



RENT ARREARS POLICY

**IF YOU WOULD LIKE A COPY OF THIS POLICY TRANSLATED OR IN AN OTHER FORMAT, FOR
EXAMPLE, IF YOU REQUIRE IT IN BRAILLE OR IN AUDIO PLEASE LET A MEMBER OF STAFF
KNOW YOUR REQUIREMENTS**

DATE APPROVED: November 2018

NEXT REVIEW: November 2021

1.0 GENERAL

- 1.1 Within the context of rent arrears, the Associations first objective is to encourage tenants to keep their rent accounts clear and to clear arrears as soon as possible without causing undue hardship.
- 1.2 The Association considers it unfair to allow tenants to accumulate large debts before demonstrating that we are seriously pursuing recovery.
- 1.3 Tenants receiving Housing Benefit / Universal Credit are encouraged, but not pressurised, to have benefit paid directly to the Association.
- 1.4 Any person evicted as a result of rent arrears, or who leaves owing rent arrears, will only be considered for rehousing by the Association if the amount of rent arrears is less than one month's rent, or, if there is an agreement made to pay the arrears, they have kept to this agreement for a minimum of three months and they are continuing to make these payments. If the arrears have been paid off then the person will be considered for housing as per the Copperworks Housing Associations Allocations Policy.
- 1.5 Where arrears have arisen through a delay in processing housing benefit / Universal Credit, the Association will investigate to find out if the tenant has taken all necessary steps to allow their claim to be processed e.g. submitting form, proof of income etc. This investigation will be carried out as soon as an arrear occurs. Based on the outcome of this investigation, the Housing Officer/Assistant will decide whether the tenant should be pursued for the arrears. If the fault lies with the tenant then the arrears will be pursued without delay. If there is a delay with the processing of the Housing Benefit, outwith the tenant's control, assurance will be obtained from the Housing Benefit Department Glasgow City Council, Financial Services that the claim is being processed. Those tenants claiming Housing Benefit / Universal Credit, will be reminded that they must ensure they are claiming the appropriate level of Housing Benefit to ensure their rent obligation has been met.

2.0 RECOVERY ACTION

The Association recognises that early action and personal contact are vital in both prevention and recovery of arrears. All rent accounts will therefore be reviewed on a monthly basis and appropriate action taken.

At all stages staff will ensure that tenants are aware of the following:

- The serious personal consequences of accruing rent arrears
- The responsibility of tenants to inform staff immediately if they have any difficulty paying their rent,
- The tenant's responsibilities with regard to managing their Housing Benefit/ Universal Credit.

At the earliest stage possible staff members will enter into formal repayment arrangements with tenants in arrears.

2.1 Timetable of Action Assuming No Response from Tenant

Time	Event	Action
Month 1	Full rent not paid or Agreed arrears repayment plan broken	A Reminder letter issued within 7 days of end of period.
		B Visit
Month 2	Full rent not paid or Agreed arrears repayment plan broken	A Visit / Invitation to call at office
		B Warning of legal action / Solicitors letter within 7 days of end of period.
		C Visit / Serve Notice of Proceeding (NPRP)
Month 3	Full rent not paid or Agreed arrears repayment plan broken and no response	A Warning letter of legal action
		B Continue to try to achieve personal contact
		C Initiate court action when NPRP becomes live
Month 4	Full rent not paid or Agreed arrears repayment plan broken and no response	A Continue to try to achieve personal contact
		B Initiate court action
		C Continue to send out letters confirming level of arrears, action underway and consequences of failing to deal with arrear

2.2 Action Where Tenant Responds

- 2.2.1 Where a tenant responds, the Housing Manager / Officer / Assistant will take appropriate action based on the nature of the response and in line with the arrears policy.
- 2.2.2 Offers of payment by instalments and such offers will be refused only in exceptional circumstances. Any arrangements made will be on the basis of knowledge of the tenant, their circumstances and their previous rent record.
- 2.2.3 Repeated agreements will not however be entered into. Tenants must be clear that if an agreement is broken, without good reason, then the Association will not continue to enter into subsequent agreements.
- 2.2.4 Where appropriate, tenants will be encouraged to pay arrears through the DWP Arrears Direct Scheme or apply for Discretionary Housing Payments to assist with any monthly charge or to assist with outstanding arrears.
- 2.2.5 Where appropriate, tenants will be encouraged to visit the associations Money Advisor and / or engage with Tenancy Support Officer or Financial Inclusion Officer

3.0 LEGAL ACTION

- 3.1 Legal Action is not used indiscriminately to collect rent but it does underline the Associations determination and is useful to persuade less willing tenants to commence payments.
- 3.2 Staff may authorise a Solicitors letter, small claims action, issue a Notice of Proceedings, set a court date and proceed with any legal action deemed necessary / appropriate.
- 3.3 In most instances of court action a conjoined action will be raised i.e. the tenant will be pursued for arrears, repossession of the house and the expenses. The only exception to this is if the Association is taking small claims action. In these cases the Association will sue for arrears and expenses but not necessarily repossession. All qualifying occupants will be served with the Notices.
- 3.4 Arrestment of wages will be sought where appropriate.

- 3.5 Tenants, and qualifying occupants will be sent explanatory letters regarding all legal action and this will be followed by a house visit where possible to ensure the tenant fully understands the situation.
- 3.6 Where a tenant clears their arrears fully before a court appearance, action for expenses will still be taken.
- 3.7 At the time of the court appearance, if the Housing Officer/Manager is convinced that a genuine attempt is being made to clear the arrears and, based on the tenants circumstances, the case may be continued or sisted. This decision must take into account the tenants efforts in maintaining agreements in the past.
- 3.8 Following a decree for eviction being granted, the Management Committee will decide whether the tenant should be permanently ejected from the property. Their decision will be final.
- 3.9 In the case of an NOP being served, a Court action taking place or an eviction order being granted the North Case Work Team, Social Work and any other relevant bodies will be informed at each stage.
- 3.10 When a date is set for eviction the Association will notify the tenant and qualifying occupiers of this date immediately to allow them to make arrangements and to gather their belongings.

4.0 PROCEDURES

- 4.1 Discussion of arrears problems is encouraged and visits are carried out where possible in preference to letters, texts, emails and telephone calls .
- 4.2 Decisions reached during a discussion / visit will be confirmed in writing to the tenant/s.
- 4.3 Where possible a signed agreement for repayment will be obtained from and copied to the tenant.
- 4.4 All arrears cases discussed by the Management Committee will be in strict confidence and the identity of tenant will not be made known.
- 4.5 Referral to specialist agencies, such as Money Advice, Citizens Advice, DWP, etc will be provided. The Association's Money Advisor, Tenancy Support Officer and Financial Inclusion Officer will be utilised at every available opportunity.
- 4.6 Help and assistance will be given where appropriate on housing benefit / universal credit issues.

- 4.7 Housing Management staff will ensure the approach used in the pursuit of non-technical arrears is used with technical arrears, wherever possible.
- 4.8 All arrears actions detailed in section 2.1 are required to be completed by the relevant staff member no later than the 15th of the month, following the end of period.
- 4.9 All arrears actions including visits, letters, arrangements, telephone calls etc must be recorded on the SDM housing system as soon as practicable, by the staff member making the contact.

5.0 FORMER TENANT ARREARS

- 5.1 The Association will endeavour to recover rent arrears from former tenants where possible.
- 5.2 The general principles of the Associations rent arrears policy will be applied in terms of arrangements to pay by instalments etc.
- 5.3 Former tenant arrears over £50.00 will not be written off without the authority of the full Management Committee. Former Tenant Arrears under £50.00 can be authorised and written off by the Director.
- 5.4 **The Association will reinstate a written off debt, should any of the reasons for the write off change or the former tenant return and apply to the Association for rehousing.**
- 5.5 Former tenant arrears cases will be examined regularly throughout the year. A report will be given to Committee half-yearly recommending any write offs.
- 5.6 The Association will make uses of all appropriate resources when pursuing former arrears: such as small claims action, legal action for arrestment of wages, debt collection agencies.

6.0 CREDIT BALANCES

- 6.1 **Credit Balances**
Credit balances can occur on the rent accounts of both existing and former tenants. These balances will be managed through the process of regular monitoring with refunds being made to current tenants where requested and to former tenants where possible. However, where there are outstanding

recoverable charges (such as charges for repairs, legal fees, etc.), any credit balance will be off-set against this before a refund is made. Where there is no prospect of returning the credit balances these will be dealt with through the write off process.

7.0 COMMITTEE MONITORING

Arrears targets will be agreed annually and reported quarterly (or annually as appropriate) by the Housing Manager / Officer to the full Management Committee. Reports will contain information to allow the Committee to review the Associations arrears position including;

- Total rent arrears (including technical) apportioned to current tenants, former tenants - (Rent Arrears Report)

- Arrears as % of annual rent debit

- Legal Action Report detailing number of Notice served, court dates set, sists, continuations and recalls as well as Decrees awarded.

If there are any Committee members who are tenants of the Association and have rent arrears of their own they will be required to make a declaration of interest. Because of the sensitive nature of such a declaration they may do this confidentially to the Director of the Association.

If the Committee member has arrears which are less than one month's rent, or, if there is an agreement made to pay the arrears, they have kept to this agreement for a minimum of three months and they are continuing to make these payments they may still take part in Committee business relating to rent arrears. If these conditions have not been met the Committee member will not take part in Committee business relating to arrears. If the Committee member is subject to Court action by the Association then they must stand down from the Committee.

8.0 PERFORMANCE REVIEW

- 8.1 Mini audits of the implementation of the Rent Arrears Policy and Procedure will be conducted 6 monthly (in May and November) by the Housing Manager or Director. The outcomes will be recorded on a pro-forma and outcomes discussed with Housing Management staff.

9.0 POLICY REVIEW

9.1 This policy will be reviewed by the Management Committee at least every 3 years.