



Rent Management Policy

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This document can be produced in different formats, for example, in larger print or audio-format, and in other languages, as appropriate.

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Note: The Association is mainly referred to as “we” in this policy. Our rent management policy is also referred to simply as “the policy.”

Section 1: Context

Rent management

This policy outlines how New Gorbals Housing Association will provide a comprehensive rent management service. Our aim is to ensure the efficient and effective collection of rent as it is our main source of income. In addition we aim to provide advice and support to our tenants to maximise their incomes and improve their ability to pay rent and other debts.

Our tenants have a responsibility to pay their rent on time. We recognise that arrears arise for different reasons and that, therefore, recovery procedures should be flexible and responsive to individual circumstances. However, there will be occasions when failure to pay the rent may result in more serious action being taken. This includes court action and eviction.

Our strategic aim is to support tenants to sustain their tenancies and we view eviction as a last resort. For this reason, the emphasis in this policy is placed on a preventative approach to rent management and arrears recovery.

This supports our key organisational aims and values which are central to all aspects of our work.

Central to all aspects of our work are our key aims:

- To provide the highest possible quality housing, environment and services to all of our customers
- To maximise our contribution to the overall regeneration of the Gorbals, addressing wherever possible the needs of those in the community who are disadvantaged

Our core values are reflected in how we deliver our service. These are:

- Completing the physical regeneration of the Gorbals
- Keeping rents affordable, and supporting our tenants in dealing with welfare cuts and the high cost of energy
- Providing high quality, value for money services, and managing our assets effectively

- Strengthening our engagement and communication with tenants and the wider community
- Making Gorbals a Thriving Place
- Ensuring that we are a cost-effective and well-managed organisation, achieving high standards of governance and of financial probity and competence.

Summary

Our policy with related procedures, are critical operational documents for the efficient and effective delivery of a rent management service. This section outlines how the policy complies with the overall aims and core values of New Gorbals Housing Association.

Section 2: Equality

We are committed to providing fairness and equality of opportunity in order to prevent discrimination in both the workplace and wider society. Our rent management policy and recovery systems for arrears will try to ensure that no person is discriminated on the grounds outlined in the Equality Act 2010. This includes the protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation. This supports our equality policy and the principles which are applied to all our housing services.

Our rent collection and debt recovery methods will be flexible and where possible, take into account the individual needs of our tenants and their households. We will ensure that the relevant arrangements are made for communicating with our tenants with particular needs. This may include those with sight, hearing or learning difficulties, or those who find it difficult speaking or understanding English.

This complies with the section of the Scottish Government's Scottish Social Housing Charter dealing with equalities which states that social landlords must 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 1: Equalities).

Summary

This section summarises how the rent management policy adheres to our equality policy and the regulatory requirements outlined in the Scottish Social Housing Charter. We will regularly review our policy for equality implications. In addition we will make any required adjustments to address inequalities that result from the implementation of this policy.

Section 3: Policy aims and objectives

The main aims of our policy are to meet the legislative and regulatory requirements of the Scottish Government and Scottish Housing Regulator whilst maximising rental income and minimising rent arrears.

Key objectives of the policy:

- To ensure any action we take to manage rent and arrears complies with current regulatory and legal frameworks set out by the Scottish Housing Regulator and the Scottish Government.
- To ensure we use a rent management policy that is based on the prevention of rent arrears arising in the first place. This includes early intervention from the first missed payment.
- To aim for direct and personal contact with every tenant as soon as arrears begin to build up.
- To ensure our staff adopt a firm but fair and non-threatening approach to recovery. Staff must be sensitive to the stress that financial hardship and problems relating to the payment of rent and arrears can cause.
- To where possible, maximise our tenants' income and improve their ability to pay rent and other debts. This includes the uptake of welfare benefits.
- To prevent homelessness through the provision of support and guidance from our staff and, or referral to external agencies where appropriate.
- To ensure that eviction is a last resort in the recovery process and only used when all other methods to tackle rent arrears have failed.

Summary

This section summarises the main aims and objectives of our policy.

Section 4: Legal and regulatory requirements

Our approach to rent management must comply with the legislative and regulatory requirements of the Scottish Government and the Scottish Housing Regulator.

Legislative framework

Schedule 2 of the Housing (Scotland) Act 2001 and section 155 of the Housing (Scotland) Act 2010 provides the legal framework in relation to rent and arrears management. The 2001 Act outlines the grounds in which we can initiate legal action to recover possession of a tenancy, including for rent arrears. The 2010 Act sets out the pre-action requirements that we must satisfy before serving a notice and raising legal action (see section 6.3). The 2010 Act also clarifies the Association's position following the court granting a decree for eviction.

The Scottish Secure Tenancy agreement contains the contractual obligations each tenant is required to observe. It includes the rental charge, any services charges and the frequency of payment. Appendix 1 includes a summary of further legislation relative to the recovery of rent and arrears.

Regulatory standards and outcomes

We are regulated by the Scottish Housing Regulator on behalf of the Scottish Government. We are required to provide the regulator with details of our performance on an annual basis. The performance indicators we report on are based on the outcomes and standards set out in the Scottish Social Housing Charter.

In addition to Outcome 1: Equalities outlined above, our policy also considers the following outcomes and standards set out in the Scottish Social Housing Charter.

Outcome 11: Tenancy Sustainment. This emphasises our obligation to provide support to help tenants maintain their tenancy, including those at risk of rent arrears, stating:

- *tenants get the information they need on how to obtain support to remain in their home; and ensure suitable support is available, including services provided directly by the landlord and by other organisations.*

Standard 13: 'Value for Money.' This emphasises the need for an efficient and effective management of services, including managing arrears and all other aspects of the business so that:

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

Finally, outcomes 14 and 15: 'Rents and Service Charges.' These emphasise the importance of taking into account the affordability of rents and providing information to our tenants on how the money generated from rents is spent. In addition, it highlights our legal duty to consult tenants and other customers about rents and service charge setting 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 other customers can afford them*
- *tenants get clear information on how rent and other money is spent, including any details of individual items of expenditure above thresholds agreed between landlords and tenants.*

Summary

In summary, we will ensure that rent management complies with relevant legislative, regulatory and contractual obligations. In return, we expect our tenants to fulfil their obligations to pay their rent, service charges and any other debt due to the Association.

Section 5: Rent management and arrears prevention

We will seek to encourage a rent payment culture by promoting the message that the collection of rent payments is critical to our overall aims. The prevention of rent arrears happening in the first place is integral to our policy.

Rent payment methods

We will provide a wide range of convenient and flexible rent payment options to maximise opportunities to pay. These options will be reviewed periodically to ensure they are suited to our tenants' individual needs.

Pre-tenancy

We will provide clear information relating to our tenants' obligations to pay their rent from the earliest stage possible. This includes discussion during the housing options interview with prospective applicants and, thereafter, at the application home visit stage. Where issues are identified, information will be provided of local agencies to contact for assistance. Full and complete details of the tenancy obligations to pay rent will be confirmed in the offer letter and accompanied viewing.

New tenants

All new tenants will receive an introductory interview at the sign up of the tenancy. Comprehensive and clear information relating to the contractual terms of the tenancy agreement will be provided. This will include emphasising the obligation to pay rent or any other financial charges which may occur as part of the tenancy and explaining the rent payment methods.

Our new tenants will receive a settling-in visit within 6 weeks of the start of their tenancy. As part of the visit, our staff will assess the rent payments made and ongoing ability to pay. Where problems are identified, we will offer support. Follow up appointments or visits will be arranged to assess progress where identified.

Existing tenants

We will establish and maintain personal contact with our existing tenants wherever possible. We view this as a key factor in managing rent arrears effectively.

We will ensure that all communication and publicity literature sent to our existing tenants concerning rent management and arrears control, is clear, concise and simple to understand. This includes the offer of language interpretation and other formats as required.

We will provide our tenants with information about our performance in rent management and arrears control. As part of our legislative requirement set out in the Housing (Scotland) Act 2001, we will consult with our tenants regarding our annual rent reviews and any changes in our policy.

Summary

We promote a rent payment culture and the prevention of rent arrears happening in the first place. We do this by providing a range of payment methods and carrying out discussions about the importance of paying rent at the earliest stage possible. We will continue to raise tenant awareness that rent collection is critical to providing the highest possible housing, environment and services.

Section 6: Debt recovery of rent arrears

We will adopt a firm but sensitive approach to debt recovery of rent arrears. This will involve intervention at the earliest stage possible. We will take into account the financial pressures placed upon our tenants and the stress coping with rent arrears can cause.

In our recovery of rent arrears we expect the following:

- low level debts (of one month's rent or less) to be cleared in a single payment. We will only agree to instalments where our tenant can demonstrate their inability to pay in full following an analysis of their income.
- higher level debts we will accept repayment by instalment and will make agreements taking into account our tenants' personal circumstances and the time in which the debt will be paid in full. Our agreements will be both manageable for our tenant and acceptable to us. Repayment periods will not normally exceed 2 years, and this length of time will only be agreed in exceptional circumstances.

Our approach is person centred, with all action tailored to our tenants' circumstances and ability to pay. We are aware that some of our tenants have limited income and an acceptable arrangement to clear the debt may not always be possible. In extreme circumstances we will acknowledge small regular payments and as long as the debt continues to reduce we will not initiate court action.

Early intervention

Our recovery process will begin as soon as there is a missed payment. We will follow a comprehensive set of procedures which places personal contact as crucial to effective recovery. We will offer support and assistance to try to maximise incomes and improve our tenants' ability to pay and manage debts. This will include our staff working in partnership with our in-house Welfare Rights Officers and local services. This includes but is not exclusive to Glasgow City Council's Social Care Direct and Housing Benefit departments; the Department of Work and

Pensions; Gorbals Money and Law Advice Centre; the Legal Services Agency and any other agency as felt appropriate.

Legal and court action

Our intention is to initiate legal action for recovery of the property only when all other reasonable steps to recover the rent arrears have failed.

The initial stage of legal action is to serve a Notice of Proceedings (NOP) on the tenant, joint tenant and any qualifying occupiers (persons over the age of 16 who are not the tenant) who reside in the property. Prior to the notice being served, we will make enquiries to find out if there have been any changes to the household and identify all qualifying occupiers.

We will serve the notice on the grounds for possession in relation to rent arrears laid out in Ground 1, Schedule 2, Part 1 of the Housing (Scotland) Act 2001. This states, "Rent lawfully due from the tenant has not been paid, or any other obligation of the tenancy has been broken."

Pre-action requirements

Section 155 of the Housing (Scotland) Act 2010 sets out additional procedures for serving notice on a tenant to recover a property. Our policy and related procedures are underpinned by the Scottish Government's Housing (Scotland) Act 2001 and 2010 Guidance for Social Landlords on Pre-Action Requirements and Seeking Repossession of Social Housing (for the full guidance see: <http://www.scotland.gov.uk/Publications/2012/06/2337/0>)

The guidance outlines the pre-action requirements we are required to satisfy before serving a Notice of Proceedings to recover the property. These include details of the action we have taken to resolve the arrears up to the date when the notice is served.

In line with this legislation, we must provide clear and accurate information in the notice on the following pre-action requirements:

- We have provided clear information to our tenant about the tenancy agreement and the unpaid rent or other financial obligations;

- We have made reasonable efforts to give help and advice on eligibility for Housing Benefit and other types of financial assistance;
- We have provided our tenant with information about sources of help and advice with the management of debt;
- We have made reasonable efforts to agree with our tenant a reasonable plan for future payments;
- We have given consideration to the likely result of any application for Housing Benefit our tenant has made that has not yet been decided;
- We have given consideration to other steps our tenant is taking which are likely to result in payment within a reasonable time;
- We have given consideration to whether our tenant is complying with the terms of an agreed plan for future payments; and
- We have encouraged our tenant to contact their local authority (where the local authority is not the landlord).

In complying with the guidance and pre-action requirements, we will ensure that all reasonable efforts have been made to try to resolve the arrears before serving the notice. We will give consideration to any support needs our tenant may have, including difficulty in reading or understanding information. We will take reasonable steps to make sure information is communicated in a way that is easy to understand. This may include communicating via a support worker where permission has been given by our tenant.

Court action and eviction

We will keep our tenants informed of every stage in the legal process, up to and including court action and the date of the eviction. We will continue to pursue the debt throughout the legal process. If no satisfactory offers are made to repay the arrears, we will request the courts grant a decree for eviction.

If the court grants an order for possession of the property for rent lawfully due as per section 16(5A) of the 2001 Act, we will end the tenancy on the date we recover possession of the property. This

provides a final opportunity for an agreement with our tenant to resolve the arrears right up to the date of the actual eviction.

Our Management Committee or our Property Management Sub-Committee (Housing Management) will consider any actions for eviction and will make the final decision on whether or not to enforce a decree.

Before making a decision on whether to carry out an eviction, we will make our Committee aware of any factors which are relevant to the individual's circumstances. This includes for example, where the household contains children or vulnerable adults.

Summary

This section outlines how we will recover rent and arrears up to and including legal action for termination of the tenancy and recovery of the property. In relation to our comprehensive rent management procedures, a staged approach will be adopted with action being taken as soon as there is a missed payment of rent. All reasonable efforts will be made to meet our strategic aim of supporting our tenants to sustain their tenancies. We view eviction as a last resort.

Section 7: Former tenant arrears

A former tenant arrear is when one of our tenants ends their tenancy and does not clear the balance on the rent account. We will make every effort to pursue former tenant arrears. This is subject to the need to give priority to current tenant arrears and the need to make the best use of available staff time and resources. This means that priority will be given to former tenant arrears cases where there is a realistic prospect of recovering the debt.

Former tenant arrears write-offs will be considered annually. Authority to write-off former tenant arrears rests with our Property Management Sub-Committee (Housing Management). Recommendations to the sub-committee will reflect the age and recovery prospects of any debts recommended for write-off.

Section 8: Shared ownership

In the earlier stages, the principles and most of the procedures for rent management for shared ownership will follow those which apply to our tenanted properties. We will ensure that our sharing owners have access to the same quality of advice and assistance as applies to our tenants, including benefits advice.

We will contact our sharing owner's mortgage lender and work with them in cases deemed appropriate. A Co-operation Agreement with lenders will normally be in place, which lays down the principles for joint working in pursuing mortgage and rent arrears. This includes joint working with the lender in relation to court action regarding serious arrears of mortgage and/or rent.

Before commencing court action a Default Notice must be served. Following this, legal advice will be taken regarding the most appropriate legal remedy. As in the case of our tenanted properties, these legal remedies will be taken as a last resort when all other attempts have failed.

Section 9: Allocations and rent arrears

If a housing applicant being considered for a property, has any outstanding rent arrears or other outstanding arrears, then Section 20 (2) (ii) of the Housing (Scotland) Act 1987 as amended by Section 10(4) of the Housing (Scotland) Act 2001, applies. This means that if the outstanding arrears are less than one month's liability, then those arrears will not stop an offer being made. It is also reasonable for a landlord to refuse to house an applicant who has significant rent and service charge arrears or other liabilities related to a previous tenancy (e.g. rechargeable repairs). An offer in such circumstances will only be made where the applicant has:

- Made an arrangement to pay the debt.
- Kept that arrangement for at least three months.
- Continues to maintain an arrangement.

Where arrears on an account have arisen through no fault of the applicant, for example by a delay in Housing Benefit payments for which the applicant is not responsible, the applicant will be defined as having a clear rent account for the purposes of his or her application.

We will take the following action for different groups of housing applicant;

- Transfers within our homes - an arrangement to repay the debt should be in place prior to the transfer being approved. Such an arrangement should have been kept for at least three months and be reconfirmed at the time our tenant commences their new tenancy.
- Section 5 Homeless Referrals - where a former tenant has been referred back to us for permanent accommodation an arrangement to repay the debt should be agreed at the earliest opportunity available. As above, such an arrangement should have been kept for at least three months and be reconfirmed at the time their new tenancy starts.

- Housing List Applicants – former tenants may appear as housing list applicants and an arrangement to repay the debt should be agreed as soon as the application for housing is received or at the earliest opportunity. As above, such an arrangement must have been kept for at least three months. The debt and payments should be checked prior to any offer and the arrangement reconfirmed at the time their new tenancy starts.

We recognise that there may be situations where our tenant or an applicant, who owes us money may require to be rehoused due to exceptional circumstances. In such instances, the Head of Housing Services and the Depute Director will have the discretion to approve an offer of housing when small regular payments are being maintained.

Section 10: Performance reporting

We will provide the Property Management Sub-Committee (Housing Management) with regular reports. This allows our Committee to monitor targets, review performance, identify trends, and to make decisions regarding the enforcement of decrees for eviction on individual cases.

Section 11: Complaints procedure

Any tenant may submit a complaint if it is felt that there has been a failure to correctly apply our policy and this would be dealt with via our Complaints Handling Procedure.

Section 12: Risk management

Our policy recognises that the loss of rental income and associated issues related to rent arrears is a high risk to New Gorbals Housing Association. Given the importance of these risks the effective management of our policy and related procedures is vital.

Section 13: Policy review and consultation

Our Rent Management Policy will be reviewed every five years or more frequently if required. This will involve consultation with our tenants, local tenants groups including Registered Tenant Organisations, our Tenants Panel and Management Committee.

Appendix 1: Summary of legislation relative to the recovery of rent and arrears.

Housing (Scotland) Act 1987

Housing (Scotland) Act 2001

Housing (Scotland) Act 2010

Scottish Secure Tenancies (Repossession Orders) (Maximum Period) Order 2012

The Scottish Secure Tenancies (Proceedings for Possession) (Pre-action Requirements) Order 2012

Debtors (Scotland) Act 1987

Debt Arrangement and Attachment (Scotland) Act 2002

Data Protection Act 1998

The Children (Scotland) Act 1995

The Human Rights Act 1998

Disability Discrimination Act 2005

Matrimonial Homes (Family Protection)(Scotland) Act 1981

Homelessness (Scotland) Act 2003

Equality Act (2010)

The Scottish Secure Tenancies (Proceedings for Possession) (Pre-Action Requirements) Order 2012

The Scottish Secure Tenancies (Repossession Orders) (Maximum Period) Order 2012

The Scottish Secure Tenancies (Proceedings for Possession) (Confirmation of Compliance with Pre-Action Requirements) Regulations 2012

The Scottish Secure Tenancies (Proceedings for Possession) (Form of Notice) Regulations 2012