

Rent Management Policy



Approved by Management Committee:

Live – August 2018

Review required – August 2021

1 Introduction

- 1.1 The purpose of this policy is to outline how Easthall Park Housing Co-operative will provide an effective, customer focussed rent management service. This involves processes that maximise rental income and providing advice and information to support tenants in sustaining their tenancies. Easthall promotes a positive rent payment culture and work with the principles of early intervention when payments are missed or late.

2 Equal Opportunities

- 2.1 Easthall Park Housing Co-operative is committed to equal opportunities for all sections of the community. Accordingly, no person will be discriminated against during the implementation of this policy on the grounds of sex, marital status, family circumstances, race, ethnic or national origins, disability, age, religion, political or sexual orientation.
- 2.2 In this context, the policy can be made available in a variety of different formats including large print, alternative languages and audiotape.

3 Legal, Regulatory and Good Practice Context

- 3.1 The policy has been developed within a framework that ensures proper compliance with the following legislation, regulatory standards and good practice.
- 3.2 The legal framework in relation to rent management is set out in the Housing (Scotland) Act 2001 and the Housing (Scotland) Act 2010. The 2001 Act explains the processes and grounds in which a landlord can initiate recovery of possession when the tenant has breached the condition of their tenancy agreement by accruing arrears. The 2010 Act sets out Pre-Action Requirements (PAR's) for raising legal action and provides clarity for RSL's dealing with tenants following the grant of a decree on the grounds of rent arrears. The 2010 Act also provides landlords with details of the 'Scottish Social Housing Charter' which sets out the standards and outcomes which all social landlords are expected to meet in the delivery of their services.
- 3.3 The Easthall Park Scottish Secure Tenancy Agreement contains contractual responsibilities each tenant is required to observe. The Tenancy Agreement requires tenants pay rent in advance before the 28th of each calendar month.
- 3.4 This policy has also been developed and reviewed in line with the requirement on social landlords to meet the outcomes of the Scottish Social Housing Charter introduced by the Housing (Scotland) Act 2010. The outcomes that relate to this policy are:

Outcome 1: Equalities

Social landlords perform all aspects of their housing services so that: every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.

Outcome 2: Communication

Social landlords manage their businesses so that:

- **tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides.**

Outcome 11: Tenancy sustainment

Social landlords ensure that:

- *tenants get the information they need on how to access support options to help them to remain in their home and can get suitable support including services provided directly by the landlord and by other organisations.*

Outcome 13: Value for Money

Social landlords manage all aspects of their business so that:

- *tenants, owners and other customers receive services that provide continually improving value for the rent and other charges that they pay*

Outcome 14 and 15: Rents and service charges

Social landlords set rents and service charges in consultation with their tenants and other customers so that:

- **a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and service users can afford them**
- **tenants get clear information on how rent and other money is spent, including details of any individual items of expenditure above thresholds agreed between landlords and tenants.**

3.5 Good practice has been reviewed and this policy has been influenced by a briefing produced by the Quality Efficiency Forum. The QEF is a

benchmarking club comprising 30 landlords, including Easthall Park, which meets regularly to discuss performance and good practice.

4 Arrears Prevention

- 4.1 Easthall Park Housing Co-operative believes prevention is integral to a successful arrears strategy. Accordingly, the Co-operative has in place a wide range of preventative measures to ensure arrears are controlled and minimised.
- 4.2 The Co-operative offers a wide range of options to tenants for making rent payments. The aim is to provide accessible and convenient payment facilities. Our preferred method of payment is Direct Debit, however other payment options offered include telephone and website options using: Allpay; Callpay; Standing Orders; Cheque. Cash at the office is only accepted at new tenant sign up stage and on occasion at the discretion of staff. The Co-operative is committed to regularly reviewing payment options and in full consultation with tenants to ensure that the most appropriate and flexible options are in place.
- 4.3 Rent obligations are explained to all prospective tenants via our offer letter and when accompanied viewing takes place and prospective tenants are asked to consider how they will pay their rent and whether they can afford it. Assistance from the Co-operative's welfare rights assistant is also offered at this stage.
- 4.4 As part of the sign-up process, the Co-operative provides a comprehensive introduction to an Easthall Park Housing Co-operative Tenancy. This involves explaining the connection between payments of rent and delivery of a responsive and effective housing management and maintenance service. At the sign-up tenants will be advised of the rent charge and, if not eligible for Housing Benefit/Universal credit, required to pay one month's rent in advance. On occasion a tenant will be allowed to pay their rent after signing the tenancy at the discretion of the Housing Officer if there are legitimate reasons for doing so. Tenants will be provided with the rent payment card option at sign up and make a suitable arrangement to pay ongoing rent
- 4.4 All new tenants will be contacted by the Welfare Rights Assistant who will explain the service which can be provided and offer assistance.
- 4.5 All new tenants receive a new tenant visit within 6 weeks of the start of their tenancy. The purpose of the visit is to assess how the tenant is "settling-in" and to quickly identify and provide support if there is evidence of an emerging rent payment problem. A date for the new tenant visit will be arranged by staff a few weeks after moving in. If rent payments are not being made as expected, this visit is brought forward.

- 4.6 The Co-operative believes excellent communication and provision of quality information is necessary to reinforce the recognition and acceptance of the need to pay rent in full and on time. Quarterly rent statements are issued showing exact charges and when and how payments have been made to the account, we discuss with tenants the rent statement at home visits. The Co-operative has information leaflets that provide advice and support to those in arrears.
- 4.7 Maximising tenant income and minimising debt is a critical contributory process in preventing arrears problems. The Co-operative has an 'in house' Welfare Rights. The Co-operative actively promotes this service in all correspondence and verbal conversations with tenants when discussing arrears.
- 4.8 We make sure that our staff are well trained in dealing with rent management.

5 Managing Rent Arrears

- 5.1 Early contact is critical when an arrear occurs due to a payment being missed or paid late. Our primary contact is direct and personal rather than by relying on written correspondence. In order for this approach to be effective, staff will monitor accounts on a regular basis. The added value of regular monitoring is developing a "feel" as to how and when tenants pay, which allows for quick intervention when a payment does not appear in the account. Housing Officers are responsible for dealing with arrears cases over £500 and Assistant Housing Officer deal with cases under £500. Housing Officers work closely with Assistant Housing Officers to prevent cases increasing over £500.
- 5.2 Housing staff will use a range of methods in dealing with arrears including text message, email, telephone, home visits and standard letters and non-standard letters.
- 5.3 Effective communication is vital to the successful management of rent arrears with Housing staff expected to make effective decisions and negotiate with tenants on each individual arrears case. Accordingly, although contact can be varied; telephone calls, visits, email, texts, letters, staff will determine the appropriate communication method for each case and reiterate the importance of keeping in contact or informing when change(s) in circumstances occur.
- 5.4 One of our principles is fair and effective repayment arrangements and in order to achieve this, we will work with tenants on detailing their income and expenditure. We will enter into signed repayment arrangements for arrears and ongoing rent payments.

6 Legal and Court Action

- 6.1 We will do everything we can to help our tenants ensure they can pay their rent and support them when things go wrong, however, if rent is not paid, this affects our ability to provide service and we must consider legal action. We will commence legal action for termination of a tenancy and possession of the property as a last option. Normally this occurs when a tenant fails to reduce arrears, refuses to make payment arrangements or continuously breaks payment arrangements without good cause.
- 6.2 The initial stage of legal action is the serving of a Notice of Proceedings. Prior to the Notice being served enquiries should be made to determine if any qualifying occupiers (persons aged 16 or over who are not a tenant) reside in the property. If a qualifying occupier exists in the household, they will also be served a Notice. A qualifying occupier has the right to be represented in any legal action relating to the recovery of possession.
- 6.3 The Housing Officer has the delegated responsibility to authorise a case for legal action, this includes the serving of a Notice of Proceedings. Committee will only become involved in cases once they have reached the final stage i.e. award of decree has been granted and decision is required whether to implement.
- 6.4 The Housing (Scotland) Act 2001 sets out the relevant ground for recovery of possession for rent arrears. This is Ground 1, Schedule 2, Part 1: "Rent lawfully due from the tenant has not been paid, or any other obligation of the tenancy has been broken". A failure by the tenant to respond to the Notice, or to make a satisfactory arrangement towards the arrears, will result in case being booked to court.
- 6.5 As well as establishing if there are any qualifying occupiers resident in the house before serving a Notice of Proceedings staff will make sure that they have met the 'pre-action requirements' set out in the 2010 Act. These seven pre action requirements are
- *landlords must provide clear information about the terms of their tenancy and any outstanding financial obligations of the tenancy*
 - *landlords must take reasonable efforts to provide tenants with advice and assistance on their eligibility for housing benefit and other types of financial assistance*
 - *landlords must provide the tenant with information about 'sources of advice and assistance in relation to the management of debt'.*

- *landlords must make reasonable efforts to agree with tenants a reasonable plan for future payments to the landlord*
- *landlords must not serve a Notice of Proceedings if an application for housing benefit has been made and a) is not yet determined and b) likely to result in clearing or substantially reducing the arrear*
- *landlords cannot serve NOPs if the tenant is adhering to a repayment agreement*
- *RSLs must encourage tenants to contact the local authority in relation to homelessness*

6.6 After a Notice of Proceedings is served the Housing Officer will continue to make weekly contact with the tenant and make efforts to make an arrangement to deal with the arrears. Only if an arrangement is not reached and maintained will court action be raised.

6.7 Prior to court action being raised tenants will be interviewed by the Housing Manager to allow them a last chance to make an agreement, and informing them of the costs and implications of court action.

The Co-operative regards court action as a last resort. Tenants will be kept informed of development of the legal process. At the court date, if there have still been no satisfactory attempts to repay the arrears, the Co-operative will request a decree for eviction plus expenses. In all cases, even if the case is dismissed at court due to the tenant clearing arrears, the Co-operative will seek recovery of expenses. This will always be explained to tenants when informing of legal action.

6.8 If a decree is awarded the Management Committee will decide if this is to be enforced. Generally a tenant will be expected to clear the total outstanding arrears and any legal expenses to prevent the decree from being implemented. Any arrangement to clear the majority of the arrears prior to the eviction date will be delegated to the Director or Housing Manager for approval.

6.9 As set out in the Scottish Secure Tenancies (Repossession Orders) (Maximum Period) Order 2012 a decree will be enforceable during a period of 6 months maximum

6.10 The decree will specify a period during which eviction can take place

6.11 During this 6 months period the Co-operative may decide not to evict. In this instance the tenancy will continue as previously set out.

6.12 A tenancy will only be terminated if eviction actually takes place.

- 6.13 Cases which have been sisted at court, in line with good practice, will be reviewed on a regular basis. The Co-operative will ensure cases are not sisted for a period of time longer than required.

7 Technical Arrears

- 7.1 The Co-operative will accurately quantify and record technical arrears.
- 7.2 For the purpose of this policy, the Co-operative considers technical arrears as amounts we are confident of receiving from Glasgow City Council Housing Benefit department and tenants who pay within 3 working days of the next consecutive month.
- 7.4 A definition of a “late payer” is a tenant who pays within 3 working days of the following month. Late payments categorised this way must have been subject to a prior written/or inferred agreement and tenants are expected to pay on the same date each month.
- 7.3 For clarity, the Co-operative generally expects rent payments to be made monthly in advance. Nonetheless, individual arrangements will be considered with tenants, depending on their individual financial situation.
- 7.4 The Co-operative recognises the recording of technical arrears is necessary to evaluate arrears performance and, if large amounts of Housing Benefit are owed, facilitate quick and effective liaison with the Council Housing Benefit department.
- 7.5 If a tenant is in receipt of Universal Credit, the Co-operative will make relevant contact with either the tenant and/or DWP to consider direct payments depending on the individual circumstances and technical arrears will no longer apply to that case because there is no guarantee that the tenant will make a payment to the Co-operative.

8 Former Tenant Arrears

- 8.1 A former tenant arrear is when a tenant has terminated a tenancy and had outstanding rent arrears. The Co-operative will make every effort to recover this debt. This will involve using internal resources and external debt recovery agencies. A specific procedure is in place to support staff. The Co-operative will also periodically monitor the effectiveness of our approach.
- 8.2 Housing Officers will seek to make a repayment arrangement with the outgoing tenant prior to termination of tenancy. We will issue two reminder letters once tenancy ends advising the tenant of amount owed and various methods of payment open to them. If former tenant does not respond, the case will then be referred to an external Tracing and Collection Company.

- 8.3 In accordance with the Co-operatives write off policy, former tenant debt should be identified as irrecoverable and consequently written off when in line with the Co-operative's Write Off policy.
- 8.4 On an annual basis a paper will be presented to Management Committee recommending debt write off.

9 Liaison with Other Agencies

- 9.1 The Co-operative will develop and maintain excellent, collaborative working arrangements with key external agencies to successfully achieve the purpose of the policy, including Glasgow City Housing Benefit, DWP, Social Work and Homeless departments. A procedure is in place to notify relevant departments when a court date is imminent. The purpose being to raise awareness of tenants at risk of eviction so appropriate external support can be provided.
- 9.2 As indicated previously, the Co-operative provides Welfare Rights Advice appointments for tenant to take up and reminds tenant of this service at all contact or in all correspondence.

10. Committee members in arrears

- 10.1 Committee members must declare and manage openly and appropriately any conflicts of interest and ensure they do not benefit improperly from their position. As tenants of the Co-operative, a conflict of interest exists when they have rent arrear and the Committee is discussing issues relating to rent management, and arrears recovery.
- 11.2 If a committee member has a rent arrear staff will take the same approach to dealing with them as they take with all other tenants; offering support, assistance and the opportunity to make an affordable agreement to clear their arrear. In cases where the Committee member has responded immediately by paying off arrears in full or by agreeing to and maintaining an appropriate arrangement under the terms of the Co-operative's Rent Management Policy then the conflict would be considered satisfactorily resolved. However if the Committee member has failed to engage and is not taking steps to clear the arrear, a conflict of interest exists and he or she will not be able to participate in any discussions relating to rent arrears and will require to declare an interest in the relevant Agenda Item of any Committee Meeting.
- 11.3 Immediately upon identifying a Committee member with rent arrears the Housing Officer will, in addition to following Policy as for all other tenants, will advise the Housing Manager about the issue. If the Committee Member fails to engage constructively with the Housing Officer and to take steps to clear or reduce his arrear, the Housing Manager will contact them to discuss their responsibilities as a

governing body member and consequences of continued non engagement.

- 11.4 Any committee member against whom legal action has been raised will be referred to the Management Committee to discuss termination of individual committee membership or to invite a resignation.

12 Performance Reporting

- 12.1 The Co-operative will provide regular performance reports to the Management Committee. The aim of the reports is provide detail of performance against target, highlight how performance compares with preceding years and benchmark performance against other landlords.

13 Complaints

- 13.1 Any user that is dissatisfied with the service experienced should be encouraged to provide feedback. The Co-operative's complaints procedure sets out how we manage complaints.

14 Training

- 14.1 All relevant staff will receive full and on-going training on the implementation of this policy