

Rent Arrears Policy

1. Introduction

- 1.1. Rent is the Association's main source of income and it is essential that arrears of rent are kept to a minimum to ensure the Association's financial viability. For clarification this policy includes service charge and other tenancy arrears.
- 1.2. The Association recognises that loss of rental income will be minimised by the prompt and effective recovery of rent arrears.

2. Aims and objectives

- 2.1. The Association will aim to ensure that action is taken in order to assist with the prevention of arrears from arising:
 - Tenants are treated sympathetically, fairly and firmly.
 - All reasonable steps are taken promptly to collect rents due so that arrears are not given a chance to build up.
 - One months rent charge is requested up front when new tenants have accepted a property
 - Literature and advice on the Association's Rent Arrears Policy is made available to all tenants.
 - There is a variety of payment methods to suit tenants' circumstances.
 - Literature and advice on welfare benefits is made available to tenants so that tenants' incomes are maximised.
 - Tenants are not deprived of their accommodation for non-payment of rent without:
 - Being provided with all possible advice and assistance and that any special circumstances have taken into consideration.
 - Being given reasonable opportunity to increase their rent payments if they are in arrears and being given the option to make an affordable payment arrangement to pay arrears.
 - The Board is kept fully informed to ensure that the terms of the policy are being effectively implemented and to enable performance to be monitored.

3. Legislation

- 3.1. The Association will ensure that the Rent Arrears Policy meets legislative and good practice requirements in minimising rent arrears. In approving and implementing the Rent Arrears Policy and associated procedures, the Association aims to comply with the following legislation:
 - Housing (Scotland) Act 2001
 - The Coronavirus (Scotland) Act
 - The Equality Act 2010
 - Adult Support and Protection Act 2007
 - Children (Scotland) Act 1995
 - Housing Benefit Regulations 2006
 - Matrimonial Homes (Family Protection) (Scotland) Act 1981 and Civil Partnership Act 2004
 - Data Protection Act 1998.

4. Responsibilities and Authorities

- 4.1. The operation of arrears management is delegated to staff in accordance with this policy. In particular the responsibilities are defined below:

- Chief Executive - (the Corporate Services Director in the absence of the Chief Executive) Authority to evict.
- Chief Executive - overall responsibility for the management of performance of this service in accordance with this policy and performance targets.
- Housing Services Manager – authority to seek Court Action, enforcement of decrees (e.g. wage and / or bank account arrestment) and recommending action to evict. In addition, authority to use discretion not to evict, e.g. due to full payment of the arrears or a substantial (normally around 80% minimum) part to the arrears.

5. Prevention of Rent Arrears

- 5.1. An emphasis will be placed on intensive management of the arrears service including personal contact. Particular regard will be paid to the prevention of arrears.
- 5.2. Effective prevention of rent arrears begins at the start of the tenancy. One months rent charge up front is requested in advance of signing a tenancy agreement. New tenants will be made aware of the full range of welfare benefits (including Housing Benefit Universal Credit) to which they may be entitled, together with the Association's procedures for rent collection.
- 5.3. The Association's staff will outline rent payment methods to new tenants in order that the most suitable method may be selected in each case, including My Home / Tenant Portal. Individual rent accounts will be monitored. The tenant will be urged to contact the Association immediately if they have any difficulty paying their rent. A welfare benefit and debt leaflet will be issued and a full explanation of the Association's arrears procedure will be discussed with new tenants.
- 5.4. Joint Tenants will be made aware of the implications that each tenant is responsible for all of the rent.
- 5.5. The Association's staff will ensure that tenants receive help and assistance where required in completing applications for Housing Benefit / Universal Credit and will encourage direct payment of housing benefit to the Association. Tenants on Universal Credit must update their UC journal with their housing costs.
- 5.6. Tenants will be advised of the availability of debt counselling facilities with referrals to appropriate support agencies where required.
- 5.7. The Income Team will develop effective communication systems between the Association and other agencies, including Housing Benefit administration, DWP in relation to Universal Credit claimants and money advice or welfare benefit advice agencies.
- 5.8. Housing Officers will arrange with new tenants a suitable time to carry out a home visit within a month or so of starting tenancy. If any rent or benefit issues are identified then the Housing Officer will make a referral to the Tenancy Sustainment Officer to carry out an assessment of their income and individual circumstances.

6. Tenant Communication

- 6.1. Tenants will be treated sympathetically and fairly at all times and staff will endeavour to identify where special needs exist and where additional assistance maybe required to communicate the rent arrears policy to the individual.

- 6.2. Personal contact with tenants e.g. telephone calls, text messages and home visits will take account of the individual tenant's circumstances.

7. Monitoring Arrears

- 7.1. In carrying out the Association's procedures, the Income Team will maintain and hold a record of the outcome of all visits, interviews and telephone calls in SDM, including abortive calls. The Income Team will aim to make personal contact with all tenants falling into arrears at an early stage, either by telephone, home visits or by arranging a meeting. A note of all occupiers aged 16 and over must be sought when making contact with the tenant and the details recorded.
- 7.2. Any agreement made with the tenant will be confirmed in writing and where arrangements are not adhered to follow up letters and visits will be undertaken as necessary.
- 7.3. Rent accounts will be monitored on a weekly basis to identify arrears at an early stage and enable prompt contact with tenants.
- 7.4. The Income Team will at all times be aware of the need for early action to prevent arrears escalating.
- 7.5. The Income Team will aim to agree an affordable payment arrangement with tenants to ensure payment of arrears taking income and personal circumstances into account. The serious implications of rent arrears will be discussed with the tenant and the process of legal action will be explained before action commences.
- 7.6. Universal Credit claimants will be monitored closely and if not already applied for, an Alternative Payment arrangement will be arranged if 8 weeks or more rent is due to the Association. The Income Team will ensure all relevant paperwork including an application for third party deductions is completed and forwarded to DWP timeously.
- 7.7. Arrears recovery will be based on a staged process of actions up to and including recovery possession. This will include personal contact, home visits, referrals, letters, legal notices and court action.

8. Legal Action

- 8.1. The Income Team will serve on the tenant a Notice of Proceedings to raise proceedings in the Sherriff Court in accordance with statutory provision.
- 8.2. The Notice must state a date on which repossession proceedings may be raised and the Notice must give tenant a minimum of 28 clear days' notice from the day of service. The Notice should be served so that the expiry date falls on the last day of a debit period.
- 8.3. Notices must be served on all occupiers of the household over the age of 16. The instigation of court proceedings will be authorized by the Housing Services Manager.
- 8.4. When a court order for possession has been obtained and it is considered that eviction may be necessary, the Housing Services Manager will prepare a report for the Chief Executive who will make a recommendation.
- 8.5. The Association is very conscious of its commitment to prevent homelessness wherever it can.

- 8.6. The Chief Executive's approval (or Corporate Services Director approval in the absence of the CE) must be given before the eviction process is implemented.
- 8.7. In certain circumstances, the Housing Services Manager may deem it necessary to enforce a Decree by arresting the tenant's earnings or by arresting the tenant's bank account where appropriate.
- 8.8. Other forms of diligence, such as poinding and warrant sales, will not be implemented.
- 8.9. An award of legal costs due will be applied for in each case and charged to the tenant if successful.

9. Recovery of Former Tenant Arrears

- 9.1. The Association will seek to recover arrears due from former tenants, including pursuance through legal action if necessary. On termination of the tenancy, and after appropriate liaison with DWP if applicable, the arrear will be classed as a former tenant arrear. The Officer responsible will assess the action to be taken e.g., reminder letters, write off, legal action or debt recovery agency. The overriding principle is that the Association will carry out whatever action it considers most effective in the circumstances of that individual case.
- 9.2. A list of debts recommended for write offs will be prepared periodically for consideration by the Chief Executive. The Chief Executive's approval must be given before any former tenant arrears up to the value of £1,300 are written-off. Former tenants arrears greater than £1,300 will be written-off only with consent of the Association's Board.
- 9.3. The Association will ensure that staff are properly trained and resourced to carry out their duties.

10. Risk Management

- 10.1. The risks associated with Rent Arrears are incorporated within the Association's Risk Management Framework.

11. Equal Opportunities

- 11.1. Equality and human rights issues are considered and respected when the Association carries out its operational objectives in respect of rent arrears; which enables us to discharge our legal responsibility in respect of the Public Sector Equality Duty enshrined in the Equality Act 2010.

12. Policy Monitoring and Review

- 12.1. The Rent Arrears Policy will be reviewed every three years or as and when deemed necessary.

Contact Details:

Brooksbank Centre (Welfare benefit, Universal Credit, Debts, Money Management & Bankruptcy)

Tel No. 01382 432450 email: bbpartnership@hotmail.co.uk

Citizens Advice Bureau (Universal Credit – Help to claim, Debt, Budgeting, Legal)

Tel No. 01382 214633 Website – www.dundeecab.org.uk

Dundee Law Centre (free legal advice, assistance and representation)

Tel No. 01382 918230, Email: enquires@dundeelaw.org or visit Website: www.dundeelaw.org

Welfare Rights Team (help with a wide range of benefit & universal credit problem. Carry out benefit checks and representation at tribunals.)

Tel No. 01382 431188

Discovery Credit Union (provides access to affordable credit services & simple savings)

Tel No. 01382 431505 or visit www.discoverycu.co.uk

Connect Service Team (Are part of CAS Council Advice Service and give assistance to anyone requiring help with maximisation, benefit checks, problems and budgeting)

Tel No. 01382 431188 – option 2 or email welfare.reform@dundeecity.gov.uk

Shelter Scotland (Housing advice and debt, court action, eviction and legal representation)

Tel No. 0808 808 4444

Email: dundeehub@shelter.org.uk

Website: www.shelterscotland.org.uk

Stepchange – Debt Help Scotland (Budgeting, money & debt issues, debt solutions and bankruptcy)

Tel: 0808 138 1111

Website : www.stepchange.org

SCARF – (Help with Energy efficiency advice and services)

Tel: 0808 129 0888 – Email: info@acarf.org.uk