



Craigdale
HOUSING ASSOCIATION

RENT MANAGEMENT POLICY

Date of Review: 17.08.20

Date of Approval: 21.09.20

Date of Next Review: July 2023

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 Craigdale Housing Association (CHA) is a community-based housing association operating in Castlemilk Glasgow. We currently own 369 properties, of these, 144 are refurbished tenemental stock while the remaining are new build flats, detached and semi-detached properties.
- 1.2 The Association is committed to providing high quality, affordable and accessible social rented housing to those in greatest housing need, contributing to the physical, social and economic regeneration of the area, the provision of housing for people with specialised needs and to provide a safe environment for our residents to enjoy. 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.
- 1.3 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.
- 1.4 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 the Benefit Agency, 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.
- 1.5 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. Scottish Social Housing Charter & Regulatory Standards of Governance and Financial Management

This policy complies with the following Social Housing Charter (2017) outcomes:

Outcome 2:	Communication
Outcome 9:	Housing Options
Outcome 11:	Tenancy Sustainment
Outcome 13:	Value for money
Outcome 14 & 15:	Rents & Service Charges

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.

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.
- The **Housing (Scotland) Act 2001** sets out the legal framework for any action by the Association to recover tenancies on the grounds of rent arrears.
- The **Homelessness etc. (Scotland) Act 2003** requires us to notify Glasgow City Council if proceedings are raised to recover a property. (Section 11 Notice issued by the Association's Solicitor.
- 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 **Data Protection Act 2018** which was brought in as a result of the General Data Protection Regulations which came into force on the 25th May 2018 and sets the standards for gathering and sharing information.
- The **Equality Act 2010** introduced nine protected characteristics and requires the Association to ensure that policies and procedures to provide fair and equal treatment for all.
- 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.

4. Principles, Aims & Objectives

4.1 This policy will ensure that the Association: -

- Adopts a firm but sensitive approach to arrears recovery
- Advocates early action to prevent arrears accruing or increasing
 - Attempts personal contact with every tenant as soon as arrears arise, by home visits or telephone, e-mail or letter.
 - Offer confidential appointments with the Welfare Team
 - Take a staged approach in which action is targeted and recorded.
 - Complies with the Pre-Action Requirements of the Housing (Scotland) Act 2001 Section 14 and 14a as amended by section 155 of the 2010 Act.
 - Take into account the needs of vulnerable tenants
 - Makes use of all available remedies and use eviction only as a last resort.

4.2 Craigdale Housing Association will promote a corporate approach to the recovery and management of rent arrears, specifically the Association aims to.

- Increase tenants' ability to pay and manage debt by referral to the Welfare Team.
- Continue to develop strong referral links to debt counselling, advice and money advice centres where they exist.
- Work closely with Glasgow City Council, Financial Services and the Department of Works and Pensions (DWP) and monitor the effectiveness of these relationships in order to highlight any issues that arise.
- Establish agreements with the DWP to pay arrears direct or alternative payments arrangements (APA) for claimants over 8 weeks in arrears.
- Adopt the Housing Options approach to tenancy sustainment developing excellent working relationships with the named contacts at the joint Health and Social Care Partnership.

5. Arrear Prevention

5.1 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.

5.2 The Association will take the following steps 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.
- At viewing of 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.)
- New tenants will be advised of their responsibility to pay rent and given a copy of the Association's rent arrears policy.
- 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 to cover their rent.
- Within 6 weeks of the tenancy starting, the 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.

6. Rent Setting and Collection

- 6.1 The Association will annually involve tenant's in meaningful rent increase consultation. The Association will set rents which are affordable to all including those in low paid employment, that meet management and maintenance costs and are comparable with rents charged by other social landlords in Glasgow.
- 6.2 Tenants will be advised annually of the rent increase and the new amount that they are required to pay.
- 6.3 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:
- **All Pay Card:** Cards are issued to all tenants who can make payment at the post office or any shop displaying the pay point sign.
 - **Direct Debit (preferred option):** A Direct Debit gives Craigdale permission to take money from a tenants account on an agreed date.

- **Standing Order:** A Standing Order is a regular payment that tenants can set up to pay the monthly rent to Craigdale.
- **Housing Benefit:** Information and advice on Housing Benefit is given to tenants before they sign a Tenancy Agreement. Tenants who are in receipt of Housing Benefit are encouraged to have their rent paid directly to the Association.
- **Managed Payment to Landlord from Universal Credit:** Tenants who are in receipt of Universal Credit are encouraged to have their rent payment paid direct to themselves. If tenant does not want to receive the payment direct to them then they can ask for the rent to be paid directly to the Association.
- **Cash:** 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 procedure on collection of money and provide a receipt.

7. Arrears Recovery

- 7.1 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.
- 7.2 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.
- 7.3 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.
- 7.4 In the event of rent arrears rising, the following will be adhered to:
- First arrears letter should be sent within one week from debit run (28th of the month), this letter asks tenant to contact the office by a certain date.
 - Failure to respond to first letter will result in a second letter being sent within two days issuing an appointment to visit office.
 - Failure to keep appointment (2nd Letter) will result in a 3rd letter being sent to tenant within 2 days advising that a house visit will be carried out on a certain day.
 - If tenant does not keep to their home visit (3rd letter) this will result in a 4th letter being sent to tenant within 2 days advising that legal proceedings will be starting.
 - If contact with the tenant is proving difficult, and the tenant fails to respond to any written correspondence, then arrangements will be made to carry out a home visit within 5 working days in the evening.
 - If it is unrealistic for the tenant to clear the arrears with one payment, 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. A copy of the repayment agreement will be scanned onto the Associations computer system and issued to the tenant.

- If a tenant defaults on a repayment agreement a letter will be sent to the tenant advising that an appointment has been made for a certain date.
- If a tenant does not respond to the (4th letter) 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.
- If the tenant does not respond within the 7 working days the Senior Housing Services 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 gross 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.
- If the tenancy is in joint names staff must ensure that both the joint tenants attend all interviews regarding rent arrears.
- Arrears interviews will either be in the office or the tenants house depending on the tenant’s personal circumstances.
- All attempts at contact, interviews and repayment agreements should be recorded on the Association’s computerised 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.

8. Tenancy Sustainment

- 8.1 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. Contact will also be made with the Housing Options team, when support issues have been identified.
- 8.2 The Association issues a quarterly newsletter which will be 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.

9. Notice Prior to Court Proceedings

- 9.1 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 with tenant within 7 working days, then Notice of Proceeding will be issued to tenant.

10. Legal Action and Prevention of Eviction

- 10.1 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.

- 10.2 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.

- 10.3 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."

- 10.4 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.

- 10.5 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.

- 10.6 Whilst the case is at Court the Housing Services Team will continue to pursue contact with the tenant. The aim is to encourage the tenant to make a formal arrangement and support him/her 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.
- 10.7 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.
- 10.8 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.

11. Reports to Operational Services Committee

- 11.1 Quarterly reports to Operational Services Committee will include but are not limited to details on the following:
- Show the rent arrears targets that we are working to e.g. key performance indicators.
 - Show performance over time to identify any trends that are emerging.
 - Include the total amount of rent arrears.
 - Include the monthly arrears owing as a percentage of monthly rent collectable.
 - Include the total arrears as a percentage of annual rent collectable.
 - Identify the percentage attributable to housing benefit.
 - Update on arrear cases regarding repayment agreements and court actions – only cases where notices of proceeding have been issued/court action has started.
 - Comply with the requirements of the ARC.
 - Report arrears on former tenants
 - Recommendations relating to write offs.

The Board will receive a monthly arrears report for information only

12. Board Members in Arrears.

- 12.1 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.

13. Former Tenant Arrears

13.1 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.

14. Write Offs and Bad Debt Provision

14.1 Where a former tenant's debt is uneconomic to pursue (£100 and under) 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, following a recommendation from the Operational Services Committee.

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

15. Equalities and Human Rights

15.1 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 Protecting Characteristics.

16. Freedom of Information (FOI)

- 16.1 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.

17. General Data Protection Regulations (GDPR)

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

18. Complaints

- 18.1 Tenants who are dissatisfied with this policy or its operation of rent management should refer to the Association's Complaints Policy.

19. Review of Policy

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