



# **OAK TREE HOUSING ASSOCIATION**

## **Rent Arrears Policy**

Adopted August 1998 Last reviewed September 2017

Next Review Due August 2022

## **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 gender, family circumstances, health, status, race, nationality, language, social origin, marital status, age, religion, disability, culture, lifestyle, employment, economic status, sexual orientation or personal attributes including religious beliefs or political opinions. The Association will respect a tenant's Human Right to a family life and a home. The Associations will comply with legislation, 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 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.
- To monitor the effectiveness of the arrears control policy.
- To comply with the legislation within the Housing (Scotland) Act 2001
- To comply with sequestration legislation contained within 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

The Housing (Scotland) Act 2014 was passed into Scottish law in August 2014 but much of the implementation of the Act is subject to subsequent guidance. At the time of review of this Policy, the Act had not come into force and there is no timescale or set date for implementation. This policy will be reviewed again when the timescales for implementation are known to ensure that the Policy complies.

### **3.0 RESPONSIBILITY**

The Housing Management 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, will be responsible for arrears control in their areas of operation including the issuing of notices for legal action. The Senior Housing Officer and/or the Housing Manager will take responsibility for monitoring arrears including legal action cases. The Group Housing Services and Performance Director will take overall responsibility for ensuring policies and procedures are being followed.

The Housing and Technical Services Sub-Committee will be informed of all legal notices held and legal action being initiated. 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, 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 the Housing Benefit and Universal Credit in particular.

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 making available to Staff access to relevant training relating to effective prevention and control of rent arrears; welfare benefits; legal system and good practice.

### **6.0 RENT COLLECTION**

The Association will seek to maximise different (cost effective) rental payment options in order 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.

## **7.0 ADVANCE PAYMENT**

We require all tenants to ensure their rent is paid in full by the due date each month. 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.

Benefits are restricted for some groups due to age and 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, Future Skills, Financial Fitness Team 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.

## **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.

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.

## **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. 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 and not to feel afraid of approaching staff. We will take into account the tenant's preferred means of contact where possible.

## **14.0 EQUALITY/DIVERSITY ISSUES**

In order to ensure that the Association is fair in dealings with people from diverse backgrounds and with different 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 are as follows:-

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