



**Drumchapel
Housing**

Co-operative Limited

**Rent management
policy and procedures**

1. Introduction

- 1.1 The Co-operative's prime aim is to maintain and improve the quality of the housing service, housing stock and its environment within the means of people in housing need.
- 1.2 Rents are the source of our revenue income from which we provide our services.
- 1.3 The Co-operative's Rent Management policy takes account of the Scottish Social Housing Charter in particular Outcome 14 and 15: Rents and Service Charges.
- 1.4 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 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.
- 1.5 The rent management process must be an integral part of the Co-operative's internal management planning including budgeting and longer-term planning. The prevention of and effective management of rent arrears is crucial to the maximisation of income available to the Co-operative to improve and maintain its stock, meet loan charges and management costs and make prudent provision for future repairs.
- 1.6 Timely collection of rent is a key area and the timely paying of rent will be encouraged. The main thrust of the Co-operative's Rent Management policy is prevention. Implementing proactive procedures to prevent arrears arising in the first place, with prompt personal contact and early responsive action taken immediately there is a missed payment is crucial to avoid rent arrears debt and the potential risk of tenancy termination.
- 1.7 The purpose of this policy is to outline the key areas of operation for arrears management within the Co-operative, and the arrears management procedure outlines the practical steps taken by the Co-operative in this activity.

2. Policy Objectives

2.1 The Co-operative's Rent Management policy has four distinct features, all of which are interdependent and essential, and taken together, form a comprehensive Rent Management policy which seeks to prevent and control rent arrears for tenants and former tenants, adopting a firm but sensitive approach to arrears recovery, advocating early action to prevent arrears debt arising or increasing.

- Prevention
- Control
- Recovery
- Performance Monitoring

3. Risk management

3.1 By having a written detailed policy on Rent Management, the Co-operative is able to ensure that a uniform and professional approach is adopted throughout the organisation and the service delivered is compliant with law, best practice and internal policy.

3.2 Without a Rent Management policy, the Co-operative is at risk of allowing arrears to escalate and in turn, reduce the flow of income to the Co-operative. Failure to maintain an adequate income flow will impact on the level of service to tenants through fewer repairs and improvements and/or put pressure on loan repayments and potentially result in staff being made redundant.

4. Legislative & Regulatory Framework

4.1 The current legal context for the recovery of possession (as a result of rent arrears) is contained within the Housing (Scotland) Act 2001 and grounds are detailed within the Scottish Secure Tenancy Agreement. However, in implementing our approach the Co-operative is also mindful of our rights and responsibilities contained within the following legislation:

- Data Protection Act 1998 – responsibilities for gathering and sharing information – staff should refer to appropriate policy and subsequent guidance;
- Disability Discrimination Act 1999 – ensure general accessibility of service provision, options for payment methods etc.
- Children Scotland Act 1995 – Consider implications and options

- prior to taking recovery action
- Debtors Scotland Act 1987 – Enables the Co-operative to seek wage arrestment from a debtor
- Human Rights Act 1998 – responsibilities in terms of safeguarding human rights etc.
- Housing (Scotland) Act 2010 – Pre Action Requirements
- Welfare Reform Act 2012 – Universal Credit rent direct payments to tenants

5. Equality and Diversity

- 5.1 The Co-operative's Equality and Diversity policy, which was approved by the Board in April 2017 following consultation, outlines our commitment to promote a zero tolerance to unfair treatment or discrimination to any person or group of persons, particularly on the basis of any of the protected characteristics¹. This includes ensuring that everyone has equal access to information and services and, to this end, the Co-operative will make available a copy of this document in a range of alternative formats including large print, translated into another language or by data transferred to voice.
- 5.2 We are also aware of the potential for policies to inadvertently discriminate against an individual or group of individuals. To help tackle this and ensure that it does not occur, best practice suggests that organisations carry out Equality Impact Assessments to help identify any part of a policy that may be discriminatory so that this can be addressed (please see section 6 of the Equality and Diversity policy for more information).
- 5.3 In line with section 6.2 of the Equality and Diversity policy, the Co-operative will apply a screening process based on that recommended by the Equality and Human Rights Commission to ascertain whether each policy requires an Impact Assessment to be carried out. The screening process was applied to this policy and it was decided that an impact assessment was not required.

¹ The Equality Act 2010 identifies the “protected characteristics” as age, disability, marriage and civil partnership, race, religion or belief, gender, gender reassignment and sexual orientation.

6. Delegated Authority

- 6.1 The Management Board has authority to monitor the level of rent arrears and take action, including court action, to secure payments of rent.
- 6.2 Implementation of this policy will be the responsibility of the Depute Director. Operational responsibility for day-to-day rent management is delegated to the Housing Management Team. Individual Housing Officers have responsibility for all rent arrears in their 'own patch'.
- 6.3 The Depute Director retains overall control and responsibility for decision making and has the delegated authority to take action up to the serving of a Notice of Proceedings and booking a case into court.
- 6.4 The Management Board has the authority to uphold or reject a recommendation by the Depute Director to request repossession at the next court hearing irrespective of any arrangement proposed by the tenant(s).

7. Prevention

- 7.1 The relationships between staff, the tenant, Glasgow City Council, housing benefit service and The Department of Works and Pension is one of the key factors in resolving rent arrears. Housing Officers must try every means possible of helping the tenant to pay their rent and take up housing benefit entitlement with Glasgow City Council, housing benefit service and the rent element of their Universal Credit claim with The of Department of Works and Pension. The Housing Officers will also work with tenants to maximise their income, thus preventing the possibility of arrears arising. Early and continuing contact can be an extremely positive way of building that relationship.
- 7.2 The Co-operative will attempt to prevent arrears from arising by ensuring that, at all times we:
 - a) Set rents that are affordable to tenants in low paid employment;
 - b) Offer a variety of ways in which tenants can make payments;
 - Housing benefit direct payment
 - Universal Credit
 - Standing Order

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- Direct Debit
 - Debit and credit cards
 - Cheque payments
 - Internet payments
 - Allpay
- c) Display poster with rent payment methods in reception, and highlight in newsletters;
- d) All prospective tenants will be advised of the Co-operative's Rent Management policy during pre-tenancy interview. At this interview, the Housing Officer will explain how much the rent is and the tenants' responsibility to pay, how to pay and when, give advice on housing benefit, universal credit and the importance of completing a claim form and keeping the housing benefit department and the Department of Works and Pensions informed of changes in circumstances;
- e) All offers of tenancy will clearly state the monthly rent charge. The offer letter will also provide clear guidance on the 'rent due' date and advise that the first month's rent will require to be paid at start of tenancy, using card or cash. The full month's must be paid at the time of signing for the tenancy however, each case will be assessed on an individual basis;
- f) If the new tenant is an internal transfer and they are in receipt of Housing Benefit, they should complete a change in circumstances and request Housing Benefit for two homes. In cases where it is clear that a tenant will not qualify for full housing benefit but may qualify for partial benefit, a provisional assessment will be carried out and an estimated amount of benefit will be provided for when rent payments are being made. The tenant will be advised that this is simply a provisional amount until their claim has been fully assessed, and they will be encouraged to pursue their housing benefit or universal credit claim as quickly as possible;
- g) Payment methods for future rent payments will be discussed and agreed with the new tenant prior to the start of tenancy and leaflet 'Paying your Rent' issued along with the Tenant Handbook. Payment methods will be discussed with the tenant, to suit their individual circumstances. The tenant should also be aware that they should contact their Housing Officer at the early stages of non-payment if this should arise;
- h) A tenant information form will be completed noting employment details, National Insurance Number, and mobile telephone number. This information will be supplemented at the settling in

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visit when the landline telephone number will be sought;

- i) A Housing Benefit or Universal Credit claim will be completed (if applicable) and checked to ensure that supporting information is provided. An appointment will be made with the Welfare Benefit Officer, if required;
- j) Housing Benefit and Universal Credit, rent element are by far the largest element of the Co-operative's rental income. Supporting tenants to submit claims forms accurately and on time must be a key focus for Housing Officers in seeking to prevent arrears. Building up an effective relationship with the local housing benefit department and DWP is also essential to ensure that housing benefit/universal credit is processed on time and avoids a buildup of technical arrears or actual arrears resulting from late or non-submission of claim forms. Campaigns to maximise income will be promoted.
- k) Housing Officers will apply for Universal Credit, Alternative Payment Arrangement to benefit tenants if they are struggling to maintain monthly payments.
- l) All payments made by tenants to their rent accounts will be processed within one working day;
- m) Send a Rent Statement, to tenants at least once a year (April), including those on full Housing Benefit and Universal Credit as it keeps the relationship with these tenants in relation to rent;
- n) Within six weeks of the start of tenancy, the Housing Officer will carry out a new tenant visit. This is mainly a settling in visit; however, issues such as rent and housing benefit/universal credit will be covered during the discussion, and appropriate advice given;
- o) Clear and concise information regarding rent management issues will be given to tenants throughout the duration of the tenancy via newsletters, house visits, and tenants' panel meetings;
- p) Tenants will be given a minimum of 28 days notice of the annual increase and notification of the new rents sent to Glasgow City Council and Department of Works and Pension at the same time;
- q) Extensive use of home visits during working hours, periodical Saturday morning and early evening visits to make personal contact will be the norm and evening telephone calls will be made.

8. Control

- 8.1 Essential to the early identification of non-payment of rent is an effective rent accounting system. The Co-operative provides a fully integrated IT rent management system which maintains a payment history for each tenant and is easy to update with each stage of action.
- 8.2 Rents are due monthly in advance on the first day of each month. The rent reconciliation will be undertaken by the Finance Officer within 5 working days of the month end and rent arrears summary prints will be run off by the Housing Officer.
- 8.3 As soon as a new arrear has been identified, the Housing Officer will arrange a visit or telephone the tenant informing them that their rent account is in arrears and asking them to pay off the outstanding balance within seven days. The purpose of this early, personal contact is to establish reason for non-payment and reach agreement on how this will be resolved, by signing a payment plan.
- 8.4 Prompt action when arrears are small is essential. This will prevent arrears escalating and reinforce to the tenant that arrears will be dealt with as a matter of priority. The Housing Officer will monitor all rent accounts making contact with tenants in arrears as per the rent management policy and procedure. The Co-operative will use a variety of methods to contact tenants in arrears and record all contact whether by letter, email, text, home visit, interview or telephone call.
- 8.5 A consistent approach to arrears recovery is essential. Tenants need to know that nonpayment or failure to complete a housing benefit or universal credit claim will provoke a quick reaction from the Housing Officer, that rent arrears will not be allowed to buildup.
- 8.6 Personal contact will be sought at the earliest possible stage in order to build up an effective relationship with the tenant and to ascertain how and when they propose to clear the account. Income and expenditure checks will be offered within revised payment plan form before agreeing realistic payment plan with an end date by which the account shall be cleared. Written confirmation of any agreed action will be sent to the tenant within two working days of such an agreement. If the tenant is in the office at the time of signing the payment plan, a copy will be taken and given to the tenant.
- 8.7 Joint tenants should be made aware that they have joint responsibility for rent arrears repayment. They should also be clear that the Co-operative will recover from either tenant if one is not complying with payment.

- 8.8 Where there is the possibility of a shortfall in expected Housing Benefit e.g. as a result of a late claim, the tenant concerned will be expected to enter into an interim payment arrangement in anticipation of this being the case.
- 8.9 Action will be taken in accordance with the rent management policy and procedures.

9. Recovery

- 9.1 The Housing Officers will adhere to this policy framework and the internal procedure to control, minimise and recoverrent arrears.
- 9.2 If the tenant is receiving housing benefit direct payments and in arrears the Housing Officers will apply to have the payments paid direct to the Co-operative.
- 9.3 If the tenant is receiving universal credit and in arrears the Housing Officers will apply to have managed payments of housing cost element plus direct deductions for arrears paid to the Co-operative.
- 9.4 Other remedies that may be considered by the Co-operative as an alternative to eviction action are voluntary wage deductions.
- 9.5 However, where the tenant either fails to co-operate in reducing the arrears or continuously breaks a repayment arrangement, the Co-operative will consider taking conjoined legal action (repossession and recovery of outstanding arrears).
- 9.6 Whilst legal action is seen as a last resort in the control of individual rent arrears. The Co-operative will implement the terms of the Scottish Secure Tenancy Agreement with regard to recovery of possession in instances where it becomes clear that the tenant refuses to meet their rental obligation.
- 9.7 Before serving a Notice of Proceedings the Housing Officer will ensure that the 'pre-action requirements' set out in the Housing (Scotland) Act 2010 are met. A Pre-Action Requirement one and two letter will be sent to a tenant prior to serving a Notice of Proceedings.
- 9.8 Where a tenant is two months in arrears and attempts to make contact are ignored and/or the tenant fails to adhere to an arrangement, the Housing Officer 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

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Proceedings has been issued a tenant has 28 days before the Co-operative can instigate legal action.

- 9.9 The initial Notice of Proceedings will be signed off by the Depute Director. Housing Officers can sign off subsequent NOP's where these are required, after discussion with Depute Director.
- 9.10 Under the terms of the Housing (Scotland) Act 2001, Notices must also be served upon any 'qualifying occupier' within the household.
- 9.11 The tenant will also be advised at the time of the Notice being served that their case will be referred to Glasgow City Council, Homelessness Prevention Team and/or Social Work Department. During the six months duration of a Notice of Proceedings, the Housing Officer will seek authorisation from the Depute Director to instruct Court action if no satisfactory agreement is reached with the tenant or an arrangement is broken.
- 9.12 The Co-operative will also seek court expenses and Sheriff Officer fees where cases are lodged in Court.
- 9.13 Legal action for recovery of possession is a necessary element of the arrears recovery process. It will not be taken lightly and only where all else fails. If legal action is pursued and non-payment continues it must be recognised that eviction is the likely outcome. The Co-operative has no desire to evict but will do so as a last resort to reflect the interests of tenants who do pay their rent.
- 9.14 Should the tenant make a suitable repayment arrangement even once the case has been booked at Court then the Co-operative will consider all options including sisting the case to monitor the arrangement. If the tenant fails to maintain the agreed arrangement, at the next court calling decree with expenses will be instructed.
- 9.15 Eviction will be specifically requested where the tenant has failed to comply with a Court paying arrangement. If a proof hearing is decided by the Sheriff the Housing Officer is required to attend the proof to provide evidence to the Sheriff that the ground is established and that it is reasonable to evict. The need for clear and detailed records being kept at all stages of arrears cases is vital to proving reasonableness.
- 9.16 Once the Court has awarded Decree the Co-operative will enforce it unless full payment, including Court expenses, has been received within 28 days of the Decree date.
- 9.17 If a Decree is enforced the Co-operative will liaise with Glasgow City Council, North West Community Casework Team to ensure that any transitional preparations can be made to assist with the

evicted households next step towards obtaining emergency accommodation.

10. Performance monitoring and the role of the Management Board

- 10.1 On a monthly basis, a Performance Report will be provided at the Management Board meeting which will outline;
- a) The percentage of gross rent arrears, Indicator 31 of the Scottish Housing Regulator, Annual Return on the Charter
 - b) Rent collected as a percent of rent due, Indicator 30 of the Scottish Housing Regulator, Annual Return on the Charter.
 - c) On a quarterly basis, a Performance Report will be provided which will outline the current arrears performance compared to the performance targets set out in the Business Plan;
 - d) The percentage of non-technical arrears
 - e) The percentage of gross rent arrears
 - f) The percentage of former tenant arrears
- 10.2 A banding report will also be provided outlining the total current tenant arrears and number of tenants in arrears and total technical arrears.
- 10.3 Performance targets will be agreed by the Management Board on an annual basis and included within the Co-operative's Business Plan. Targets and performance against targets will be published in newsletters, annual reports, tenants' report card and on the Co-operative's website_
- <https://scottishhousingconnections.org/drumchapel-housing-co-operative/>

11. Co-operation with other agencies

- 11.1 The Co-operative will work together with external agencies that may assist the tenant in managing their financial circumstances and reducing their debts, giving priority to their rent and their rent arrears. Drumchapel Money Advice, Citizens Advice Bureau, Glasgow City Council, North West Community Casework Team, Unity and Community Mental Health Team can provide advice and support to both the tenant and Housing Officers when such a need is identified. Housing Officers should ensure that where external advice or support is required they are sign posting tenants by

providing information on where and how to access such support. Where possible, staff should assist in arranging access to these support services.

- 11.2 A part-time Welfare Benefit Advice Service has been provided by the Co-operative since January 2006. Clients can be referred by Co-operative Staff or can self-refer. Money Advice and Debt Management will also be referred to Drumchapel Money Advice.

12. Former tenant arrears

- 12.1 The Co-operative 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.
- 12.2 Where either the forwarding address is not known, or the former tenant refuses to co-operate the debt will be passed onto a debt recovery agent for trace and collection

13. Bad debt provision and write offs

- 13.1 The Management Board will consider bad debt provision annually in accordance with the Provision for Bad Debt policy.
- 13.2 Write off requests will be submitted to the Management Board on a quarterly basis.

14. Customer service

Confidentiality

- 14.1 The Co-operative stresses that the tenant's privacy must be safeguarded.
- 14.2 All information given by tenants in relation to this policy will be treated as strictly confidential and will not be discussed with third parties without their permission. A signed mandate must be provided before staff will enter into discussions regarding an individual case. The Co-operative will comply with the requirements of the Access to Personal Files Act and the Data Protection Act.
- 14.3 Reporting of arrears cases to the Management Board will be by number code only. No tenants' name or address will be revealed at

any time. Information will be provided in such a way that it should not be possible for the identities of individuals to be revealed.

Complaints

- 14.4 The Co-operative has a Complaints Policy & Procedure, which can be used where there is dissatisfaction with this policy or the operation of this policy. Any tenant who feels aggrieved by their treatment under this policy can ask for a copy of the Co-operative's Complaints policy, which is available at the Co-operative's office and on the website www.scottishhousingconnections.org. As with all our service policies, the Complaints policy can be made available in large print, translated or on tape.

15. Board members in arrears

- 15.1 Anonymity will be preserved at all times from Board members in terms of considering individual cases. As Board members are also tenants of the Co-operative, those tenants should not accrue arrears. Any Board member falling into arrears and allowing arrears to accumulate (with the exception of technical arrears) should be referred to the Management Board to invite a resignation. If a Board member falls into arrears and enters into and maintains an agreement to clear the arrears this Board member may continue to serve as a Board member however must declare an interest when arrears are being discussed and leave the meeting prior to the discussion taking place.

16. Staff training

- 16.1 Housing Management Staff will be fully trained in all aspects of the policy and procedures in dealing with rent arrears, and this training will be updated, as appropriate. Staff will be encouraged to network with other RSLs in order to share best practice in dealing with arrears.

17. Policy reviews and tenant consultation

- 17.1 The Co-operative has developed this policy in consultation with its tenants and Tenants' Panel members.
- 17.2 The Co-operative will publish a summary of this Policy in our newsletter. Leaflets on 'Paying your rent', 'What Happens in Court'

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and 'Eviction' will be published and made available in reception and will be routinely provided to all new tenants at time of signing for their tenancy. A copy of 'What happens in Court' and 'Eviction' will be sent to tenants along with the Notice of Proceedings.

- 17.3 The Management Board will review the Rent Management Policy and Procedures every three years.
- 17.4 This review will be brought forward if there is a need to respond to new legislation and/or policy guidance. The success of this policy will be measured against the following outputs and outcomes:

OUTPUT	OUTCOMES
Rent Management improvement plan	Increased rental income
Income and expenditure check offered for all payment plans	Realistic agreements made and rent given priority with date for clearing account shown
The Co-operative's position in relation to preventing rent arrears and arrears control clarified	Marked reduction in rent arrears cases.

18. GDPR Privacy Statement

- 18.1 The Co-operative will gather and use certain information about individuals in accordance with GDPR. Staff members have a responsibility to ensure compliance with the terms of the privacy policy and to collect, handle and store personal information in accordance with relevant legislation. The Fair Processing Notice (FPN) details how personal data is held and processed with third parties in accordance with relevant policies and procedures.