



Craigdale
HOUSING ASSOCIATION

RENT MANAGEMENT POLICY

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Craigdale Housing Association can provide this document on request, in different languages and formats, including Braille and audio formats.

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1. Introduction

- 1.1 The Association is committed to providing high quality, affordable and accessible social rented housing to those in greatest need. To facilitate this and to give guidance and clarification to both staff and members of the public, the Association has a Rent Management Policy which has been approved by the Board.
- 1.2 The prevention and effective management of rent arrears is crucial to the maximisation of resources available to CHA to improve and maintain its stock but also to support its tenants to avoid rent arrears debt and the potential risk of tenancy termination. Effective management is a requirement of the Scottish Regulators Tenants' Social Housing Charter and also evidences a commitment to value for money.
- 1.3 Rent arrears may be just one of many debts that a tenant has, therefore managing arrears effectively involves good internal liaison between the Operational Team and the Welfare Team service provided by Southside Housing Association. Also, effective referral mechanisms and joint working with other support services such as Housing Benefit Services, Department of Works and Pensions, Debt Counselling and Advice Agencies, Social Work and Homelessness Services. It is therefore important for CHA to develop a consistent and corporate approach to the recovery and prioritisation of housing debts.
- 1.4 This policy therefore sets out to ensure that tenants receive a consistent and unambiguous approach to rent arrears recovery across the organisation. CHA will act to prevent arrears of rent to build up. We will recover any arrears fairly and effectively. It also recognises the need for a comprehensive strategy which links arrears management to service strategies for income maximisation, rent setting, collection and accounting and as a result contributes to the Association's Business Plan.

2. Principles, Aims & Objectives

- 2.1 The Rent Management Policy aims to meet all legislative and regulatory requirements as well as minimising the level of rent arrears in a sensitive but effective manner. The specific objectives of the Rent Management Policy are to achieve the following:

Maximise the rental income received through:

- Efficient collection of all rent and the effective management of arrears,
- Taking appropriate action as soon as arrears arise by telephone, email, letters and home visits to make realistic arrangements for the repayment of arrears,

- Provide clear and accessible information and communication advice to tenants to prevent arrears and legal action occurring,
- Encourage a positive payment culture.

Minimise the level of arrears through:

- Adopting a firm but fair approach to arrears recovery,
- A pro-active approach to the early identification of rent arrears,
- Taking a staged approach in which action is targeted and recorded,
- Assisting tenants to manage debt by offering flexible and realistic payment plans,
- Offering income maximisation assistance by offering confidential appointments via our Welfare Rights Service.

3. Legal Requirements

3.1 The rent management policy and its implementation will reflect Craigdale Housing Association's statutory and contractual obligations. These include but are not limited to:

- The **Scottish Secure Tenancy** used by Craigdale Housing Association describes the obligation that tenants have to pay rent and the required frequency of payment. Non-payment represents a breach of the tenancy conditions involved.
- The **Housing (Scotland) Act 2001** sets out the legal framework for any action by the Association to recover tenancies on the grounds of accruing rent arrears.
- The **Homelessness (Scotland) Act 2003** requires us to comply with the terms of Section 11 of the Homelessness (Scotland) Act 2003 by giving Glasgow City Council early notice of households at risk of homelessness due to eviction.
- The **Housing (Scotland) Act 2010** introduced Pre-Action Requirements that landlords must satisfy in all rent arrears cases before serving a notice on a tenant and the **Scottish Social Housing Charter** which sets the standards and outcomes that all Scottish social landlords should aim to achieve when performing their housing activities.
- The **Welfare Reform Act 2012** which changed the rules concerning a number of benefits offered within the social security system including changes to Housing Benefit and Universal Credit.

- The **Bankruptcy (Scotland) Act 2016** which details how a person (tenant) can deal with their debt and apply to be sequestrated.
- The **Debtors Scotland Act 1987** enables CHA to seek wage arrestment from tenants owing rent arrears.

3.2 The Association will ensure that it complies with all relevant statutory and contractual obligations towards tenants, in implementing its rent management policy. In return, we expect tenants to fulfil their obligations to pay rent that is due to the Association.

3.3 This policy aims to meet the following outcomes of the Scottish Governments Social Housing Charter (2017):

Outcome 2: Communication
Outcome 11: Tenancy Sustainment
Outcome 13: Value for money
Outcome 14 & 15: Rents & Service Charges

3.4 Our policy also complies with the Scottish Housing Regulators Regulatory Standards of Governance & Financial Management, particularly standard 3: The Registered Social Landlord manages its resources to ensure its financial well-being and economic effectiveness.

4. Arrear Prevention

4.1 The prevention of rent arrears is fundamental to good rent account management, The relationship between staff, the tenant and external agencies are a key factor in resolving rent arrears. Early intervention and ongoing contact can be an extremely positive way of building that relationship. Arrears prevention strategies emphasise the quality of that contact and focus on how that can be developed.

4.2 The Association will take the following approaches to prevent arrears arising:

New Tenants

- On allocation visits staff will advise waiting list applicants the rental charge of the property and other tenancy support provided.
- At the viewing of a property, staff will discuss the rental charge of the property and entitlement to Housing Benefit or Universal Credit and other tenancy supports.

- All letters offering accommodation will clearly state the rental charge for the property.
- On acceptance of an offer of a tenancy, all individuals will sign a Scottish Secure Tenancy Agreement (or in some circumstances a Short Scottish Secure Tenancy) and be advised of their responsibility to pay rent
- If new tenants are entitled to Housing Benefit or Universal Credit an appointment will be made for the Welfare Rights Officer to assist with completing a claim
- Within 4-6 weeks of the tenancy starting, Housing Services staff will arrange to carry out a settling in visit. This is a useful and important opportunity to pick up on any potential or actual rent payment problems.

Existing Tenants

- All tenants will be encouraged to approach the Association in the event of any changes in household circumstances.
- The Association's staff will seek to develop a sympathetic and non-judgemental approach, which encourages early and sustained contact with tenants.
- The Association will use newsletter articles and routine contact on tenancy matters to make all of its tenants aware periodically of:
 - The importance of paying rent.
 - The importance of contacting the Association at the earliest possible stage if difficulties in paying rent are being experienced.
 - Craigdale's Welfare Rights and Money advice services.
 - Contacting the tenant as soon as an account goes into arrears.

5. Rent Setting and Collection

- 5.1 The Association will annually involve tenants in meaningful rent increase consultation. The Association will set rents which are affordable, that meet management and maintenance costs and are comparable with rents charged by other social landlords in Glasgow.
- 5.2 Tenants will be advised annually of the rent increase and the new amount that they are required to pay.
- 5.3 We will undertake an affordability check for new tenants.
- 5.4 The Association will also offer a variety of ways in which tenants can make payments which will be reviewed, and new payment options added as and when appropriate.

These currently include using an All Pay card, setting up a direct debit or standing order, or direct payments from either Housing Benefit or Universal Credit.

For security reasons it is not the Association's practice to receive cash at the office, however on occasions rent payments can be taken over the counter and staff follow the procedure on collection of money and provide a receipt.

6. Arrears Recovery

- 6.1 Prompt action when arrears are small is essential. This will prevent arrears escalating and reinforce to the tenant that rent arrears will be dealt with as a matter of priority.
- 6.2 A realistic and consistent approach to arrears recovery is essential. Tenants need to know that non-payment or failure to pay their rent will provoke a quick reaction from staff that rent arrears will not be allowed to build up.
- 6.3 Early intervention / identification of arrears is a key expectation of the Association. The purpose of this is to establish the reason(s) for non-payment and reach an agreement on how this will be resolved and provide any support identified.
- 6.4 In the event of rent arrears rising, the following will be adhered to:
 - Phone call, email and text within one week from debit run (1st of the month) asking tenant to contact the office (Appendix 1)
 - First arrears letter should be sent within three working days if no contact or payment is made asking tenant to contact the office by a certain date (Appendix 2)
 - Failure to respond to first letter will result in a second letter being sent within three working days issuing an appointment to visit office (Appendix 3)
 - Failure to keep appointment (2nd Letter) will result in a third letter being sent to tenant within three working days advising that a house visit will be carried out on a certain day (Appendix 4)
 - If tenant does not keep to their home visit (3rd letter) this will result in a 4th letter being sent to tenant within three working days advising that legal proceedings will be starting (Appendix 5)
 - If contact is made, a repayment agreement will be agreed taking into account the household's individual circumstances. Repayment arrangements must always be realistic and affordable for the tenant. Staff must send the tenant a letter confirming amount details of the agreed repayment arrangement along with a copy of the signed repayment agreement. A copy of both of these will be saved into the tenants personal file located on SDM computer system (Appendix 6)

- If a tenant defaults on a repayment agreement a letter will be sent to the tenant within one week from debit run (1st of the month) advising that an appointment has been made for a certain date (Appendix 7)
- If a tenant does not respond to the letter above or continues to fail to maintain repayment arrangements then a Notice call “Prior to Court Proceedings” will be issued to the tenant by Sheriff Officers. This notice will advise the tenant that a Solicitor will be instructed to raise court action for rent arrears if they do not contact the office within 7 working days (Appendix 8)
- If the tenant does not respond within the 7 working days the Senior Housing Officer will instruct the Associations Solicitor to issue the tenant with a Notice of Proceedings in all cases where the tenant is in 2 month’s rent arrears. This notice advises the tenant that the Association is considering court action to recover possession of the property because of the tenant's rent arrears.
- A Schedule 2 Regulations 3(2) Notice of Proceedings for recovery of possessions is to be completed. The Housing (Scotland) Act 2010 introduced pre-action requirements that landlords must satisfy in all rent arrears cases before serving a notice of proceeding on a tenant. If a tenant has been issued with a Notice of Proceedings and continues to either fail to contact the Association or continues to break their repayment agreement, then the Association will lodge the case in court.
- Once a Notice of Proceedings has been issued a completed section 11 form should be issued to the Homeless Team.
- In relation to the Notice of Proceedings, if the tenancy is in joint names staff must ensure that both the joint tenants attend all interviews regarding rent arrears.
- All attempts at contact, interviews and repayment agreements will be recorded on SDM computer system. This is essential as evidence is required if case goes to court.
- Standard letters are normally sufficient for recovery of rent arrears; however, it may be more suitable to use individual letters depending on the relevant circumstances of the tenant.

7. Tenancy Sustainment

- 7.1 The Association should adopt a firm but sensitive approach to arrears recovery. Interviews with tenants may reveal other issues such as multiple debts, mental health issues and benefit advice etc. Housing Services staff will make appointments with the Welfare Rights Officer to offer support and advice to help the tenants sustain their tenancy.

- 7.2 The Association issues a quarterly newsletter which is used to promote information and services to tenants regarding payment of rent, arrears control and prevention. We will also make use of other forms of communication available to us such as our website.

8. Notice Prior to Court Proceedings

- 8.1 The Association will instruct Sheriff Officers to serve a Notice Prior to Court Proceedings if tenant continues to fail to respond. This will be hand delivered advising tenant that the Association intend to proceed to Court to recover the tenancy. If no contact is made from the tenant within 7 working days, then Notice of Proceeding will be issued to the tenant.

9. Legal Action and Prevention of Eviction

- 9.1 Legal action for recovery of possession of the house for non-payment of rent is a necessary element of the rent management process. It will not be taken lightly and only where all else fails. If legal action is pursued and non-payment continues it must be recognised that eviction is the likely outcome. The Association has no desire to evict but will do so as a last resort to reflect the interest of tenants who do pay their rent.
- 9.2 Where arrears continue to escalate and the tenants fails to engage with the Association by making contact, reducing the arrears on their account or adhering to a reasonable arrangement the Association will have no option but to raise proceeding for recovery of possession of the house. To comply with the provision of the Housing (Scotland) Act 2001 the Association must and will serve the notice on the tenant and any qualifying occupiers in the house. The Association will therefore make inquiries to establish, so far as it reasonably practicable whether there are any qualifying occupiers of the house. This means:
- A member of the tenant's family aged at least 16 years
 - A person assigned or sub-let the house with the landlord's consent.
 - A person whom the tenant has, with consent, taken in as a lodger.
- 9.3 The action would be raised under Ground 1, Schedule 2, Part 1, of the Housing (Scotland) Act 2001:

"Rent lawfully due from the tenant has not been paid, or any other obligation of the tenancy has been broken."

- 9.4 If Court Action is to be raised the Association will pass the case onto their Solicitor who will submit the summons to the Court. Once at Court the Solicitor acting on behalf of the Association has to convince the Sheriff that the ground is established and that it is reasonable to evict. The need for clear and detailed records being kept at all stages of the arrears process is vital in evidencing reasonableness. This requirement must therefore inform how we engage with the tenant while legal action is being taken.
- 9.5 No reasonable offer of repayment will be refused at the first calling of the case and a continuation will be sought where a reasonable offer has been made in order that this arrangement can be monitored for payment. Repayment arrangements are acceptable at any stage of recovery action up to and including the first calling in court and should reflect the tenant's ability to pay.
- 9.6 Whilst the case is at Court, Housing Services staff will continue to pursue contact with the tenant. The aim is to encourage the tenant to make a formal arrangement and support them to adhere to that arrangement. For continued non-payment a final appointment with the Senior Housing Officer will be offered to the tenant and any other mutually agreed agencies to consider the current position, why arrears continue to increase and what if anything can be done to support the tenant to manage their debt.
- 9.7 If arrears continue to increase a decree for eviction will be enforced only as a last resort. The final decision on whether to enforce an eviction decree lies with the Board.
- 9.8 Decree is valid for a 6-month period and the Association can, if the tenant agrees to pay the arrears off within the 6-months period, hold the decree for the 6 months period at the end of which if the arrears are still not paid in full, enforce the decree.

10. Performance Monitoring

- 10.1 Both quarterly key performance indicator reports and monthly rent reports are presented to the Board. These reports will not only show rent arrear targets and performance, but also gives the opportunity to update on any arrear cases regarding repayment agreements and court action (only cases where notices of proceeding have been issued/court action has started).

11. Board Members in Arrears

- 11.1 If a Board member has rent arrears which is less than one month's rent, or, if there is an agreement made to pay the arrears and 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 Board business relating to rent arrears. If these conditions have not been met the Board member will not take part in Board business relating to arrears. If the Board member is subject to court action by the Association, then they must resign from the Board.

12. Former Tenant Arrears

- 12.1 The Association will actively pursue rent arrears owed by former tenants.
- Upon termination of tenancy, those with rent arrears will be made aware of the debt and encouraged to either clear the balance in full or enter into a repayment agreement.
 - The former tenant will be advised that if the debt is not paid this would affect any tenancy reference provided by Craigdale to other landlords.
 - If the former tenant does not pay the arrears outstanding, then letters and visits will be carried out if a forwarding address has been identified.
 - Former tenant arrears will not be written off without the authority of the Board following a recommendation by the operational services committee.
 - The Association will make use of all appropriate resources when pursuing former arrears: such as small claims action or legal action for arrestment of wages; using appropriate third parties to find out where former tenants are living.

13. Write Offs and Bad Debt Provision

- 13.1 Where a former tenant's debt is uneconomic to pursue or there is no prospect of recovery, the debt will be written off. This will only be considered when every route in relation to recovering the debt has been exhausted.

Rent arrears will generally only be written off when:

- The former tenant is deceased and has no estate.
- No forwarding address can be obtained.

- The debt is un-economical to pursue

Former tenant arrear cases will not be written off without the authority of the Board.

As well as arrears balances, annual write offs for credit balances will also take place.

14. Equality, Diversity and Inclusion

- 14.1 We are committed to the principles of equality and diversity, including working towards a Board and staff team that is representative of the communities it serves in respect of Protective Characteristics.

15. Freedom of Information (FOI)

- 15.1 The Association is subject to FOI and all enquiries with respect to Rent Management Policy will be handled strictly in line with FOI and confidentiality policies.

16. General Data Protection Regulations (GDPR)

- 16.1 The organisation will treat personal data in line with our obligations under the current GDPR regulations and our own policy.

17. Complaints

- 17.1 We have a separate complaints policy and procedure. Leaflets and copies of the complaint's procedure are available from the Association's office and on our website. We also provide information on how our customers can make a complaint to the SPSO, Bridgeside House, 99 McDonald Road, Edinburgh, EH7 4NS, telephone 0800 377 7300 or 0131 225 5300

18 Review of Policy

- 18.1 This policy will be reviewed at least every 3 years or in light of changes to legislation.

Appendix 1

Text Message

Dear [Tenant's Name], this is a reminder from Craigdale Housing Association.

Our records show that your rent payment for **ENTER MONTH** is currently overdue. Please get in touch with us as soon as possible to discuss your account or to make a payment. You can contact us on 0141 634 6473 or reply to this message.

Thank you,

Housing Officer
Craigdale Housing Association

E-mail Message

Dear [Tenant's Name], this is a reminder from Craigdale Housing Association.

Our records show that your rent payment for **ENTER MONTH** is currently overdue. Please get in touch with us as soon as possible to discuss your account or to make a payment. You can contact us on 0141 634 6473 or reply to this email.

Thank you,

Housing Officer
Craigdale Housing Association

Appendix 2

Date

Name
Address

Dear [Tenant's Name],

Re: Rent Arrears

I note with concern that your rent payment for **ENTER MONTH** was not made by the end of the month.

It is important that you contact us as soon as possible to discuss your situation and avoid the arrears increasing further. We understand that sometimes tenants may face financial difficulties or unforeseen circumstances. If this is the case, we are here to help.

We can work with you to agree on a suitable repayment plan and, if needed, provide information about benefits or money advice services that may be available to you.

Failure to address this matter may result in further action being taken, which could include legal proceedings. However, our aim is always to resolve issues early and prevent them from escalating.

Please contact Angela Hughes, Housing Officer on **0141 634 6473** or email **info@craigdaleha.co.uk** on **(Date and time)** to discuss this matter further.

We urge you to take this matter seriously and look forward to hearing from you.

If you wish a further explanation of the details contained in this letter or require a copy on large print, Braille, or an alternative language please let me know and I will arrange to have this done.

Yours sincerely

Housing Officer

Appendix 3

Date

Name

Address

Dear [Tenant's Name],

Second Reminder – Rent Arrears

Further to our previous letter dated **[insert date of 1st letter]**, we note that your rent account remains in arrears.

We have not yet received payment or any contact from you to discuss your circumstances or to arrange a repayment plan.

In order that we can discuss this matter, I have made an appointment for you to see me on

If this appointment is not convenient, please contact me at the Office immediately to arrange a suitable alternative.

If you wish a further explanation of the details contained in this letter or require a copy on large print, Braille, or an alternative language please let me know and I will arrange to have this done.

Yours sincerely

Housing Officer

Appendix 4

Date

Name

Address

Dear [Tenant's Name],

3rd Reminder – Rent Arrears & House Visit Notification

Further to my letter of, I note you have failed to contact me to discuss your rent account.

This is now the **third reminder**. Your arrears place your tenancy at serious risk, and if this matter is not resolved urgently, we may begin **legal action**, which could result in you losing your home.

I must stress the importance that we discuss the matter and therefore, I will call at your house on: The visit will give us the opportunity to discuss the following.

- Discuss your arrears in person
- Explore repayment options that are affordable to you
- Provide advice or referrals for financial support, including Housing Benefit or Universal Credit

If the appointment is not convenient, please contact us immediately on **0141 634 6473** to rearrange. Failure to engage with us will leave us with no alternative but to commence **legal proceedings**.

I must advise you that Craigdale Housing Association operates a No Smoking Policy which included a section on passive smoking. This means our staff cannot carry out house visits to a property where residents are likely to be smoking during their visit. If this applies to you, please contact us immediately to discuss this further.

If you wish a further explanation of the details contained in this letter or require a copy on large print, Braille, or an alternative language please let me know and I will arrange to have this done.

Yours sincerely

Housing Officer

APPENDIX 5

Date

Name

Address

Dear [Tenant's Name],

Notice of Intention to Take Legal Action – Rent Arrears

Further to my letter of **(enter date)** arranging to call at your house on **(enter date)**, I was disappointed that you were not home to keep this appointment or make contact following the card that I left.

As at **[today's date]**, your arrears stand at **£[amount]**.

Unless you:

- Pay the arrears in full, or
- Contact us to make and maintain a repayment agreement

within 7 days of the date of this letter, we will commence **legal proceedings** in the Sheriff Court for recovery of possession of your home and the outstanding debt.

This action could result in you losing your tenancy.

We are obliged under the **Pre-Action Protocol for Rent Arrears** to inform you that:

- You may be entitled to financial support such as Housing Benefit or Universal Credit, and we encourage you to apply if you have not already done so.
- Independent money advice is available, for example from [insert local advice agency / Citizens Advice details].
- We are willing to discuss a reasonable repayment plan with you, but you must contact us urgently.

If you do not act, we will have no alternative but to proceed with legal action.

Please treat this matter with the utmost urgency. To avoid losing your home, contact our office immediately on **0141 634 6473** or email info@craigdaleha.co.uk.

Yours sincerely

Housing Officer

Appendix 6

Date

Name

Address

Dear [Tenant's Name],

Rent Arrears Repayment Agreement

Further to our recent discussions, this letter confirms the repayment arrangement we have agreed in relation to your rent arrears.

As at **[date]**, your total rent arrears are **£[amount]**. In order to clear this debt and protect your tenancy, you have agreed to pay:

- Your **full weekly/monthly rent of £[amount], plus**
- An additional **£[amount] per week/month** towards your arrears

This means you will be paying a total of **£[total payment]** each [week/month] starting from **[date of first payment]**.

It is important that you keep to this agreement. If you miss a payment, the arrears will increase and we may have no option but to consider further action, which could include **legal proceedings to recover the debt and repossess your home**.

If you experience any difficulty in maintaining these payments, please contact us immediately. We are here to provide advice and support, including referrals to independent money and debt advice services if required.

Please sign and return the enclosed slip below to confirm your agreement. A copy will be kept on your tenancy file.

If you wish a further explanation of the details contained in this letter or require a copy on large print, Braille, or an alternative language please let me know and I will arrange to have this done

Yours sincerely

Housing Officer

Appendix 7

Date

Name
Address

Dear [Tenant's Name],

Default on Rent Repayment Agreement

I note with concern that you have not kept to your repayment agreement to pay

In order that we can discuss this matter, I have made an appointment for you to see me on

If you fail to contact me or fail to keep this appointment it is my intention to issue you with a Notice Prior to Court Proceedings which may result in you losing your tenancy.

If you wish a further explanation of the details contained in this letter or require a copy of large print, Braille, or an alternative language please let me know and I will arrange to have this done.

Yours sincerely

Housing Officer

APPENDIX 8

Date

Name

Address

Dear [Tenant's Name],

Notice of Intention to Take Legal Action – Rent Arrears

We have previously written to you regarding your rent arrears and have attempted to reach an affordable repayment arrangement. You entered into a repayment agreement on **[date]**, but our records show that you have defaulted on this arrangement.

As at **[today's date]**, your arrears stand at **£[amount]**.

Unless you:

- Pay the arrears in full, or
- Contact us to make and maintain a repayment agreement

within 7 days of the date of this letter, we will commence **legal proceedings** in the Sheriff Court for recovery of possession of your home and the outstanding debt.

This action could result in you losing your tenancy.

We are obliged under the **Pre-Action Protocol for Rent Arrears** to inform you that:

- You may be entitled to financial support such as Housing Benefit or Universal Credit, and we encourage you to apply if you have not already done so.
- Independent money advice is available, for example from [insert local advice agency / Citizens Advice details].
- We are willing to discuss a reasonable repayment plan with you, but you must contact us urgently.

If you do not act, we will have no alternative but to proceed with legal action.

Please treat this matter with the utmost urgency. To avoid losing your home, contact our office immediately on **0141 634 6473** or email info@craigdaleha.co.uk.

Yours sincerely

Housing Officer