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| **Policy Name** | Rent Management Policy  |
| **Policy Ref** |  |
| **Review Date** | November 2023 |
| **Purpose** | Review & Approve |
| **Next Review Date** | November 2027 |
| **Committee** | Service Delivery  |
| **Author** | Linlay Anderson |
| **Internal Policy** |  | **To be published** |  x |

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| **Scottish Social Housing Charter** | **Outcomes** |
| As required by Section 31 of the Housing (Scotland) Act 2010, the Scottish Ministers, in the Scottish Social Housing Charter, set the standards and outcomes that all social landlords should aim to achieve when performing their housing activities. This policy reflects the Association’s commitment to the Charter, specifically the following Outcomes | 1 Equalities, 2 Communication7, 8 & 9 Housing Options11 Tenancy Sustainment, 13 Value for money 14 & 15 Rent and Service Charges |
| **Written By** | Linlay Anderson |
| **Department** | Housing Management |
| **Approval Date by Committee** |  |

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| **Notes**This policy was first produced in August 2009 and has been reviewed on the following occasions -* September 2014
* August 2018
* August 2022
* November 2023

Policy drawn up with reference to:Matrimonial Homes (Family Protection) (Scotland) Act 1981*Housing (Scotland) Act 2001**Housing (Scotland) Act 2014**Homelessness (Scotland) Act 2003*The Association will comply with the terms of Section 11 of the above act by ensuring Local Authorities are given early notice of households at risk of homelessness. In compliance with legislation, notice will be given when raising proceedings for possession or the service of certain other notices as specified in the Act. *Housing (Scotland) Act 2010*This policy takes account of the arrears and eviction related provision to be introduced through Section 14 of the 2010 Act. Which includes the provision of clear information to tenants on their tenancy and arrears situation; direct provision of advice and assistance; provision of information relating to other sources of information and advice; agreeing reasonable repayment plans; and revised arrangements for when a Notice of Proceedings can be served. |

**Angus Housing Association Limited**

**Rent Management Policy**

**1. Introduction**

The purpose of this policy is to set out the activities and responsibilities involved in the management of rent accounts both current and former tenant.

The strategic themes related to dealing with rent management are to:

* Maximize rent collection
* Minimise rent arrears
* Sustain successful tenancies
* Prevent homelessness occurring as a result of rent arrears

Effective and efficient collection is essential for a number of reasons:

* To maximise income to ensure that quality services can be provided to all tenants
* To allow the Association to meet its objectives and financial commitments
* To assist tenants in arrears to help prevent their debt from becoming unmanageable

The policy aims to establish efficient and effective systems of debt recovery. These are based on both legal guidance and best practice. Debt recovery methods will be flexible and take into account the needs of individual households. In implementing debt recovery systems, we shall ensure that equal opportunities for all are observed and have carried out an equalities impact assessment screening.

**2. Aims and Objectives of Policy**

The policy aims to ensure there is effective collection of rent, recovery and control of rent arrears.

Our approach is to:

* Develop a rent collection policy and procedures based on preventing debt and making use of all available courses of action.
* Reduce both the amount of arrears outstanding and number of tenants in arrears – for both current and former tenant arrears.
* Ensure that our policy and procedures conform with the law and good practice in minimising rent arrears.
* Provide advice and assistance to all tenants on their responsibility for making rent payments on time.
* Adopt a firm but sensitive approach to arrears recovery.
* Take early action to prevent arrears arising or increasing by making direct contact with tenants through a variety of mechanisms that include letters, text messages, emails, home visits, telephone calls and case discussions.
* Ensure contact is made with every tenant by the second week of arrears.
* Take a staged approach in which action is targeted and recorded.
* Take account of tenants’ caring responsibilities.
* Make effective use of Hardship fund and rent abatements where appropriate to manage arrears.
* Take account of vulnerable tenants.
* Use eviction only as a last resort when all other means of tackling debt have failed.
* Advise all new tenants that we require payment of rent at the point of signing for the tenancy or completion of a claim for Universal Credit or Housing Benefit.

**3. Arrears Prevention**

It is our priority to prevent arrears and use all mechanisms available to ensure tenants are given the right support to maintain their tenancy by:

* Have clear robust procedures which detail the advice, support and action which will be taken should tenants find themselves in arrears. This will include a flow chart of for staff reference.
* Angus Housing Association undertakes several key activities to prevent arrears before they occur. When considering an applicant for a vacant property, Angus Housing Association will discuss with the applicant their financial circumstances to ascertain whether the incoming tenant has either a full or partial entitlement to Housing Benefit or Universal Credit Housing Costs.
* At a pre-tenancy visit and at tenancy sign up Angus Housing Association will ensure the importance of rent arrears are discussed with all new tenants. A Financial Health Check will also be offered to all incoming tenants and if required applicants can be offered a pre-determination welfare benefits appointment. Following the Health Check, tenants may be referred to the Association’s Financial Inclusion Team or a third party for additional financial support.
* During the new tenant at sign up the tenants are advised of their responsibilities to pay rent on time and the various payment methods available including Allpay, Direct Debit, Bank Standing Order etc.
* Angus Housing Association will also establish and maintain effective communications with other agencies assisting our arrears management activities, including local authority Housing Benefit Teams, Department of Work and Pensions (DWP) and other external welfare benefit advice services. The Association will also promote the availability of these services.
* Angus Housing Association will ensure tenants receive assistance in completing applications for housing benefit or Universal Credit. Tenants will also be encouraged to seek direct payment of housing benefit and Universal Credit Housing Cost Element to Angus Housing Association.
* Angus Housing Association believes that a regular and stable payment pattern is one of the key factors in avoiding arrears. When signing for the property the new tenant will be expected to pay the rent for the current month in advance and then be clear on the 1st of the month thereafter.
* If the tenant is unable to pay the current months rent in advance an arrangement must be made. The arrangement will include the tenant repaying the current month’s rent whilst working towards being clear on the 1st of the month thereafter.
* New tenants home visits will be carried out within the early stages on the tenancy. This will provide an opportunity to ensure rental payments have commenced, to resolve any queries the tenant may have regarding rental payments or housing benefit.
* Angus Housing Association will publicise the fact that tenants can request a statement of their account at any office at any time and that tenants can pay their rent in a variety of ways. The Association will also issue tenants with an annual statement following the 13th Housing Benefit payment each year. This will ensure that the regular rent statement reflects the full HB entitlement for the financial year to which it refers.

Tenants who find themselves in arrears can expect us to:

* Maximise uptake of housing benefit or universal credit and identify any gaps in social security and other welfare benefits to which they may be entitled.
* Engage and maintain strong communication links with their Housing Officer.
* Consider all possible rent payment methods including Direct Debit.
* Engage with the Association’s Financial Inclusion Team or an appropriate debt and/or money advice services to obtain specialist assistance.
* Discuss and agree a realistic repayment arrangement with their Housing Officer to minimise debt levels.

**4. Arrears Recovery**

The Housing Management Department will adopt a firm but sensitive approach to rent collection -

* Angus Housing Association understands the importance of early intervention once an arrear has occurred. Therefore, arrears recovery will be based on a staged process of escalation of action, up to and including repossession for non-payment of rent. Through intensive monitoring and management of arrears whilst they are at a relatively low level, the Association hopes to prevent or minimise the escalation of arrears. Nevertheless, the Association’s procedures include clearly defined stages and circumstances at which legal action will be pursed, with a view to minimising the overall timescales required to successfully complete recovery action, if this is necessary.
* Arrears balances will be monitored weekly to identify cases where arrangements have been broken, allowing for prompt follow-up action. The Association will endeavour to make realistic and affordable agreements with tenants for repayment of arrears over specified period of time, but will consider more serious forms of action where these arrangements are persistently broken.
* Where possible, the Association’s Financial Inclusion Officers through referrals will actively seek to assist tenants in resolving rent arrears difficulties, including any Housing Benefit or Universal Credit issues. This assistance will be offered and provided in situations both before and after any legal action is taken by the Association.
* When and where appropriate, tenants will be referred to suitable external debt advice organisations operating within Dundee and Angus. Angus Housing Association will do all it can to ensure that tenants are offered this option prior to any legal action being taken.
* The Association will record and maintain appropriate records of all arrears actions and legal action taken in relation to individual tenants.
* The methods of arrears control for shared ownership properties will be the same as those for rented properties up until the point at which the Association’s solicitor becomes involved.

In accordance with best practice guidance, no legal action will be considered until a broad range of management actions have been implemented. These include –

* Establishing early contact with tenants to identify the cause(s) of arrears and the discussion of methods for tackling the debt.
* Issue first reminder letter or text message or make contact with the tenant after 2 weeks of rent charge for any period becoming overdue.
* Ensuring all relevant information is gained before any action is taken against a tenant in arrears.
* Making realistic and affordable arrangements for payment based on the tenant's financial statement and ability to pay.
* Not taking court action against tenants who are actively engaging with the Association to reduce the Arrears and maintaining an agree a payment plan.
* Monitoring payment agreements and taking appropriate action, should agreements break down.
* Referrals will be made by Housing Officers to the in house Financial Inclusion Team.
* The Association will use appropriate methods of contact such as letters, text messages, telephone calls and home visits. All contact with tenants will be recorded on the Association’s Housing Software system in line with the Council’s Service Standards.

**5. Section 11**

Section 11 of the Homelessness etc (Scotland) Act 2003 requires landlords to notify the relevant local authority when they raise proceedings for possession in a court.

The Association will advise tenants in the Court Enrolment Letter that under Section 11 of the Homelessness etc (Scotland) Act 2003 their information has been passed to the relevant Local Authority.

**6. Legal Action**

* Legal action is the last stage in the rent arrears process and will be instructed where tenants are not complying with agreements to reduce their arrears and all reasonable arrears recovery efforts have been exhausted. Full consideration will be given to the background to each individual case before instructing the legal action.

The first stage of the legal process will be the issue of a Notice of Proceedings (NOP) for tenants in our rented properties. Before the issuing of an NOP, the Association will make reasonable inquires to establish, in so far as is reasonable practical, whether there are any qualifying occupiers in the household. Any qualifying occupiers are required to receive a copy of the NOP.

* The Association will take all steps possible to ensure good lines of communication with tenants are maintained, particularly where an Eviction Decree is likely to be obtained and enforced, to ensure tenants are fully aware of the situation. We will also aim to ensure that we can continue to explore means of avoiding eviction where at all possible, however if this is not possible the Association will ensure the tenant receives appropriate information to prepare for the eviction and explore any re-housing options available. The Association will also take all possible steps to actively involve other agencies which may be able to assist in this process including local authority Homelessness Services.
* An award of legal costs will be applied for in each case and charged to the tenant if successful. The Association will apply for audited expenses.
* Authority to approve evictions will be delegated to the Board of Management and Information on approved evictions will be reported to the Service Delivery Sub-Committee.
* When the decision to enforce a decree has been approved. Angus Housing Association will in all instances contact the appropriate Council Homelessness Service and Social Work Department and advise them of the decision. This will be in addition to the requirements of the Councils under Section 11 of the Housing (Scotland) Act 2003.

**7. Financial Inclusion Team**

The Association has an inhouse Financial Inclusion Team (FIT). The purpose of the FIT is to promote financial inclusion, maximise income and welfare benefits, and improve the financial well-being of the Association’s tenants who are face financial difficulties or social exclusion.

Throughout the arrears process the Association will ensure that all tenants are offered the services of the FIT. By ensuring better access to welfare benefits, money management, and debt advice services and resources, the Association’s aim is to support tenants to manage their household finances allowing tenants to sustain tenancies.

**8. Credit Balances**

Credit balances can occur on the rent account of both existing and former tenants in particular circumstances. These balances will be managed through a process of regular monthly monitoring with refunds being made to current tenants where requested and to former tenants were possible. However, where there are outstanding recoverable recharges, any credit balance will be off-set against this before a refund is made. Where there is no prospect of returning the credit balance these will be dealt with as a credit write off in accordance with the Association’s financial regulation on irrecoverable debt.

**9. Sequestration**

* Where a tenant has been through the Sequestration process and been declared bankrupt, we will invite them into the office to meet with the Housing Manager and the Debt Recovery Officer, to discuss their rent account to advise that any future non-payment of rent is unacceptable and that should court action be necessary in the future, we would seek to obtain a Decree regardless of re-payment agreements or offers to clear the debt.
* Where a tenant has been made bankrupt, a referral to the Financial Inclusion Team will be made.
* Pre-sequestration arrears will be written off in accordance with the financial procedures of the Association and a claim form completed by the Debt Recovery Officer where viable.

**10. Former Tenants Arrears**

 Prior to Termination – Prevention

Where a tenant has given notice to terminate their tenancy the Housing Officer will ensure the following:

* That the tenant is clear about the amount of rent due to the termination date and that this should be paid prior to leaving.
* That a forwarding address is provided by the tenant.
* That the rent outstanding is checked again prior to termination date to ensure payment and to pursue this if it has not been received.
* Where tenants advise that they are unable to pay the full outstanding rent balance prior to termination, an agreement will be made to clear the outstanding debt.
* Where legal action has been instigated, this will be pursued.

Following Termination – Collection

Where monies remain outstanding after the tenancy has terminated, the following key principles will apply:

* All outstanding debt will be pursued unless it is uneconomical or impractical to do so..
* The Debt Recovery Officer and the Housing Assistant will work together to secure repayment either in full or gradually via a Repayment Agreement.
* Contact with the former tenant will be by letter, telephone and in person as is most appropriate considering the level of the debt and the location of forwarding addresses.
* Support and advice will be given to the former tenant to help them manage their debt including referral to an appropriate outside agency if they wish this.
* Where contact is proving difficult, information from the former tenants house file will be used e.g. next of kin address etc. However, use of any information will adhere strictly to the Association’s Fair Processing Notice (FPN) and Data Protection requirements.

 Termination following the Death of a Tenant

It is important that the Association is notified as soon as possible following the death of a tenant to minimise the possibility of arrears remaining after termination. The Association recognises that the co-operation of individuals such as family members and neighbours is vital in this respect.

Abandonments and Evictions

Where abandonment or eviction proceedings have been concluded and there is an outstanding debt with no forwarding address, an attempt to trace the former tenant and pursue the debt will ensue.

Former Tenant Debt - Write-Offs

Procedures have been developed by the Association for monitoring and collecting Former Tenant Arrears. The Association will ensure all attempts have been made to contact or trace former tenants. however, there may be times when the Association has exhausted all available avenues. Where this is the case the Debt Recovery Officer can at this point present any cases under £250 to the Chief Executive or Director of Finance and Corporate for write-off. Any case greater the £250 will be present to the Board of Management for write-off approval.

**11. Role of Housing Management Department**

* Arrears prevention and management is the responsibility of the Housing Management Department.
* Any senior member of Housing Management Department will be available to provide interpretation and advice on this policy.
* Housing Management Department have developed working procedures to accompany this policy.

**12. Performance Monitoring**

In order that Angus Housing Association’s arrears performance can be monitored efficiently, a number of key performance indicators will be collected and collated on a monthly and/ or quarterly basis for the Board of Management and the quarterly Service Delivery Sub Committee.

*Regulatory Performance Indicators*

* Gross rent arrears current & former tenants a percentage of rent due for the reporting year - ARC Indicators 27
* Current tenants arrears only as a percentage of the gross rental charge due in the financial year
* Percentage of court actions initiated which resulted in eviction and reasons for eviction - ARC Indicator 22

*Association Indicators*

* Current tenant’s arrears as a percentage of the gross rental charge due in the financial year
* All serious arrears cases causing concern
* Total Number of rent accounts in arrears and the end of each Quarterly
* Number of rent accounts due more than £750 at the end of each Quarter
* Number of rent accounts due more than £1,500 at the end of each

Quarter

* Number of NOP’s served
* Number of court enrolments
* Quarterly former tenant arrears balance
* Former tenant collections quarterly
* Number of former tenant arrears cases

**13. Equal Opportunities Implications**

In developing and implementing policies covering all aspects of our work, Angus Housing Association will ensure that our strong principles and commitment to equality of opportunity are evident. In line with the Housing (Scotland) Act 2001 the Association operates in a manner which encourages equal opportunities and observes the equal opportunity requirements described in Section 106 of the Act. The Association also takes account of all applicable legislation, including the Equality Act 2010 and relevant Codes of Practice issued by the Equality and Human Rights Commission -

Our Policy recognises the protected characteristics as defined by the Equalities Act

|  |  |
| --- | --- |
| * Age
* Disability
* Gender reassignment
* Marriage and civil partnership
* Pregnancy and maternity
 |  * Race
* Religion or belief
* Gender
* Sexual orientation
 |

In line with this commitment to equal opportunities, this policy and any summary or information leaflet can be made available free of charge in a variety of formats including large print, translated into another language or on audio tape.

**14. Sustainability Implications**

The Association acknowledges the negative impact that excessive debt and the potential for void properties caused by eviction can have on communities and aims to ensure that these are kept to a minimum. The Association Rent Management Policy and the associated procedures emphasise prevention and early intervention, a customer centred approach and early involvement of appropriate external agencies – the overall aim being to maintain the long term sustainability of our tenancies and successful occupancy of our homes.

**15. Risk Management**

The Committee of Management will consider the Risk Management factors of rent arrears recovery including:

* Financial risk through potential failure to ensure that enough income is collected to cover operation costs
	+ Non compliances with SHR guidance and best practice
	+ The setting of charges that are not affordable resulting in increased arrears
	+ Increased legal costs resulting from a high number of serious arrears cases

Given the importance of these risks it is recognised that these have to be effectively managed. This will be achieved through the cyclical review of the housing management policies and procedures, including rent management, to ensure compliance with all legislative requirements and regulatory and best practice guidance. The Association will also consult with tenants as a key element of this review.

**16. Complaints Procedure**

Any tenant may submit a complaint, using the Association’s Complaints Policy if they feel that the Association has failed to correctly apply this Rent Management Policy.

**17. Confidentiality**

The confidentiality of information provided to us will be respected at all times. Information will be processed and passed on in accordance with our registration with the Information Commissioner. The Association is registered under the Data Protection Act with the Office of the Information Commissioner and we are the Data Controller for the purposes of the Data Protection Act**.**

The Association’s Fair Processing Notice (FPN) explains what information the Association collects, when it is collected and how it is used. For further information please refer to the Association’s FPN.

**18. Policy Review**

The Association will review the Rent Management Policy in November 2027, or as required following a substantive legislative or regulatory change.

**Glossary**

**Arrears** An unpaid overdue debt, in relation to this policy it will usually relate to rent or services changes not paid on time.

**Bankruptcy** Unable to pay what you owe and having control of your financial matters given, by a court of law, to a person who manages your income and debts for a specified period.

**DAS** Debt Arrangement Scheme – a scheme introduced under the Debt Arrangement Scheme (Scotland) Regulations 2004. The aim of the scheme is to provide a framework for people with multiple debt to manage their debts without resorting to sequestration or some other form of debt recovery.

**Decree** Court order telling the landlord what they can do – most often allows the landlord to evict a tenant.

**Ish** A legal term for the end date for a tenancy.

**Lead Tenancy** Lead Tenancies are created where Angus Housing Association only leases the property and is in effect the lead tenant. In these instances Short Scottish Secure Tenancies are created for an initial period.

**Litigation** A legal proceeding in a court.

**Sist** A legal term for the Sheriff suspending a case from further court action to monitor the arrangement made via the court.