



OAK TREE HOUSING ASSOCIATION

Rent Arrears Policy

Adopted August 1998 Last reviewed September 2022

Next Review Due August 2027

1.0 INTRODUCTION

Oak Tree Housing Association must collect the rent due from tenants to ensure it can deliver effective services to all our customers. We seek to build financial resilience in our communities and help our tenants avoid the problems associated with rent arrears and debt.

The purpose of this policy is to define the Associations approach to recovery of rent arrears. The main objective is to minimise loss of rental income through prevention of rent arrears and prompt effective action when arrears do arise. The policy applies to all rent arrears whether current or former and to all tenancy types including sharing owners.

When dealing with tenants in arrears, tenants will not be treated less favourably on the grounds of any of the protected characteristics. The Association will respect a tenant's Human Right to a family life and a home. The Associations will comply with the law, guidance and good practice in the operation of this policy.

2.0 KEY POLICY GOALS

- To ensure all rent accounts are maintained with rental payments one month in advance in line with the tenancy agreement.
- To ensure an advance payment is a condition of being made an offer of rehousing. The details of our approach and the minimum acceptable advance payment are outlined in the arrears procedure. To promote a payment culture and make prospective tenants aware of the costs associated with maintaining a tenancy and to carry out a joint review of their resources in the light of those costs.
- To prevent arrears arising.
- To prevent arrears increasing.
- To pursue current and former tenant arrears by all viable means.
- To recover the arrears with the voluntary co-operation of the tenant wherever possible.
- To tailor action to the individual circumstances of the tenant with a firm, but sensitive and flexible approach being adopted.
- To enlist support/information/advice from any appropriate agency for the tenant where a benefit could exist.
- To promote tenancy sustainment
- To prevent homelessness and to use legal action as a last resort once other methods have failed.
- To comply with the Statutory Instrument – 2012 No 127 Pre-Action Requirements Order 2012.
- To retain confidentiality so that any discussions at Committee will not reveal the identity of the tenant.
- Data Protection Act 2018
- To monitor the effectiveness of the arrears policy and Legal Action and Eviction policy.
- To maintain effective communications systems and promote joint working where necessary with Inverclyde Council, Housing Benefit Department, the Department of Works and Pensions (DWP) and other external agencies assisting with arrears management / income maximisation activities
- To comply with the legislation within the Housing (Scotland) Act 2001
- To comply with sequestration legislation contained with the Bankruptcy and Diligence etc. (Scotland) Act 2007

- To comply with the Scottish Social Housing Charter and the relevant Charter Indicators
- To comply with the legislation within the Welfare Reform Act 2012
- To comply with Equality Act 2010
The Housing (Scotland) Act 2014

3.0 RESPONSIBILITY

The Housing Services section will be responsible for maintaining a pro-active, effective rent accounting system and recovery of arrears system.

The Housing Officers, in conjunction with their Housing Assistants and Housing Administration Assistants, will be responsible for arrears control in their areas of operation including the issuing of notices for legal action. The Senior Housing Officer will take responsibility for monitoring arrears including legal action cases. The Housing Manager will take overall responsibility for ensuring policies and procedures are being followed.

The Housing and Technical Services Sub-Committee will be informed of all Notices of Proceedings and Court Actions commenced. Decrees of Evictions will be notified, however the Housing Manager has delegated authority to approve enforcement of Decree of Eviction once obtained.

4.0 I.T

The Association will maximise the use of IT in order to aid rent collection and rent arrears recovery. This includes having an effective rent accounting system, use of systems for making electronic payments, card machines in the office, accessing My Oak Tree Portal, mobile phones for messages and use of the internet/emails including the Association's website.

5.0 STAFF TRAINING

To ensure a pro-active and effective arrears recovery system, it is important that the training of staff is adequate to meet all the needs of its tenants.

Staff should have a good working knowledge of the Welfare Benefit system and be able to advise when and how to claim the appropriate benefit. Staff will be encouraged to develop a detailed knowledge of Housing Benefit and Universal Credit.

The Association will co-operate fully with the Verification Framework and will complete on-line HB claims, verify and forward information required to support claims and changes of circumstances.

The Association is therefore committed to providing staff with relevant training relating to effective prevention and control of rent arrears; welfare benefits; the legal system and good practice.

6.0 RENT COLLECTION

The Association will seek to maximise different (cost effective) rental payment options to make rent payments as easy as possible and to suit the different circumstances of tenants.

Where arrears do occur, we will act quickly to bring this to the tenant's attention and agree a course of action to resolve them. We will take into account the tenant's individual circumstances. We will make arrangements for repayment of larger balances in line with our procedures.

We will ensure that payment options are accessible and convenient where possible. We will respond promptly to enquiries about tenancy related payments

7.0 ADVANCE PAYMENT

We require all tenants to ensure their rent is paid in full by the due date each month. Rent is due in advance in accordance with the tenancy agreement and we require new tenants to pay the full month's rent in advance at the tenancy sign up. Where this is not possible, we may agree to accept a minimum payment outlined in our procedures and to make a formal arrangement to bring the rent account into payment in full by the due date over an agreed period.

8.0 HOUSING BENEFIT, UNIVERSAL CREDIT & WELFARE REFORM

The Association recognises that a proportion of their tenants are dependent upon benefits (Housing Benefit or Universal Credit) to assist with meeting their rent charge. Benefit claims remain the responsibility of the tenant and we expect tenants to liaise with the Housing Benefit Department or the Department of Work and Pensions (DWP) and ensure that their rent is paid in full to the Association.

We will also prompt our tenants who are in receipt of Universal Housing Costs to report their annual rent increase.

The Association will notify Housing Benefit of annual rent increases for those tenants in receipt of Housing Benefit.

Benefits are restricted in some circumstances, e.g. the benefit cap. Also, tenants may be subject to sanctions. We will work with applicants and existing tenants to assess the affordability of their rent commitment and give them appropriate advice in the light of this assessment. In some cases, this may mean that we are advising them not to take a tenancy or to end a tenancy or take some other action.

9.0 OUTSIDE AGENCIES

The Association will endeavour to foster good relations with other agencies such as Inverclyde Council, Inverclyde Health and Social Care Partnership (HSCP), Advice First, Financial Fitness Team, LSA and the Homelessness Service. Particular attention will be paid to relations with Inverclyde Council's Private Housing Benefit Section and DWP. Referrals will be made by Housing Services staff where additional support from outside agencies is deemed necessary or where staff feel tenants could do with an assessment of their situation in order to maximise take up of benefits. Mandates where required will be completed.

10.0 INFORMATION AND SUPPORT TO TENANTS

The Association will endeavour to keep all tenants informed of any relevant changes, such as changes in the Welfare Benefit system, through the use of newsletters and/or direct letters.

The Association will use newsletters, social media and its website to promote a payment culture. In addition, leaflets will be made available to tenants who are experiencing financial difficulties or are facing legal action for eviction.

Additionally, the Association will provide as much support as possible in helping tenants claim any benefits to which they may be entitled.

11.0 NEW TENANT/VULNERABLE TENANT STRATEGIES

The Association recognises that new tenants (or first-time tenants) and certain groups of tenants (e.g., young tenants, section 5 referrals, tenants with mental health problems) are more at risk of falling into arrears. Identification and additional support will be sought for those at greater risk of arrears to ensure that they are able to sustain their tenancies successfully. Referrals to be made, if appropriate, to the Inverclyde Tenancy Support Service and Energy Activators.

In exceptional cases, where there is a particularly urgent requirement to rehouse an individual and the advance payment cannot be made, the Association will consider granting the tenancy without the payment being made in full at the sign-up appointment.

New Tenants will receive a settling-in visit within 6 weeks of their tenancy starting. We will check their rent account before their visit and if required we will offer any support that may be needed with their rent account or managing their tenancy.

12.0 FORMER TENANT ARREARS

Housing Services staff will actively seek to minimise former tenant arrears at the end of a tenancy and to take effective action to recover former tenant arrears should there be a balance outstanding at the end of a tenancy. Tenants ending their tenancy will be reminded of their payment responsibilities and encouraged to provide a forwarding address. Outstanding former tenant arrears are likely to influence the ability of a former tenant to access a tenancy from OTHA or another social landlord.

13.0 CUSTOMER CARE

The Association will ensure that tenants in arrears are dealt with in a clear, respectful, customer friendly manner to ensure that tenants feel they are being supported in dealing with problems. We will take into account the tenant's preferred means of contact where possible. Where English is not the first language of our tenants, or for those who are hearing or sight impaired for example, we will take steps to communicate taking account of individual needs.

14.0 EQUALITY/DIVERSITY ISSUES

In order to ensure that the Association is fair in dealings with people from diverse backgrounds and with any of the protected characteristics the Association will analyse the characteristics of tenants in arrears by household type, gender, age, disability and ethnicity and any other relevant factor. Equalities analysis will also be reviewed on those tenants who are taken to court and also on those who are evicted. This will enable the Association to establish whether there are higher rates of legal action and evictions amongst particular groups.

15.0 PERFORMANCE STANDARDS

To monitor and assess the effectiveness of the arrears policy and procedure, it is necessary to set standards and targets.

The key methods to achieve this include the following:-

- To set annual targets for the level of arrears
- To set response times for arrears action.
- To report quarterly to the Housing and Technical Services Sub-Committee on the overall arrears performance.