the heart of our work. We treat people with respect and are responsive to their views and priorities.

EQUAL OPPORTUNITIES & HUMAN RIGHTS STATEMENT

We aim to ensure that all services, including the delivery of this policy, provide equality of opportunity.

We will respond to the different needs and service requirements of individuals. We will not discriminate against any individual for any reason, including age, disability, gender re-assignment, marriage, civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation, or other status.

BLAIRTUMMOCK HOUSING ASSOCIATION

RENT ARREARS POLICY

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1.0 INTRODUCTION

- 1.1 Blairtummock Housing Association is a Registered Social Landlord. We aim to ensure efficient, effective and accountable management of our properties.
- 1.2 Rent is the Association's main source of income and therefore our policy aim is to 'minimise the level of rent arrears in a sensitive but effective manner'.

2.0 AIMS AND OBJECTIVES

- 2.1 Blairtummock Housing Association will implement a firm but fair approach to the recovery of arrears. We are aware tenants in arrears can be stressed and we strive to deal with these matters in a re-assuring and sensitive manner while communicating the seriousness of the situation.
- 2.2 Offer early, professional, support and guidance to tenants to reduce rent arrears. We will provide advice in claiming benefits where possible and refer tenants to other organisations when appropriate.
- 2.3 Monitor levels of rent arrears and have early intervention mechanisms in place to prevent rent arrears rising.
- 2.4 Rent accounting system will be accurate and up to date and a variety of convenient payment methods will be available to tenants.
- 2.5 We will prioritise personal contact in recovering rent arrears.
- 2.6 Repayment arrangements will be realistic and able to be maintained.

- 2.7 All possible action will be taken to reduce arrears and reduce the risk of homelessness.
- 2.8 Legal action will be implemented as a last resort when all other methods have been exhausted and failed.

3.0 PREVENTION

3.1 Blairtummock Housing Association offers a range of suitable payment methods for tenants via “Allpay”. By using Allpay, tenants are able to pay at the Post Office, PayPoint, Standing Order, Direct Debit, telephone banking or internet payments, Allpay App or debit/credit card payments. Normally, all rental payments are credited to tenant’s rent accounts within two working days.

3.2 At the beginning of the tenancy we will make every effort to ensure the tenant is informed of all costs associated with the tenancy. Tenants will be encouraged to complete relevant applications for Universal Credit or Housing Benefit when signing the Tenancy Agreement. An appointment is offered with our Welfare Benefits Service to assist with benefit checks and application forms to ensure the maximum benefit entitlement.

We will:

- Offer a Welfare Benefits service appointment to assist the tenant in applying for Universal Credit or Housing Benefit.
- Complete benefit on two homes forms where appropriate
- Encourage payment of housing costs direct to the Association
- Completion of Discretionary Housing Payment (DHP) form

3.3 Rent payments are due four weekly in advance and tenants will be encouraged to pay the first rent at the sign up interview. Prospective Tenants will be advised of this at an early stage including at the allocations interview or visit. Staff will ensure tenants are aware of the importance of ensuring rent payments are made, explaining the Rent Arrears Policy.

3.4 Close monitoring of payments will be carried out at the start of the tenancy by the Senior Housing Officer) and the Housing Officer. New tenants will be called on the date their 1st payment is due and a text reminder will be sent. Payment dates will be re-iterated at the settling in visit. Early intervention, particularly personal contact is essential to prevent arrears in these cases.

4.0 ARREARS RECOVERY

4.1 Rent payments are to be made 4 weekly in advance and the rent arrears procedure details how the staff should deal with cases. All arrears cases which are new or have not reduced will be contacted within the 4 weeks following the end of period. If no resolution by means of payment, an arrangement made or reduction in arrears balance by the next end of period, then a further contact will be made in line with procedures.

4.2 Recovery is based on a staged escalation process, up to and including re-possession for non-payment of rent. In essence this includes the following:

- Tenants being contacted as soon as possible after the arrears prints are produced (usually Tuesday after the end of rent period).
- Priority is on personal contact: telephone calls, emails, text messages, house visits, letters.
- Arrears discussions with tenants should include identifying reasons for non-payment, income checks, advice on Universal Credit or Housing Benefit including overpayments . Referrals to other agencies should be made when support or debt issues are identified. Realistic payment arrangements will be made including applications for housing costs and arrears direct from benefits when appropriate.
- Encourage notification of changes in circumstances to Universal Credit or Housing Benefit to prevent overpayments and arrears developing.
- Records of arrears actions and discussions will be maintained on a computerised diary system, any emails, letters or forms will be saved in the tenants file.
- Detailed procedures for rent control and arrears action will ensure each case is regularly monitored and the necessary checks made at each stage of the control and recovery action. Tenants who regularly go into arrears will be contacted to discuss the management of their payments and offered an appointment with .

- We will provide tenants in arrears with clearly written arrears letters which detail the balance on an account. What action they need to take and also detail who and where to contact.
- In cases where the tenant cannot clear the arrears in a single payment we will agree on an affordable payment to reduce the arrears in realistic and sustained instalments over a specific period of time. Any payment arrangement will be based on the tenant's ability to pay.
- A written agreement will be sent to the tenant. This agreement should include the level of arrears, the samount and frequency of arrears payments, date of 1st payment and the method of making future payments.

5.0 LEGAL ACTION

- 5.1 Legal Action is the last stage of the rent arrears process. The decision to request action for recovery of possession of the property and payment of arrears will be raised only when all other means of recovery of rent arrears have been exhausted. The following options exist if court action is progressed:
- Recovery of the property
 - Recovery of the debt
 - Conjoined action for both of the above
- 5.2 It is anticipated that we will pursue conjoined action for the majority of our cases.
- 5.3 Prior to court action a Notice of Proceedings will be issued to the tenant and all qualifying occupants, (all known members of the household over the age of 16). This will allow the Association to take legal action over the duration of a six-month period starting 1 month from the date the Notice is delivered.
- 5.4 The Housing Scotland Act 2010 has established the requirement for Registered Social Landlords to meet a number of conditions, together referred to as the Pre Action Requirements, and to document how they have done so, before beginning legal action to end a tenancy.

The Associations Notice of Proceedings outlines where we have fulfilled the requirements outlined below;

- Give clear information about the tenancy agreement and the unpaid rent or other financial obligations;
- Make reasonable efforts to give help and advice on eligibility for housing benefit and other types of financial assistance;
- Give information about sources of help and advice with the management of debt;
- Make reasonable efforts to agree with the tenant a reasonable plan for future payments;
- Consider the likely result of any application for housing benefit that has not yet been decided;

- Consider other steps the tenant is taking which are likely to result in payment within a reasonable time;
- Consider whether the tenant is complying with the terms of an agreed plan for future payments
 - Encourage the tenant to contact their local authority (where the local authority is not the landlord).

The Association will not commence legal action unless these requirements have been met and we can document that we have done so.

5.5 Tenants in rent arrears will be informed and fully involved in all stages of legal action. In all cases we will request recovery of our expenses. Expenses may be awarded where the arrears have been fully paid by the court date. Where appropriate we will advise the tenant to seek independent legal advice. The Association will apply the duties expected of it within the provisions of Section 11 of the Homelessness etc (Scotland) Act 2003 and formal notification will be sent to Glasgow City Council when a court date is requested.

5.6 During the court process, actions may be continued to allow further information to be obtained, monitoring of payment arrangements or benefit issues to be investigated. The court action may also be sisted (suspended) where payment arrangements have been made. Decree for repossession and payments will be requested unless there are special reasons such as payment arrangement maintained or balance significantly reduced.

- Other legal methods such as wage arrestment and freezing of bank accounts will also be used where appropriate.
- Clear, written, instruction will be given to the Association's solicitor in each case before the court date.

5.7 Enforcement of Decree

5.7.1 Enforcement of decree is a sensitive area in which it is important that policies and levels of authority are clearly defined within the Association. . Management Committee approval must be obtained prior to a decree being enforced.

5.7.2 Where a Decree for eviction has been granted by the Courts, the Association will confirm this with the tenant, inviting them for an interview with the Senior Housing Officer to provide a final opportunity to avoid repossession action. If the tenant attends, the Association may consider the following options that will prevent the eviction from proceeding;

1. The tenant makes full payment of the balance on the account including any rechargeable legal fees or repair costs.
2. Payment that will cover half of the balance on the account plus a suitable repayment arrangement that will clear the arrear over an acceptable period, no longer than 6 months.
3. A payment arrangement based on the outstanding balance that will clear the arrears over a period of no longer than 6 months.

The tenant will be informed that failure to keep to the arrangement made will result in the Eviction proceeding. Eviction Decrees can be used within six months of them being awarded by the Courts. The Association will evict a tenant for failure to pay the rent, when all other methods of recovery have been tried and failed and when the arrear is significant.

Where there is no agreement made as part of the final interview stage, the next course of action is to get approval from the Management Committee, to proceed with the eviction. In dealing with every such case, the Association's Chief Executive, before deciding on whether or not to authorise the eviction, will consider a report provided by The Senior Housing Officer will provide an anonymised report to Committee detailing the circumstances of the case, confirming that all proper procedures have been carried out and that every assistance has been offered by staff. Management Committee will consider:

- Personal Circumstances of the tenant and Dependents
- Family Composition
- Health
- Previous Legal Action
- Age & Infirmary

- Ability to pay

5.7.2 Enforcement in relation to debt may only be effective where the tenant has some resources. Arrestment of funds due to the tenant in the hands of a third party is possible e.g. arrestment of wages or funds in a bank account. To be successful the Association will need clear and accurate information about the location of funds.

5.7.3 A decree for repossession has the effect of ending the tenancy on the date set by the court. There will be occasions where the granting of decree prompts the tenant to repay sufficient arrears to persuade the Association not to carry out a formal eviction.

5.7.4 It should be made clear where the tenant is allowed to continue to stay in the property whether a new tenancy is created or not. In some cases, however, the Association may decide that eviction must take place.

5.7.5 Prior to enforcing the decree the Association will notify Social Work Department to ensure they will be offered an opportunity to receive advice on securing alternative accommodation.

5.7.6 When arranging the eviction, the Sheriff Officer should be instructed to enforce the decree and the tenant will be given 14 days written notice of the date of eviction. The Sheriff Officer will also issue a final notice to the tenant. A Joiner will also be requested in order to change locks/gain entry if required, in certain circumstances we may also request Police attendance.

6.0 COMMITTEE REPORTING & AUTHORITY

- 6.1 All reports on arrears cases will be treated in confidence and reported by number only, at no stage will a tenant's name be disclosed at Committee meetings.
- 6.2 The Housing Manager will report to Committee on all cases with a live Notice of Proceedings and all live court cases.
- 6.3 The Management Committee delegates all responsibility for operational arrears management to staff to act within the policy and procedure.
- 6.4 The Management Committee will decide if a decree of eviction is to be implemented following a report from the Housing Services Manager or Senior Housing Officer..
- 6.5 The Management Committee will receive reports on arrears from detailing Arrears Management Performance.
- 6.6 The Housing Services Manager has delegated authority to suspend eviction where a significant change in circumstances requires a review of Management Committee decision.
- 6.7 Any committee member who has been served a legal notice must stand down from committee and take a leave of absence until the account has been cleared or the period of the legal notice/action has expired.

7.0 ROLES & RESPONSIBILITIES

7.1 Overall control of the policy rests with the Management Committee who are required to approve the policy on a three yearly basis.

7.2 The following table provides a summary of the staff roles and responsibility in relation to rent arrears management:

Role	Responsibility
Management Committee	Reviewing policy. Decisions on enforcing decrees awarded at court based on report from Senior Housing Officer.
Housing Services Manager	Responsible for performance and adherence to policy & procedures, legislative requirements. Approve policy draft before Committee approval is sought. Manage SLA's for Welfare Benefit advice service. Reconcile rent accounting. Delegated authority to suspend an eviction.
Senior Housing Officer	Day to day arrears management. Serve NOP's, book cases to court, prepare decree reports for Committee. Attend court and evictions. Monitor caseload of Benefits Advisers. Prepare end of period rent prints, run end of period rent accounting processes. Process and approve rent refunds/account adjustments. Verify UC claims Process HB overpayments. Review policy every 3 years.
Housing Officer	Pre-tenancy rent discussions. Early intervention with new tenants in arrears.

	<p>Agree paying arrangements with tenants in arrears. Ensure a collaborative approach to minimise rent arrears. Verify UC claims. Serve NOP.</p>
Housing Assistant	<p>Assist with arrears cases where required, up to final broken arrangement stage. Verify UC claims.</p>

8.0 PERFORMANCE REPORTING

8.1 Management Committee will receive reports on the following to monitor the overall level and trends in arrears:

- Current arrears
- Former arrears
- Technical arrears
- Notice of proceedings cases
- Court cases
- Measuring of targets set out in the Business Plan

9.0 CONFIDENTIALITY

9.1 To maintain confidentiality tenant's arrears will not be discussed with third parties unless:

- With written permission of the tenant
- Tenants solicitor where signed mandate has been received
- The Association Solicitors
- Social Work Department
- Glasgow City Council Revenue Benefits Section (Housing & Council Tax Benefit)
- DWP

10.0 POLICY REVIEW

- 10.1 The policy will be reviewed every 3 years in consultation with tenants.
- 10.2 The Association will keep up to date with best practice and will review staff training needs annually as part of the staff appraisal process.
- 10.3 Review as necessary following new legislation or working parties.

11.0 RISK MANAGEMENT

11.1 Potential risks from this policy include:

- Loss of rental income
- Increased legal costs
- Failure to meet performance targets
- Tenancies not sustained

12.0 COMPLAINTS

- 12.1 If you have a complaint about this policy or the re-associated procedure has not been dealt with correctly, or any other issues in respect of its implementation then our complaints procedure should be used.
- 12.2 This is a separate document and can be obtained from our Office or downloaded from our website.
- 12.3 If you need any policy or procedure on tape, braille, large print or translated please let us know.

13.0 PROCEDURES

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ARREARS PROCEDURES

CONTACT

All arrears cases are monitored by the Housing Officer. (Income)

The Association follows pre-action requirements as follows: Reminder 1 – Reminder 2 – Reminder 3 – Broken Arrangement – Notice of Proceedings.

If a tenant responds to a reminder letter and/or arrangement made this will be confirmed in writing.

Where a tenant is in receipt of housing benefit, and in arrears, they will be contacted if applicable and a financial assessment of income and expenditure will be completed in order to establish disposable income and a suitable repayment arrangement.

An income & Expenditure Form requesting reduction to a housing benefit overpayment and should be forwarded to the Housing Benefit Office, 1250 Westerhouse Road, Easterhouse, Glasgow, G34, with covering letter (HBO).

Where applicable, the Housing Officer may request Arrears Direct (AD).

Should the tenant fail to maintain the arrangement as agreed, they will be contacted in line with pre action requirements advising them to attend an appointment. If contact is made and a new arrangement in place, this should be confirmed in writing.

Where a tenant defaults on this arrangement, they should be contacted again.

Where a tenant failed to make contact all courses of action must be considered, taking into account the individual's circumstances – i.e. outstanding balance, present circumstances. In some cases, it may be necessary to consider and investigate if the tenant is no longer living in the property and the Abandonment Procedures should be followed.

All tenants are signposted to appropriate agencies for further advice and assistance.

LEGAL ACTION

When serving a Notice of Proceedings and Certificate (NOP1), a NOP2 letter should be enclosed to the tenant. In addition a copy of the notice will be delivered to any known residents (over 16 years old) living in the property who meet the “qualifying occupiers “ criteria.

When a tenant has been served a Notice of Proceedings, the live date should be noted in the diary as well as one week after serving, to check if any response has been received from the tenant. If no response, a further letter should be sent (NOP3), reiterating the effective date of the Notice of Proceedings and potential court action.

Where the tenant has made contact and made a further agreement, this should be confirmed in writing (NOP4). If the tenant breaks this arrangement, the case the Housing Officer has delegated authority to book the case to Court. If there is still no contact after NOP3 has been sent, further investigations should be carried out in case of abandonment

If the tenant has still not made contact after the Notice of Proceedings has become live, the case will be considered for Court Action by the Housing officer. (CRT1).

When booking a case to court, the tenant will be notified (CRT1) and the Association's solicitor notified via email, all necessary documents are scanned to solicitor along with a copy of the rent statement, Notice of Proceedings, Certificate of Delivery and Tenancy Agreement.

Tenant should be sent a letter approximately one week later, confirming case booked to court and costs incurred for delivery of papers.

On receipt of court date from solicitor, tenant should be notified (CRT3). The court date should be noted in SDM diary. Court instructions should be sent to Association's solicitor normally via email on the Friday before the court date.

Should a court case proceed to a Proof Hearing, the tenant would again be notified (CRT4) confirming court date. The court date should be noted in SDM diary and also the Housing Officer's diary. Court instructions should be sent to Association's solicitor normally via email on the Friday before the court date.

Copies of all letters are saved as attachments to SDM Diary. Any response from tenants and details of arrangements which are made will also be put into the diary.

When a notice is served, all copies will be kept in the Notice Folder, on 'S' Drive and in diary entry on SDM. Any response from the tenant or arrangements made will be logged into the diary and, where applicable, confirmed in writing.

If, during the court process a case is sisted, the tenant should be duly notified (SIS1).

If, during the court process a case is continued, the tenant should be duly notified (COND).

If a sisted court arrangement is broken, the Association's solicitor should be notified via email, enclosing a copy rent statement and the tenant also notified (SIS3).

Should the Association be granted decree for eviction, the tenant would be notified (EVC1). The Homeless Casework Team, 33 Burnmouth Road, should also be notified (EVC2) of a potential homeless case.

Upon receipt of extract decree, following approval from Management Committee, eviction should be arranged with Sheriff Officers, via Association's solicitor. The tenant should be notified (EVC3) and an

email to Maintenance Section to arrange for lock change and also to all staff to advise of course of action should tenant respond.

DIRECT DEBIT

When a Direct Debit instruction form is completed, 12 clear working days are required in order to set this up and the first payment cannot be taken on a Saturday or Sunday. This will be confirmed in writing to the tenant by ALLPAY. If a direct debit is returned, resulting in a missed payment, the tenant is notified (DRET) and this is noted in SDM diary.

If a Direct Debit is cancelled by the tenant a letter will be sent (DCAN) to advise the tenant of the outstanding balance and to make contact to discuss alternative payment arrangement. Failure to respond will result in pre-action requirement commencing.

When an incorrect payment has been received, the tenant should be notified (AMDU), acknowledging payment and advising of correct amount due.

HOUSING BENEFIT

Any correspondence received from the Housing Benefit Section is scanned into SDM diary and passed to the Housing Officer for information. If applicable, the tenant will then be sent the appropriate letter, which is also logged on SDM.

The following is list of Housing Benefit letters used to contact the tenant regarding housing benefit outcome.

HBS	– Housing Benefit Suspended
HBE	– Housing Benefit Ended
HBPA	- Housing Benefit Partial Award

Where a tenant is giving notice of termination, they should be advised/assisted to complete a request for Housing Benefit in 2 Homes (HB2H). If this request is successful, tenants are usually notified directly by Housing Benefit.

Where a tenant has started work, they may be entitled to a Housing Benefit run-on unless, in receipt of Universal Credit. The tenant is normally advised of this when signing-off benefit. Occasionally the Association will receive a letter confirming run-on.

Housing Benefit Overpayments are investigated, processed and passed to the Housing Manager for authorisation of payment. On occasion the Housing Benefit office or tenant will be contacted for further clarification (HBOP).

WELFARE REFORM – UNIVERSAL CREDIT

Alternative Payment Arrangements will be requested for any tenant, in arrears, and receiving Universal Credit. Arrears Direct are also requested via the APA form.

Where a tenant is subject to an under occupancy charge and in arrears, they will be assisted to complete a Discretionary Housing Payment form (DHP) and standard letter, requesting all payments are sent directly to the Association (DHPLET)

