

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.
 - Literature and advice on the Association's Rent Arrears Policy is made available to all tenants.
 - There is a choice 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 chance to increase their rent payments if they are in arrears and being given the opportunity to make realistic arrangements 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 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. A heavy 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. New tenants will therefore 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. Housing staff will outline rent payment methods to new tenants in order that the most suitable method may be selected in each case. 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 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 assistance in completing applications for Housing Benefit / Universal Credit and will encourage direct payment of housing benefit to the Association. Tenants on Universal Credit will be encouraged to update diaries with 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 provide assistance with benefit claims.

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 satisfactory arrangements 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 Tenancy Sustainment Officer 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, referrals, letters, legal notices and court action.

8. Legal Action

- 8.1. The Income Officer 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 Manager.
- 8.4. When a court order for possession has been obtained and it is considered that eviction may be necessary, the Housing 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 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. If rent arrears are cleared, on obtaining decree, a new tenancy will be created. If, for any reason, the decree is not enforced and payments are made, it must be clear that payments made are being treated as violent profits and not rent. Other forms of diligence, such as pouncing and warrant sales, will not be implemented.

8.9. An award of legal costs and interest 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 £1,000 are written off. Former tenants arrears greater than £1,000 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 (money advice)

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

Citizens Advice Bureau (Impartial advice)

Tel No. 01382 307494 or 08088009060

Dundee North Law Centre (free advice & advocacy work)

Tel No. 01382 307230 or visit www.dundeenorthlaw.org.uk

Dundee Carers Centre (supports carers through welfare rights/benefits)

Tel No. 01382 200422 or visit www.dundee carers centre.org.uk

Discovery Credit Union (provides access to affordable credit services)

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

Connect Team (face to face advice services to those affected by welfare reforms)

Tel No. 01382 431205 or email welfare.reform@dundeecity.gov.uk

Shelter Scotland (free expert advice services on a range of housing issues, comprises Solicitors and Debt Advisors)

Tel No. 03445152527