



Rent Management Policy

Approved: November 2022

Review Date: November 2025

If you have difficulty with sight, or if you require a translated copy of this policy, we would be pleased to provide the information in a form that suits your needs.

1.0 INTRODUCTION AND AIMS

The Association has a duty to maximise its income by preventing arrears and service charges building up and by recovering any arrears fairly and effectively.

Rental income accounts for a significant proportion of Govanhill Housing Associations total income and therefore prevention is key and is an essential part of the work we do when it comes to rent management.

This policy set out the principles that the Association will follow in its aim to minimise arrears and maximise rent collection.

The aims of this policy are:

- To maximise rental income through prevention, management, and recovery of rent arrears.
- To minimise risk to the Association and to ensure compliance with legislation, good practise, and guidance.

2.0 POLICY OBJECTIVES

- To promote a positive payment culture and minimise rental loss.
- To make it easy as possible for tenants to pay their rent by providing a range of payment methods
- To prevent tenants falling into arrears with their rent by providing reasonable support and assistance
- To adopt a sympathetic but firm approach with tenants who have rent arrears.
- To prevent homelessness
- To provide the resources needed to fund service delivery and to maintain and improve housing
- To establish and review targets for rent collection.
- To ensure comprehensive monitoring and reporting procedures are in place.
- To minimise the volume of administration and thus improve efficiency and effectiveness.
- To ensure the roles of Committee and Staff are clearly defined.
- To ensure that decisions are fair and consistent and that actions are reasonable and proportionate to the issue.
- Managing former tenant arrears and other tenancy debts.

3.0 PROCEDURES

Comprehensive procedures have been developed. These procedures outline the various methods and stages of contact, which will be attempted, to ensure the repayment of rent arrears within a reasonable period.

4.0 LEGISLATION

The Association will ensure that it complies with all relevant statutory and contractual obligations towards tenants in implementing its arrears policy. In return, we expect tenants to fulfill their obligations to pay rent and service charges which are due to the Association

Housing (Scotland) Act 2001

- Schedule 2, Part 1 of the Housing (Scotland) Act 2001 outlines the Grounds in which the Court will make an Order for repossession. In the case of rent arrears recovery this will be Ground 1

“Rent lawfully due from the tenant has not been paid or any other obligation of the tenancy has been broken”

- Ground 1 is a “conduct” ground which means the Association must not only prove the facts of the case but also satisfy the Sheriff that it is reasonable for a repossession order to be granted.

The **Homelessness etc. (Scotland) Act 2003** requires us to notify the local authority where we are raising proceedings to recover a house as a result of rent arrears.

The Housing (Scotland) Act 2010 amended the Housing (Scotland) Act 2001 (which sets the legal framework for any action by the Association to recover tenancies on the grounds of rent arrears) by introducing a set of pre-action requirements. This includes the provision of clear information to tenants on their tenancy and arrears situation; direct provision of advice and assistance, provision of details about other sources of advice and information, agreeing reasonable repayment plans, and revised arrangements for when a Notice of Proceedings can be served.

These requirements are fully set out in The Scottish Secure Tenancies (Proceedings for Possession) (Pre-Action Requirements) **Order 2012, Data Protection Act 2018 & General Data Protection Regulations 2018**; Responsibilities for gathering and sharing data.

Equality Act 2010; ensure everyone is treated fairly and has equal access to services with particular reference to groups who, under equalities legislation, have protected characteristics these being: Age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The Human Rights Act 1998

- For the purposes of rent arrears recovery action Article 6, 8 and 14 of the HRA must be considered when raising action.

Article 6	Right to a fair hearing; civil and criminal matters.
Article 8	Right to respect for home life, privacy, and correspondence.
Article 14	No discrimination in relation to Convention rights.

Govanhill HA Tenancy Agreement

The Tenancy Agreement outlines the terms of the contract between the Association and the Tenant, specifying the responsibilities and the rights of the respective parties. One of the fundamental terms of the contract is the Tenant's responsibility **to pay rent, monthly in advance**

- Non-payment of rent is a material breach of the contract, invoking the right of the Association to take legal action for recovery of the outstanding sum due and, if appropriate, repossession of the Tenancy

5.0 REGULATORY REQUIREMENTS

The Scottish Social Housing Charter

- The Association's activities are guided by the principles of the Scottish Social Housing Charter, this includes its approach to managing rent arrears.
- The outcomes relating to Equalities, Housing Options, and Value for Money have particular relevance to the prevention and management of rent arrears.

6.0 CONSULTATION

The Association in line with good practice and the Scottish Social Housing Charter is required to consult with tenants and, in particular, Registered Tenants Organisations regarding new or substantive revisions to existing policies.

Scottish Social Housing Charter No 3: Participation

Social landlords manage their businesses so that:

- tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with.

7.0 ARREARS PREVENTION

The cornerstone of our policy is **arrears prevention**. The main methods we will use to prevent rent arrears are:

- our approach to rent-setting and rent collection.
- providing prospective current and former tenants with information and support.
- maintaining effective working relationships with Housing Benefit, DWP¹ and other relevant agencies.

Rent Setting

Govanhill's rents are reviewed annually. There is a separate policy that details our Policy on this matter.

¹ Department of Work & Pensions

Information and Support for Tenants

- Govanhill HA uses a variety of communication methods to support arrears prevention. These include letters, emails, telephone calls, texts, home visits, office interviews, information available on our website, from our office, via social media and newsletters.
- In all our correspondence and publications relating to rent and rent arrears, we will provide clear information, adapting the format as required to suit the needs of tenants. For example, we will make information available in different languages and formats, as required. We can also provide tenants whose first language is not English with prompt access to a bilingual staff member, or to interpreting services.

Prospective Tenants

- The Association will include, within the housing application information pack, details relating to the average rent charge for different sized properties, alongside a clear message that the rent is due to be paid in full a month in advance.
- It is expected that all applicants seeking housing with us will be required to make a rental payment in the event of accepting a tenancy with the Association. Therefore, a payment must be made that covers their rent in advance of signing for their tenancy.
- In exceptional circumstance, applicants will be allowed to pay a reduced amount or pay their rent within the first week of signing, if there are legitimate reasons for doing so, for example wage patten etc. The Housing Officer must discuss this with the Senior Housing Officer for rents before proceeding with sign up.

Pre allocation visits will also be used to:

- Assess whether the tenant has any support requirements which would make referral to specialist support services or agencies appropriate.
- All new tenants will be offered an appointment with our in-house welfare rights team.
- Seek tenant agreement to data protection waivers to enable information sharing with DWP service and other relevant agencies.
- The tenancy sign-up process will further emphasise the need to prioritise rent payments with a month's rent in advance being requested. Where this payment is not made the reasons why will be investigated and a repayment arrangement established.
- All new tenants will be provided with a settling-in visit within 6 weeks of the start of their tenancy. The housing officer will liaise between rent officer, welfare rights officer and new tenant to ensure the rent commitment is being met.

Existing Tenants

Govanhill will use routine contact on tenancy matters to make all its tenants aware periodically of:

- the importance of paying rent, and of contacting the Association at the earliest possible stage where difficulties in paying rent are being experienced.
- benefit eligibility criteria and application/review procedures.
- our in-house welfare rights service and local money advice service.
- the Association's performance in arrears management (e.g., through our annual report). We will consult with tenants regarding annual rent reviews.
- our welfare rights service, which provides advice and assistance to individual tenants applying for Universal Credit, Scottish Welfare Fund etc.
- other agencies providing advice and support in relation to the cause of and management of debt.

Housing Benefit & Universal Credit.

Housing Benefit

- Due to the payment schedule of housing benefit² a small arrear, in addition, to the late payment accrues each month, resulting in over the course of the year a tenants' rent account being two months in arrears. On receipt of the 13th payment the rent account is brought up to date, with arrears beginning to accrue again the following month as the cycle begins again, we regard these arrears as "technical arrears" and they do not trigger our rent arrears processes.
- The Association will seek to maintain positive working relationships with Glasgow City Council's Housing Benefit service, to ensure processing and payment timescales are monitored, and there is effective liaison on issues such as backdates and overpayments. We will also expect tenants to recognise their personal responsibility to notify the Housing Benefit service about changes in their circumstances and for returning review forms on time.
- Where Housing Benefit or Universal Credit is in payment tenants will be expected to pay their rent in advance in accordance with their Tenancy Agreement.

Universal Credit

- Universal Credit was introduced in Glasgow in June 2015 for claimants meeting defined criteria. We will support tenants to make Universal Credit claims where appropriate. Where possible we will work with DWP to seek information on the progress and ongoing status of Universal Credit claims. Again, we will also expect tenants to recognise their personal responsibility to notify the DWP about changes in their circumstances and to respond to requests for information on time.

² Paid 4 weekly in arrears – 13 payments made in the year against 12 monthly rent charges

- Where a tenant is 8 weeks in arrears the Association can apply to DWP to have payments made directly by DWP to the Association. This can be a helpful measure in arrears control for both the tenant and the association where working hours are static.

8.0 ARREARS RECOVERY

Monitoring Rent Payments

- The Association will ensure that staff have the tools to efficiently manage the collection of rental income and the timeous payment of rent arrears, and, in turn, staff will ensure they fully utilise systems and processes to manage rent collection and arrears management in a consistent, effective manner.
- Rent Officers will ensure they keep themselves informed about the team's performance against KPIs³ in relation to rent collection and arrears management.

Action in Response to Missed Payments and broken repayment arrangements

Missed payments

- It is recognised that early intervention in a structured timeous manner is effective in the management of rent arrears and other tenancy debt. Clear workflows have been introduced outlining actions and timescales which will be regularly monitored and reviewed.
- The management of arrears will, with the tenant's agreement, include clear signposting to our Welfare Benefits Service and/or referral to appropriate services. Staff will also make a note of all "qualifying occupiers" residing in the house, should the arrears problem continue and the case proceeds to legal action.
- Staff will check the tenant's circumstances for any specific requirements e.g., access to an interpreter or translation services.
- When dealing with vulnerable tenants (for example, where the tenant is elderly, has mental health needs, has young children, learning difficulties or interpreting/translation needs), staff will consider whether it would be appropriate to make a referral to social work or any other relevant agencies, with the agreement of the tenant.

Repayment arrangements

- In agreeing a repayment arrangement Staff will expect the tenant to demonstrate that payments to their rent and arrears are being prioritised.
- Any payment plan which would take longer than 6 months to repay must be supported by the completion of income and expenditure form. During such negotiations, staff will take a firm but sensitive approach, which, considers all

³ Key Performance Indicators

debts and factors affecting payments in order that the tenant's ability to pay and to manage any debts is increased.

- The option to pay by instalments is discretionary and will be withdrawn if the tenant repeatedly fails to maintain an agreed repayment arrangement. A repayment arrangement will be regarded to have failed when a tenant fails to pay the agreed sum and has not contacted the Association, to make alternative arrangements, prior to missing the payment.
- To achieve consistency and equity in setting repayment arrangements minimum payment guidelines have been introduced
- Payment arrangements will be recorded in writing to the tenant and on the Association's computer system. The tenant's adherence to the payment arrangement will be closely monitored in accordance with the amounts and payment frequency set out in the arrangement.

9.0 LEGAL ACTION

Policy Statement

We aim wherever possible to secure repayment of rent arrears without taking legal action to recover possession of the tenancy. This principle underpins the processes already described for preventing and recovering rent arrears. While legal action is not the Association's preferred way of dealing with rent arrears, we will make use of legal action where this proves to be necessary. Eviction is a last resort for the Association, but we also wish tenants to be aware that arrears could ultimately lead to the loss of their tenancy if they do not demonstrate a satisfactory commitment to reducing arrears.

Initiating Legal Action

- If a tenant with rent arrears fails to respond to contact by the Association or does not enter and adhere to a repayment arrangement, the Association will consider issuing a Notice of Proceedings for Recovery of Possession
- Prior to the issuing of a notice, Welfare Rights Staff will check, as far as they are able, that the arrears problem is not due to a benefit delay.
- Should the arrears problem be the result of a Housing Benefit delay the Association will consider halting legal action, providing the tenant is working with our us to resolve matters. If the tenant fails to engage with staff, then the Association will continue to progress legal action.
- The issuing of a Notice of Proceedings for Recovery of Possession may also be delayed if the Association are aware of any special circumstances, such as serious illness or support requirements, which may have affected the tenant's ability to respond to the problem.
- If the arrears problem is not related to a Housing Benefit delay, and the Association is not aware of any special circumstances, we will issue a Notice of Proceedings for

Recovery of Possession ensuring that all the pre-action requirements have been fulfilled.

- Court action will be initiated if the tenant does not respond to the Notice by entering a repayment arrangement which is acceptable to the Association, and no alternative solution is available.
- If court action is pursued the tenant will be advised of any legal fees that they will be responsible for as a result of the court action.
- Notices will be in the form specified by law

Grounds for Court Action

- Court action in respect of rent arrears will be taken under Ground 1, Schedule 2, Part 1, of the Housing (Scotland) Act 2001, which states that:
'Rent lawfully due from the tenant has not been paid, or any other obligation of the tenancy has been broken.'
- Where there are other breaches of tenancy in addition to arrears, these will be included in a Notice of Proceedings for Recovery of Possession detailing the additional grounds.
- Action for repossession may only be started when a Notice is 'live'. Staff will issue clear instructions to the Association's Solicitor detailing the action and timing required in each case.

Court Proceedings

- The law requires landlords to satisfy the Sheriff that it is reasonable to evict. Staff will therefore keep records at all stages of arrears cases to meet the requirements of any subsequent court action. Staff will also ensure that the person representing the Association in Court has the latest information available regarding the level of arrears and any repayment proposals made by the tenant.

In the period between the serving of a Notice for Recovery and any Court hearing, the Association will:

- Notify the Homeless Persons section of Glasgow City Council that a Notice has been served.
- Check the tenant has not absconded.
- Continue to make every effort to negotiate with the tenant.
- Advise the tenant to seek advice and assistance.

Enforcement of Decrees

- Decisions to enforce a decree will rest with the Association's Tenancy Services Sub-Committee. In being asked to make decisions, Sub - Committee will be made aware of any factors which are relevant to the individual's circumstances (for example, where the household contains children or vulnerable adults).

- A decree for repossession enables the Association to end the current tenancy on or after the date set by the Court. Decrees have a fixed lifespan, normally 6 months. It may be after a decree has been granted the tenant will agree to repay the monies prior to the decree expiring, which would provide a final opportunity to recoup the debt and prevent an eviction.
- The Association will not refuse any reasonable offer of repayment however if there have been previous decrees awarded and there is an ongoing concern regarding the tenants' ability to repay the Association may decide not to accept this offer. The decision on whether to proceed with eviction is made by the Tenancy Services Sub Committee.
- The Association will work with tenants until the last moment to prevent eviction action becoming necessary.

Eviction

- If the Housing Services Sub-Committee approves the enforcement of a decree for repossession, the Association will instruct Sheriff Officers to issue a final notice to the tenant.
- The Association will notify Glasgow City Council's homelessness and social work sections of any decisions taken to enforce decree for repossession.

Implementation of the arrears policy

- Implementation of the arrears policy will be conducted by the Rent Team with day-to-day operational responsibility with the Senior Housing Officer, under the direction of the Housing Services Manager. Staff will present regular reports about rent arrears to the Association's Tenancy Services Sub-Committee.
- Housing Officers have delegated authority to instruct the issue of a Notice of Proceedings for Recovery of Possession. The Senior Housing Officer has delegated authority to instruct the commencement of Court action.
- All decisions relating to the enforcement of decrees, including evictions, require the approval of the Tenancy Services Sub-Committee.

10.0 FORMER TENANT ARREARS

- The Association will pursue former tenant arrears; however, our priority will also be current tenant arrears.
- Priority will be given to former tenant arrears cases where the current whereabouts of the debtor are known, and where there are realistic prospects of recovering the debt, (i.e., the use of staff time and legal assistance will be targeted, to ensure that the Association's approach is cost-effective).

- Where a debt is uneconomic to pursue, or recovery attempts have failed, or the former tenant's whereabouts are unknown, or there is no prospect of recovery, approval to write off the debt will be sought. Authority to write-off former tenant arrears rests with the Finance and General Purposes Sub-Committee. Recommendations to the sub-committee will reflect the age, the level of, and recovery prospects of any debts recommended for write-off.

11.0 COMMITTEE MEMBERS IN ARREARS

- As Committee members may also be tenants of the Association, those tenants should not accrue arrears. Any Committee members continuing to accrue arrears for 3 months or more (apart from technical arrears) without addressing the repayment of the arrears/subject to legal action will be referred to the Head of Tenancy Services to review.
- Committee members in arrears who fail to action may be referred to the Full Management Committee to discuss termination of the individual's membership or to invite a resignation in accordance with the Associations rules.

12.0 APPEALS AND COMPLAINTS

- Appeals and complaints against our operation of this policy will be processed through the Associations complaints handling procedure.

13.0 POLICY REVIEWS/CONSULTATION

- The overall rent arrears policy will be reviewed every 3 years or more frequently if required. Targets, procedures and working methods may be altered more frequently where the Association's monitoring indicates this is needed.
- The Association will regularly publish information about its performance managing rent arrears through annual reports and any other appropriate methods. We will also seek feedback from tenants about the operation of the policy through regular satisfaction surveys and any other appropriate methods.