



RENT MANAGEMENT POLICY

Policy Reference: Policy/Housing Management/Rent Management Policy

Adopted By Management Committee: September 2005

Scheduled for Review by Management Committee: September 2007

The Scottish Housing Regulator Performance Standard AS 1.8

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1. INTRODUCTION

Cordale Housing Association considers the prevention, control and recovery of rent arrears as one of the most important aspects of the Housing Management and Maintenance Service. To provide affordable rented housing it is essential that our income from every source is maximised. By adopting an effective and efficient Rent Management policy and procedure, the Association's costs will be kept down, minimising the need to increase rent charges.

2. EQUAL OPPORTUNITIES

In line with the Association's commitment to equal opportunities, this policy can be made available free of charge in a variety of formats, including large print, translated into another language or on audio tape.

3. POLICY OBJECTIVES

The Association recognises that a significant proportion of its client group is either partially or wholly dependant upon state benefits and that many more are now in paid employment. Whilst the Association recognises that some tenants may experience difficulties in meeting rental payments at some stage of their tenancy, it is important that arrear levels are minimised effectively and efficiently and tenants are prevented from slipping into serious debt.

The policy will describe how the Association will attempt to prevent and control rent arrears for tenants and former tenants, with the approach being firm but fair, whilst being a sympathetic and supportive landlord.

4. DELEGATED AUTHORITY

The Management Committee of Cordale Housing Association has delegated the Housing Management and Maintenance Sub-Committee (HMMSC) authority to monitor the level of rent arrears and take action, including court action, to secure payments of rent. The HMMSC have delegated authority to the Depute Director to take action up to the serving of a Notice Of Proceedings and booking a case into Court. Thereafter the HMMSC continue to monitor the case whilst at Court.

This Sub Committee will consider cases where a Sheriff has granted decree and make appropriate recommendations to the Management Committee.

The HMMSC also have delegated authority to set arrears targets annually, as part of the Performance Targets report, presented by the Depute Director in April of each year.

Any changes in policy or material changes in procedures must be approved in advance by the HMMSC and thereafter by the Management Committee.

5. PREVENTION

The main priority is to prevent arrears occurring. To achieve this aim, staff members will follow the following procedures:

- 5.1 All offers of accommodation will clearly state the monthly rent charge, the various methods of payment available and the frequency of payment accepted (i.e. weekly, fortnightly and monthly). The offer will also provide clear guidance on the 'rent due' date.
- 5.2 All new tenants will be advised of the Association's Rent Management policy during pre tenancy counselling. This will place the emphasis on the need to make regular payments to prevent arrears. To avoid arrears escalating, tenants will be encouraged to seek support when they are facing difficulties.
- 5.3 Payment methods will be discussed with the tenant, to suit their individual circumstances.
- 5.4 Housing Benefit uptake will be maximised. A Housing Benefit form will be completed (if applicable) and checked to ensure that supporting information is provided.
- 5.5 The tenant will be encouraged to claim other welfare benefits. An appointment will be made with West Dunbartonshire Council Welfare Rights Officer (with the approval of the tenant).

- 5.6 The Association will develop positive links with the Council's Housing Benefit Department to encourage efficient processing of housing benefit claims. The Council will be consulted about any material change to the Association's Rent Management Policy.
- 5.7 Clear and concise information regarding rent management issues will be given to tenants, throughout the duration of the tenancy, via Newsletters, resident meetings, house visits etc. A minimum of 28 days notice will be provided for any increase in the monthly rent charge. In accordance with 4.6 above, the Council will also receive one month's notice of an increase in rent changes.

6. CONTROL OF RENT ARREARS

Early Actions

At the heart of any approach to effective rent management is the practice of early contact with the tenant. Written contact should be made with the tenant as soon as it is clear that there is an arrear. The following procedures will be pursued where an arrear is identified: -

- 6.1 Essential to the early identification of non-payment of rent is an effective rent accounting system. The Association is committed to the most efficient use of staff resources and computer technology to monitor rent accounts. Mechanisms will be implemented, which minimise any delay between the date of payment and the credit of individual rent accounts. Similarly, payment methods, which are geared towards increasing accuracy and security, will be utilised.
- 6.2 Rents are due monthly in arrears on the 28th day of each month. Following this, rent arrears summary prints will be provided monthly by the Housing Services Assistant. (Within 5 working days of the rent reconciliation).
- 6.3 Housing Management staff will use the lists to monitor individual rent accounts. Action to be taken will be influenced by a comparison of rent account balances with previous reports, previous contact and agreements with the tenant and the level of arrear.

- 6.4 As soon as a new arrears has been identified, the Association will write to the tenant informing them that their rent account is in arrears and asking them to pay off the outstanding balance within 7 days. Tenants are also advised that they can contact any member of the Housing Management Staff to discuss the problem. Early contact with the tenant is the key to discovering the cause of the arrear, and making a realistic agreement to help the tenant repay the debt. The main objective of the Association is to assist the tenant in dealing with the problem.

With the consent of the tenant, an appointment will be made with a Welfare Rights Officer to discuss Welfare Benefits entitlement and any appropriate money advice.

In instances where tenants are experiencing multiple debts, details will be given of external agencies that may be able to offer further advice and assistance.

- 6.5 Written records will be kept of all contact with the tenant, and clear written confirmation of repayment agreements will be kept.
- 6.6 A written agreement and mutual understanding will be reached where possible as to how to cope with the arrears. This should include:
- i) The level of arrears.
 - ii) The size of instalments, which can realistically be made. This must be no less than the amount deductible by The Benefits Agency under the Rent Arrears Direct payment system.
 - iii) The frequency and starting date of instalments.

Once an arrangement has been made it will be closely monitored by the Housing Management Staff. If a repayment arrangement is kept by the tenant, the Association will undertake no further action.

- 6.7 Where arrears have arisen through a delay or mistake in Housing Benefit payment, a written record of the cause and action taken will be kept. As far as possible, the Association believe in encouraging tenants to take an active part in resolving such arrears.
- 6.8 Where payments of home-loss and/or disturbance are made to tenants, all outstanding rent arrears will be deducted by joint agreement.

7. CONTROL OF RENT ARREARS

Further Action

If a tenant continually fails to pay their rent, or defaults on a repayment arrangement the Association will take further action:

- 7.1 Where there has been no communication, the Association will continue to attempt to contact the tenant, whether through written correspondence or a house visit by Housing Management Staff. Face-to-face contact is crucial.

The objective remains to find out the cause of the arrears, and to assist the tenant in dealing with it. However, the Association will also underline the serious legal implications if the tenant does not co-operate in dealing with the problem.

- 7.2 Where an existing repayment arrangement breaks down, the tenant will be contacted in writing, or through a house visit to explain that they face legal action if they do not come to a new arrangement.
- 7.3 In cases where a tenant is more than four weeks in arrears (accrued over 8 weeks), and in receipt of Income Support and full Housing Benefit, the Association will apply to The Benefits Agency for Arrears Direct deductions paid directly to the Association.

8. LEGAL ACTION

- 8.1 Whilst legal action is seen as a last resort in the control of individual rent arrears, the Association will implement the terms of the Tenancy Agreement with regard to recovery of possession in instances, where it becomes clear that the tenant wilfully refuses to meet their rental obligation or fail to co-operate with the Association to clear outstanding arrears.
- 8.2 Where a tenant is two months in arrears and no satisfactory agreement has been reached, the Housing Services Officer (unless there are extenuating circumstances) will advise the Depute Director that a Notice of Proceedings requires to be issued. The Depute Director will review the case and make a decision. Once a Notice of Proceedings has been issued a tenant has 28 days before the Association can instigate legal Action.
- 8.3 The tenant will be advised at the time of the Notice being served that their case may be referred to West Dunbartonshire Council, Homelessness Prevention Team and/or Social Work Department. This team will only be contacted if the Housing Management Staff are in no doubt that all preventative measures have been taken by the Association.
- 8.4 During the six months duration of a Notice of Proceedings, the Depute Director can instruct Court action if no satisfactory agreement is reached with the tenant or an arrangement is broken. This will take the form of an action to recover the debt and repossess the property. The Association will also seek Court Expenses and Sheriff Officer fees where cases are lodged in Court.
- 8.5 The Association will aim to recover Court Expenses (including Sheriff Officer's fee's) relating to rent arrears cases from the tenant or former tenant.

- 8.6 Where a Decree is awarded by the Court, its enforcement and the eviction of the tenant is a regrettable last option. Once a decree is granted by the Sheriff, the tenant will be advised that the Management Committee will be considering the full circumstances of the case and the enforcement of the decree for eviction at the next Management Committee meeting (a recommendation will be made by the Housing Management & Maintenance Sub Committee). It is at this Management Committee meeting that the tenant will be advised of their right to appeal, which must be made at this meeting.

If the tenant remains dissatisfied with the decision, they will then be advised that they can contact the Scottish Public Services Ombudsman.

9. FORMER TENANT ARREARS

- 9.1 The Association will pursue former tenants owing rent. If a forwarding address is known, the former tenant will be contacted, and asked to come to an arrangement to clear the arrears.
- 9.2 Where either the forwarding address is not known, or the former tenant refuses to co-operate the debt will be passed onto the Association's recovery agent for trace and collection.

10. APPLICATIONS FOR HOUSING

- 10.1 The Association will ensure that all former tenants and current tenants are aware of the policy regarding requests for housing, where rent arrears exist. Where a former or current tenant arrear exists, an application for housing may not be accepted onto the Association's housing lists. (See Allocations policy for specific details).

11. MONITORING RENT ARREARS

The Association's Depute Director will report monthly to the HMMSC, providing a Rent Management Report. The Committee will receive the following information:

- i) The total arrears due
- ii) The percentage of current rent arrears as a percentage of the annual collectable rent.
- iii) The percentage of Technical arrears
- iv) Action taken on arrears over £500
- vi) Actual performance against agreed targets.
- vii) Legal action required
- viii) Former Tenant arrears
- ix) Current Tenant and Former Tenant Credits
- x) Narrative Information regarding rent management issues

The Depute Director, in conjunction with the Housing Management and Maintenance Sub-Committee, will therefore determine performance indicators and targets. These will assist in reviewing the success of the Rent Management Policy.

12. BAD DEBT PROVISION AND WRITE OFFS

The HMMSC will consider a Bad Debt Provision and Write Offs Report in March and October every year, which will require to be approved by the Management Committee.

13. RENT MANAGEMENT PROCEDURES

Comprehensive procedures for all rent management issues, for staff to implement are contained within a separate procedure manual.

14. REVIEW OF THE POLICY

The Association's HMMSC and Management Committee will review the Rent Management Policy and Procedure every 2 years and reserve the right to make any ad hoc decisions or alterations considered necessary.