
RENT ARREARS POLICY

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| Title: | Rent Arrears Policy |
| Purpose of Procedure: | To manage and minimise arrears levels |
| Section: | Housing Management |
| Date: | April 2017 |
| Review Date: | April 2020 |

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.

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 appropriate professional support and guidance to tenants to reduce rent arrears.
- 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 We will provide advice in claiming benefits where possible and refer tenants to other organisations when appropriate.
- 2.8 Where tenants have specific requirements the Association will attempt to accommodate this or provide appropriate assistance.
- 2.9 All possible action will be taken to reduce arrears to prevent an arrears difficulty causing homelessness.
- 2.10 Legal action will be implemented as a last resort when all other methods have failed

3.0 PREVENTION

3.1 Blairtummock Housing Association has made available a range of suitable payment methods for tenants by introducing "Allpay". By using Allpay, tenants are able to pay at the Post Office, PayPoint, Standing Order, Direct Debit, telephone banking or internet 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 application forms for Housing Benefit when signing the Tenancy Agreement. Advice is given regarding appropriate agencies to assist with welfare benefit checks to ensure the maximum benefit entitlement.

We will:

- Assist the tenant in completing the Housing Benefit form
- Complete benefit on two homes forms where appropriate
- Encourage payment of Housing Benefit 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 Housing Officer (Sustainment) and the Housing Assistant, payment dates will be re-iterated at the settling in visit. Where there is a delay in receipt of the Housing Benefit payment, the Housing Officer (Income) will follow up on non-payment with both the tenant and by checking the Housing Benefit self-service online and/or by contacting Housing Benefit staff. 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.
- 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: house visits, letters, telephone calls, text messages and e-mail.
 - Arrears interviews should include identifying reasons for non-payment, income checks, advice on Housing Benefit including overpayments and explanation of technical arrears where necessary. Referrals to other agencies should be made when support or debt issues are identified. Realistic payment arrangements will be made including arrears/heating direct from benefits when appropriate.
 - Encourage notification of changes in circumstances to the Housing Benefit office to prevent overpayments and arrears developing.
 - Records of arrears actions will be maintained including the use of computerised diary system, signed interview forms and letters
 - 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 and a financial assessment of income and expenditure will be completed.
 - 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 made with the tenant where possible, on how to manage and reduce their rent arrears. This agreement should include the level of arrears, the size and frequency of arrears payments 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 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 e independent legal advice.

5.4 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 instruction will be given to the Association's solicitor in each and every case before the court date.

5.5 Enforcement of Decree

5.5.1 Enforcement of decree is a sensitive area in which it is important that policies and levels of authority are clearly defined within the Association. The overall decision to enforce a decree will be carried out by the Management Committee.

5.5.2 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.

5.5.3 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.

5.5.4 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.

5.5.5 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.

5.5.6 When arranging the eviction, the Sheriff Officer should be instructed to enforce the decree and he will 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.

5.6.7 In all cases committee will consider the following before making the decision before agreeing to enforce the Decree:

- Personal Circumstances of the tenant and Dependants
- Family Composition
- Health
- Previous Legal Action
- Age & Infirmary
- Ability to pay

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 Housing Officer (Income).
- 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 PERFORMANCE REPORTING

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

- Current arrears
- Former arrears
- Technical arrears
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- Notice of proceedings cases
- Court cases
- Measuring of targets set out in the Business Plan
- Benchmarking information in relation to benchmarking EHRA (Easterhouse Housing Regeneration Alliance) groups

8.0 CONFIDENTIALITY

8.1 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)

9.0 POLICY REVIEW

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

10.0 RISK MANAGEMENT

10.1 Potential risks from this policy include:

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

11.0 COMPLAINTS

- 11.1 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.
- 11.2 This is a separate document and can be obtained from our Office or downloaded from our website.
- 11.3 If you need any policy or procedure on tape, braille, large print or translated please let us know.

12.0 PROCEDURES

BLAIRTUMMOCK HOUSING ASSOCIATION

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.

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| 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)

