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Policy:	Arrears Management Policy
Legal Requirements:	Housing (Scotland) Act 2001 Housing (Scotland) Act 2010 Housing (Scotland) Act 2014 Coronavirus (Scotland) Act 2020
Regulatory Standards:	The Scottish Housing Regulator has set out Regulatory Standards for all Registered Social Landlords (RSLs) to ensure that RSLs deliver good outcomes and services for its tenants and service users through good governance and financial management. This policy evidences that the following Regulatory Standards are being met: Standard 3. The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.
Notifiable Events Guidance:	In compiling this policy, consideration has been given to the Notifiable Events Guidance issued by the Scottish Housing Regulator and the impact of that guidance on the policy.
Equality and Diversity:	The Association is committed to Equal Opportunities and will endeavour to ensure that all services are carried out in an undiscriminating manner in line with the Association's Equality and Diversity Policy. In particular, the Association will not discriminate on the grounds of age, disability, marriage and civil partnership, pregnancy and maternity, race, religion or belief, gender, gender reassignment or sexual orientation.
Human Rights:	In compiling this policy, consideration has been given to "The Right to Adequate Housing" (Fact Sheet No. 21/Rev.1) published by the Office of the United Nations High Commissioner for Human Rights and the impact of that guidance on the policy. In particular, the Association is satisfied that this policy promotes the key aspects of the right to adequate housing – that it contains freedoms; entitlements; provides more than four walls and a roof; and protects against forced evictions.
Complaints:	Although the Association is committed to providing high levels of service, we accept that there may be occasions where customers may not be satisfied with the service they have received. The Association values all complaints and uses this information to improve the services that it provides. The Association's Complaints Policy describes our complaints handling procedure and how to make a complaint.
General Data Protection Regulation (GDPR):	The Association will treat all customers' personal data in line with its obligations under the current data protection regulations and our Privacy Policy. Information regarding how data will be used and the basis for processing data is provided in the Association's Fair Processing Notice.
Policy Author:	Kevin Freeman
Policy Review:	In order to ensure that any change in circumstances is accommodated this policy will be subject to review every three years in the month of October.



Policy Approval:	This policy was last reviewed / approved by the Management Committee of Yoker Housing Association Limited at its meeting held on Thursday the 24th of October 2024.
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Statement of Policy Aims and Principles

This document outlines the policy for the efficient and effective management of the Association's rental income. The Association is a non-profit making organisation and relies on the income generated by rents to fund its activities and provide the range of services to tenants including the management of the Association's housing stock and its surrounding environment and maintenance / improvement of homes to the Scottish Housing Quality Standard. It is therefore extremely important that the Association ensures that it minimises the loss of rental income in order to safeguard the Association's financial position.

Key Policy Aims and Objectives

The overall aims and objectives of the Arrears Management Policy are:

- To comply with legislation, statutory requirements, best practice and related internal policies.
- To minimise the loss of rental income by implementing consistent and equitable procedures focusing on taking appropriate preventative action and taking prompt, effective recovery and control of rent arrears.
- To provide a professional but sensitive service to tenants based on personal contact and the appropriate level of advice and assistance.
- To work in partnership with the Local Authority, Social Work Services, Money Advice Agencies and other support organisations to sustain tenancies and prevent homelessness.

Risk Management

By having a detailed written policy on Arrears Management, the Association is able to ensure that a consistent and professional approach is adopted throughout the organisation and the service delivered is compliant with legislation, performance standards, good practice and internal policy.

Without an Arrears Management Policy, the Association is at risk of increasing rent arrears and therefore reducing the flow of income to the Association. Since the Association's primary source of income is rental income, a high level of rent arrears will reduce the Association's ability to fund its activities and provide management and maintenance services.

The Association acknowledges that rent arrears are a contributory factor in the development of tenancy debt, a tenant's failure to maintain their tenancy and homelessness. This Arrears Management Policy is necessary to prevent these issues.

Legal Requirements and Regulatory Standards

The Association will ensure that the Arrears Management Policy and Arrears Management procedures comply with the requirements of all legislation, performance standards, guidance and good practice for the management and recovery of rent arrears. The primary legislation is contained within the Housing (Scotland) Act 2001, the Housing (Scotland) Act 2010 and the Housing (Scotland) Act 2014. The grounds for raising an action for recovery of possession are detailed within the Scottish Secure Tenancy Agreement and Short Scottish Secure Tenancy Agreement. Rights and responsibilities are also contained within the following legislation:

- Homelessness etc. (Scotland) Act 2003.
- Matrimonial Homes (Family Protection) (Scotland) Act 1981.
- Civil Partnership Act 2004.
- Data Protection Act 1998 and Freedom of Information Act (Scotland) 2002.

The Scottish Social Housing Charter sets the standards and outcomes that all social landlords should aim to achieve for their tenants and other customers when performing housing activities. The Association is responsible for meeting these standards and outcomes.

The Scottish Housing Regulator is responsible for the monitoring, assessing and reporting on how the Association achieves the Charter's outcomes. The outcomes and standards that cover the remit of this Policy are:

Tenancy Sustainment: Social landlords ensure that:

- *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.*



Legal Requirements and Standards (continued)

Value for money: Social landlords manage all aspects of their businesses so that:

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

Rents and service charges: 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 service users can afford them.
- Tenants get clear information on how rent and other money is spent, including details of any individual items of expenditure above thresholds agreed between landlords and tenants.

Rent Collection

The Association aims to provide an efficient and effective rent collection system that offers a wide range of accessible and convenient options for tenants to pay the rent. These options include:

- Rent Payment Card;
- Direct Debit;
- Bank Payment (including internet banking, BACS transfers and Standing Orders); and
- Housing Benefit / Universal Credit Direct Payment.

Prevention of Rent Arrears

Housing Management will adopt a preventative approach to minimise the development of rent arrears. Tenants will receive a high standard of information to promote the effective management of rent accounts and early intervention will be seen as a priority for arrears recovery. The Association will aim to make personal contact with tenants in arrears to find out their circumstances, offer advice / assistance and negotiate reasonable and sustainable payment arrangements.

Management of Rent Arrears

Housing Management will be responsible for ensuring that the managing, monitoring and reporting of rent arrears is compliant with legislation, performance standards and good practice. In order to achieve the Association's aims and objectives with respect to rent arrears, Housing Management will have in place comprehensive procedures for the prevention, control and recovery of rent arrears. The rent account system is used to record detailed administration of the arrears management service. In accordance with pre-action requirements, Housing Management will ensure partnership working between the tenant and Money / Welfare Advice Agencies and Social Work Services in providing free and independent advice and support.

Money and Welfare Advice Support

The arrears management service will include providing tenants with money / welfare advice and information. Tenants experiencing financial difficulties will be encouraged to seek advice and assistance as soon as possible and signposted / referred to appropriate support services.

Universal Credit and Housing Benefit

The management of Welfare Reform has a significant impact on the prevention and control of rent arrears. The administration of Housing Benefit and Universal Credit is complex and subject to legislative changes. Effective communications between Glasgow City Council, the Department of Work and Pensions and other Benefit Agencies will be established to ensure that the tenant is provided with advice and assistance on their eligibility to receive Housing Benefit, Universal Credit or other types of financial assistance. Changes in regulations and procedures will be communicated through interviews, arrears procedures or newsletters.



Management of Rent Arrears (continued)

Communication and Information

5 Housing Management will seek to ensure effective communication with tenants at pre-allocations, at sign-up and throughout their tenancy to encourage tenants to maintain their rent accounts in accordance with the terms of the tenancy agreement. The Association's rent accounts will be subject to continuous assessment to allow early arrears intervention. The method of contact and the approach towards the recovery of the debt will be influenced by the tenant's individual circumstances and the level of co-operation and commitment the tenant displays towards clearing the arrear. Initial contact will normally be done by telephone or letter. However, 10 other forms of communication including home visits and email will be used to allow flexibility, reflect circumstances and the seriousness of the situation. Arrears letters will be worded to ensure tenants are given clear information about their balances and the course of action to be adopted if the outstanding rent is unpaid.

15 When an interview takes place, Housing Management should adopt a firm but sympathetic and non-judgemental approach to the tenant's circumstances. Where support needs are identified then Housing Management will consider the tenant's health and social care needs when giving assistance and advice and signpost the tenant to the relevant support service. Where the tenant has difficulty in reading or understanding information then reasonable steps will be taken to ensure that Housing Management have appropriately communicated the information in ways that the tenant understands. In cases where tenants are vulnerable, suffer ill health or have difficulty in engaging directly with the Association then communications should, with the tenant's consent, include joint partnership 20 working with support services. Housing Management should offer payment methods and timescales based upon tenants' income and expenditure and best suited to the tenants' needs.

Warning Notices

25 The Association aims to manage rent arrears by contacting tenants promptly in the event that rent arrears begin to accrue. The Association will use various methods of communication, including telephone, email, letter and home visit to contact tenants with a view to negotiating reasonable repayment arrangements and therefore preventing arrears from accruing further.

30 In cases where tenants fail to engage or communicate with the Association in relation to their rent arrears, the Association will insure that warning notices are served. Warning notices allow the Association to demonstrate compliance with pre-action requirements in the event that legal action is initiated against the tenant.

35 The maximum timescales to be applied in relation to the service of warning notices in cases where a tenant fails to engage with the Association are detailed in Appendix 1 of this policy.

Recovery of Rent Arrears

Pre-Action Requirements

40 Pre-action requirements places the emphasis on resolving the payment of the rent arrears and ensures that tenants have been offered the appropriate information, guidance and support on managing their arrears before court action can be initiated. In order to comply with these requirements all cases will be dealt with in accordance with the Arrears Management Procedures.

Service of a Notice of Proceedings

45 Where the pre-action procedures have been followed and Housing Management believe it is reasonable to pursue legal action against the tenant, then a Notice of Proceedings (Notice) should be served. The Notice Regulations prescribe the form that Housing Management must use in preparation and service of a Notice. Before serving a Notice, all reasonable enquiries must be made to establish whether there are any qualifying occupiers of the house and a Notice served on each qualifying member. Where a joint 50 tenancy exists then a Notice must be served on each of the tenants.

55 During the notice period, Housing Management should make every effort to contact the tenant to arrange a reasonable and sustainable repayment plan. Where all pre-action requirements have been met, and all reasonable attempts to resolve the position have failed, then Housing Management should instruct the Association's solicitor to initiate court proceedings.



Management of Rent Arrears (continued)

Section 11 Notice

5 In accordance with Section 11 of the Homelessness Etc. (Scotland) Act 2003, Housing Management or the Association's solicitor will notify the Local Authority of the action and that the tenant may require assistance. Housing Management will liaise with Social Work Services or any appointed support agency during proceedings.

Court Action

10 Where court action has been initiated then Housing Management should ensure that the Association's solicitor is in possession of all necessary documentation and liaise with them throughout proceedings.

15 The Association's solicitor will forward the action to the Sheriff Court to initiate legal proceedings for recovery of possession, rent arrears and expenses. The pre-action requirements do not replace the requirement on the court to consider whether it is reasonable to make an order for recovery of possession of the property. It will be for the court to consider the submission and the reasonableness of granting an order for repossession. Where the outstanding rent is received in full then Housing Management will instruct the Association's solicitor to seek a Decree for expenses only.

20 The Sheriff may continue the case if it needs more information or monitor court agreements. Court action can involve complex hearings involving different proceedings resulting in the following outcomes:

Sequestration

25 Where tenants are sequestrated, the appointed trustee will deal with any existing arrears prior to sequestration. A claim against the estate may be lodged by the Association. Arrears arising after sequestration will be pursued in accordance with Arrears Management procedures.

Sisted Court Action

30 The Sheriff may temporarily suspend or "sist" the action where the action is to be monitored over a period of time. If the court agreement is broken without good cause then the Association's solicitor will be instructed to recall the action to court.

Decree for Expenses

35 Where a Decree for expenses is granted every reasonable effort should be made to recover the sum owed by arrestment of earnings or other appropriate means.

Decree for Recovery of Possession, Rent Arrears and Expenses.

40 If the court grants a Decree for possession of the property, the tenancy is not ended on the date the Decree is granted. In such cases, the tenancy ends only when the Association recovers possession of the property. The Decree granted by the court must specify a period of which the Association has the right to recover possession of the house. The period order prescribes a maximum period for the court order of six months from the date from when the Decree is extracted. The period specified in the order may be less than this but may not be more. During this period the tenant's existing tenancy will continue unless an eviction is enforced.

45 The final decision in eviction proceedings must be taken by the Management Committee. In order for the Management Committee to consider all the facts before making the decision of whether or not to enforce the Decree, Housing Management must present a report to the Management Committee at the next scheduled meeting providing the following information:

- 50
- Details of the tenancy.
 - Family composition.
 - Personal history.
 - Arrears history.
 - Court history.
 - Recommendation.
- 55



POLICY STATEMENT

Court Action (continued)

Where a Decree is to be enforced then Housing Management should instruct the Association's solicitor to make the necessary arrangements for the recovery of possession of the property. The Association's solicitors will also instruct Sheriff Officers to serve notice on the tenant confirming the date of eviction. Housing Management will liaise with the tenant during recovery proceedings in respect of their circumstances and homelessness. Housing Management will also liaise with appointed support organisations, legal services and any other relevant organisation in respect of the action.

Where the Management Committee decision is not to enforce eviction then the Decree will be held for the specified period. Should the tenant breach the terms of tenancy within this period then a further report will be presented to Management Committee to revisit the circumstances of the accruing arrears.

At any point up to, and including the date of eviction, the tenant may clear the outstanding balance or make a substantial payment to the rent account. At a minimum this payment should bring the arrears back into line with any court agreement made previously. In this circumstance the eviction will be postponed and a further report presented at the next Management Committee meeting.

Recovery of Possession

Housing Management, Maintenance Services and the appointed Sheriff Officers should be present at the arranged recovery of possession. The tenant will be made aware that it is their responsibility to make provision for removal of their personal effects and furniture prior to the eviction. Where belongings are found in the property after the eviction then Housing Management will attempt to contact the former tenant to request immediate removal of personal effects and belongings. Where the former tenant's whereabouts are unknown, they fail to respond to communications, or they fail to remove belongings then the Association will have the right to arrange for the clearance and disposal of the belongings and recharge the outgoing tenant.

Legal Action Notices

Once court action is initiated, staff must keep the tenants up to date with court proceedings. Staff should use the legal action notices, referred to in Appendix 1, to advise of the Association's intention to initiate court action and to keep the tenant up to date in relation to ongoing court proceedings.

The maximum timescales to be applied in relation to the service of legal action notices are detailed in Appendix 1.

Services to Tenants

Improvements to Rented Properties

Where a tenant has accrued substantial tenancy debts and has consistently refused to co-operate with Housing Management then the Association retains the right to withdraw that tenant's home from any programme of improvement works such as the renewal of kitchens or bathrooms, unless such works are required to ensure that the property meets the Scottish Housing Quality Standard (SHQS) and / or the Energy Efficiency Standard for Social Housing (ESSH). The decision to remove a property from the improvement programme will be considered jointly between Housing Management and Maintenance Services.

Refunds to Tenant

Prior to the Association refunding all or part of a credit that has accrued in a tenant's rent account, the Association will take into consideration the following factors in order to prevent arrears accruing as a result of this refund:

- The previous pattern of payment.
- Any history of arrears.
- Entitlement to housing benefit / claim for overpayment of housing benefit.
- Tenancy or other debts owing to the Association.

Credits will normally only be written-off from former tenant account when:

- The former tenant has died and there are no known next of kin or estate details.
- The Association has no forwarding address and has taken all reasonable steps to establish one.



POLICY STATEMENT

Former Tenant Arrears

Should the whereabouts of a former tenant be known, or there is some other likelihood of recovering former tenant arrears, the tenant will be pursued for the outstanding amount. An arrear may be written-off when it is considered to be irrecoverable or uneconomical to pursue further action. Factors taken into consideration can include:

- The tenant has been sequestrated and the debt has become irrecoverable by law.
- The tenant has died and there is no estate or other responsible person.
- The Association has no forwarding address and has exhausted all reasonable means of establishing one.
- All efforts have been made to recover the debt and it would not be cost effective to continue to pursue the debt owed.
- All rent accounts with arrears that have been in existence for five years to be written-off.

Although an arrear may be written-off it may be re-instated at any time and be actively pursued by the Association.

Data Protection

All information regarding rent arrears and personal information will be treated in strictest confidence by Association staff unless the tenant has mandated third party involvement. Anonymity will be preserved from Management Committee with references to specific cases being coded.

Right of Appeal

Tenants have the right to appeal any decision made by the Association regarding their rent account and / or arrears. Tenants may also make a complaint if they feel aggrieved about the service they have received during the implementation of the arrears procedure. Appeals and complaints will be dealt with in accordance with the Association's Complaints Handling Procedure.

Management Committee

The Management Committee shall agree the policy and procedure for the prevention and control of arrears and must always authorise eviction. As Management Committee members may also be tenants of the Association, those tenants should not accrue rent arrears or tenancy debts.

Housing Management will make the Association's Director aware of any Management Committee member that has over one month's rent arrears outstanding or has rent arrears persisting for a period of three consecutive month's without a repayment plan in order that procedures under personal interest may be implemented.

Performance Monitoring and Reporting

A Statutory Performance Indicator set by the Scottish Housing Regulator collects information in respect to rent arrears. When setting the Association's internal performance target for rent arrears, consideration will be taken of past and current performance, as well as the latest peer group sector performance figures published by the Scottish Housing Regulator.

Quarterly Key Performance Indicators (KPIs) will be reported to the Management Committee detailing the rent arrears performance in accordance with the Association's targets and performance indicators.

A Legal Action report will be presented annually providing details on overall trends including the number of Notices of Proceedings served, court actions raised, evictions and legal costs involved.



Appendix 1 – Maximum Timescales for Service of Warning Notices and Legal Action Notices

The following guidelines detail the maximum timescales that should be applied for serving rent arrears warning notices on tenants in the following circumstances:

- The tenant has begun to accrue rent arrears but has failed to engage with the Association to discuss repayment of the outstanding balance.
- The tenant has previously accrued rent arrears but has defaulted on their repayment arrangement, and has failed to engage with the Association in relation to their failure to adhere to their agreed arrangement.

Where warning notices are issued, the Association will also continue to contact the tenant using alternative methods of communications such as telephone, email and home visits.

Warning Notices

Statement Letter

Where a tenant begins to accrue rent arrears, a Statement Letter should be issued within two weeks of the rent arrears being to accrue.

First Warning Notice

Where a Statement Letter has been issued and the tenant has failed to respond and engage with the Association, a First Warning Notice should be issued within one month of the date of the Statement Letter.

Where a tenant has previously accrued rent arrears but has defaulted on their repayment arrangement and failed to engage with the Association, a First Warning Notice should be issued within one month of the breach to their agreement.

Final Warning Notice

Where a First Warning Notice has been issued and the tenant has failed to respond and engage with the Association, a Final Warning Notice should be issued within one month of the date of the First Warning Notice.

Notice of Proceedings Warning Notice

Where a Final Warning Notice has been issued and the tenant has failed to respond and engage with the Association, a Notice of Proceedings Warning Notice should be issued within one month of the date of the Final Warning Notice.

Legal Action Notices

Notice of Proceedings

Where a Notice of Proceedings Warning Notice has being issued and the tenant has failed to respond and engage with the Association, a Notice of Proceedings should be served within one month of the date of the Notice of Proceedings Warning Notice.

Court Warning Notice

Where a Notice of Proceedings has been served and the tenant has failed to respond and engage with the Association, a Court warning notice should be issued within one month of the notice of proceedings being served. This notice will advise the tenant of the Association's intention to raise court action.

Court Action Notice

Where the Association decides to initiate court action, a Court Action Notice should be issued within forty-eight hours of the Association's instruction to the solicitor to initiate legal action.



Appendix 1 – Maximum Timescales for Service of Warning Notices and Legal Action Notices (continued)

Court Date Notice

5 Once the Association receives confirmation from the solicitor of a court hearing date, a Court Date Notice should be issued within forty-eight hours of the Association receiving confirmation of the hearing date.

Court Outcome Notice

10 Once the Association receives details from the solicitor of the outcome to a court hearing, a Court Outcome Notice should be issued within forty-eight hours of the Association receiving confirmation of the outcome to the hearing.

Recovery of Possession Decision Notice

15 Where a Sheriff grants Decree for recovery of possession at the court hearing, a Recovery of Possession Decision Notice should be issued within forty-eight hours of the Association receiving confirmation of the Sheriff's decision from the solicitor.

Date of Recovery of Possession Notice

20 Where the Association arranges a date for recovery of possession with the solicitor and Sheriff Officers, a Date of Recovery of Possession Notice should be issued by hand within twenty-four hours of the date of recovery of possession being confirmed by Sheriff Officers.