



Putting People 1st

Rent Account Management Policy

H.12

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Equality and diversity policy statement

This policy document can be produced in various formats, for instance, in larger print or audio-format; and it can also be translated into other languages, as appropriate.

Our equality and diversity policy statement describes our key equality commitments that we use to develop all organisational services; this includes employment services and services to tenants and other customers.

Our core values include providing a fair and equal service for all people and this is detailed in our Equality and Diversity Policy. Our approach to implementing this policy will reflect that commitment.

Pineview Housing Association, 5 Rozelle Avenue, Drumchapel, Glasgow. G15 7QR
Tel: 0141 944 3891. Email: mail@pineview.org.uk . Website: www.pineview.org.uk

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1. Introduction

- 1.1 One of Pineview Housing Association's main objectives is to provide affordable rented housing.
- 1.2 Rent collection and arrears prevention control is vital for us to maximise the resources available to improve and maintain our housing stock, to provide services for our customers and also to ensure our continuing financial viability.
- 1.3 We will seek to support our tenants to avoid accruing arrears and the potential risks associated with excess debt and tenancy termination / eviction.
- 1.4 We expect all tenants to pay their rent and other charges on time in accordance with their tenancy agreement.
- 1.5 This policy sets out our clear and consistent approach to the management of arrears and the collection of income for all services.

2. Aims and Objectives of the Policy

- 2.1 The main objectives of this policy are to maximise rental income received and minimise the level of arrears in a sensitive but effective manner.
- 2.2 The specific objectives of the policy are to achieve the following:
 - The efficient collection of all rent, service and other charges and the effective management of arrears.
 - To monitor levels of rent arrears and have early intervention mechanisms in place which prevent rent arrears from accruing or increasing.
 - To promote a positive payment culture.
 - To closely link arrears management and tenancy sustainment activities.
 - To offer early, appropriate support and guidance to tenants to increase their ability to pay, to manage debt and to reduce rent arrears
 - To aim for personal contact with every tenant as soon as arrears begin to accrue and intensively manage any on-going arrears problems.
 - To adopt an approach to arrears management which is firm but also focuses on preventing homelessness and takes account of tenants' individual circumstances.
 - To take appropriate action in accordance with the level of arrears including the provision of opportunities to make realistic arrangements for the repayment of arrears.
 - To maintain effective communications systems and promote joint working where necessary with Glasgow City Council, the Department of Works and Pensions

(DWP) and other external agencies assisting with arrears management / income maximisation activities.

- To provide clear and accessible information and advice to tenants in order to prevent arrears and legal action occurring.
- To make full use of all available remedies and use eviction only as a last resort.
- To keep arrears within target figures as specified within the Association's performance management framework.

3. Legal Framework and Regulatory Compliance

3.1 Pineview Housing Association will have full regard to legislative, contractual and regulatory requirements in our approach to arrears management.

3.2 In return we expect tenants to fulfil their obligations to pay rent and service charges that are due to us.

3.3 The legislative, contractual and regulatory requirements include the following (but is not an exhaustive list):

- **The Scottish Secure Tenancy** – the tenancy agreement contains specific conditions in relation to the payment of rent and other tenancy related charges. Non-payment of these charges represent a breach of the tenancy conditions involved.
- **The Housing (Scotland) Act 2001** – We will adhere to the provisions of this Act, including guidance in relation to the recovery of possession of a tenancy when a tenant has breached the conditions of their tenancy agreement by accruing arrears.
- **The Homelessness (Scotland) Act 2003** – We will comply with the terms of Section 11 of this Act by giving Glasgow City Council early notice of households at risk of homelessness due to eviction. In compliance with this legislation, notice will be given when raising proceedings for possession or the service of certain other notices as specified in the Act.
- **The Housing (Scotland) Act 2010** – We will take account of the arrears and eviction related provisions contained within this Act. These include the provision of clear information to tenants on their tenancy and arrears situation; provision of sources of advice and assistance; agreeing reasonable repayment plans and arrangements for when a Notice of Proceedings can be served.
- **Debtor's (Scotland) Act 1987, Bankruptcy & Diligence (Scotland) Act 2007 & Bankruptcy & Debt Advice (Scotland) Act 2014** – We will take account of the legal framework regarding recovery and management of debt, including rent arrears contained in these Acts.

- **The Scottish Social Housing Charter** - The Housing (Scotland) Act 2010 made provision for the establishment of the Scottish Social Housing Charter in which the Scottish Government sets out the standards and outcomes that social landlords should aim to achieve when carrying their housing activities.
- **The Scottish Housing Regulator**- uses Charter Indicators to monitor and assess landlords' performance. We will have full regard for these requirements in our approach to arrears management i.e. managing arrears and resources effectively; controlling costs; getting value out of contracts and giving better value by increasing the quality of services with minimum extra costs to tenants, owners and other customers.

4. Rent Collection / Accounting

- 4.1 The rent charged for properties will be in accordance with the Association's Rent Setting & Service Charges Policy.
- 4.2 Rent is due to be paid in accordance with the tenancy agreement. For the majority of our tenants this will be monthly in advance. Please check your tenancy agreement or ask us for confirmation if you are unsure.
- 4.3 We will maintain and operate an effective rent accounting system which is comprehensive and accurate.
- 4.4 We will make every effort to ensure that the information available on payments and arrears is accurate and up to date.
- 4.5 We will provide tenants with detailed and accurate information about how much rent, service and other charges they must pay and also any amounts owed to the Association.
- 4.6 We will aim to post payments to tenants' accounts each working day and to raise the rent debit on the 1st of each month.
- 4.7 We will ensure that payment options are accessible and convenient where possible.
- 4.8 We will respond promptly to enquiries about tenancy related payments.

5. Prevention of Rent Arrears

- 5.1 We acknowledge that prevention is the best means of arrears control and we will take steps at the earliest possible stage to prevent arrears accruing.
- 5.2 The importance of communicating effectively with housing applicants and prospective new tenants is recognised. Pre-tenancy advice, information and assistance will therefore be provided as follows:

5.3 Pre-Allocation and Sign-Up Interviews

- 5.3.1 Prior to and at the start of a tenancy we will make every effort to ensure that the tenant / prospective tenant is informed of all costs associated with their tenancy.
- 5.3.2 Rent payment methods will be discussed as well as help and advice on money management and welfare benefits offered. The importance of maintaining rent payments and our approach to arrears recovery will also be discussed.
- 5.3.3 Appropriate advice / assistance with Housing Benefit / Universal Credit entitlement and claims will also be provided.
- 5.3.4 All tenants will also be given the opportunity at the sign up interview to mandate direct payment to the Association any housing benefit payments they may be entitled to.

5.4 Settling In Visits

- 5.4.1 New tenants will have their rent account monitored closely for early signs of difficulty and will receive a visit at the start of the tenancy to emphasise the advice given at the sign-up interview. This will also provide an opportunity to ensure that payments have commenced and to resolve any queries that the tenant may have.

6. Housing Benefit / Universal Credit

- 6.1 Housing Benefit / Universal Credit accounts for a significant percentage of the Association's income and therefore has a vital role in minimising rent arrears.
- 6.2 We will take a proactive approach in dealing with Housing Benefit / Universal Credit cases at all times.
- 6.3 We will encourage the prompt reporting of change in household/income circumstances. We will also actively encourage tenants to return their housing benefit review forms within the relevant timescales.
- 6.4 We will seek to promptly identify and provide appropriate advice to tenants who are in receipt of Housing Benefit / Universal Credit in order to ensure rent payments are made to the Association.
- 6.5 We will seek to maintain a positive working relationship with Glasgow City Housing Benefit and Department of Works & Pensions staff with the aim of ensuring the best possible service for our tenants and that the opportunity for arrears to arise or increase is minimised.

7. Rent Arrears Recovery

- 7.1 This policy is supplemented by detailed working procedures which will be used by staff in implementing the policy.
- 7.2 Rent arrears recovery will be based on a staged escalation process up to and including repossession for non-payment of rent. The separate stages will be based on timescales that are achievable.
- 7.3 Our actions will be based on a preventative approach that seeks to maximise tenants' entitlement to benefits as well as securing regular payments.
- 7.4 We will take account of the particular needs of vulnerable tenants and develop good liaison with appropriate external agencies to assist us.
- 7.5 Emphasis will be placed on intensive management and personal contact by our staff whilst arrears are at a relatively low level, in order to prevent the escalation of arrears.
- 7.6 However, our procedures will also include clearly defined stages and circumstances at which legal action will be pursued, with a view to minimising the overall timescale required to successfully complete recovery action, if this is necessary.

8. Early Action / Communication

- 8.1 Rent accounts will be monitored frequently and arrears control/recovery action will be activated as soon as an account falls into arrears or an arrangement is broken.
- 8.2 The personal circumstances of the tenant may influence the method of contact e.g. an initial reminder letter or home visit as appropriate.
- 8.3 We will provide tenants in arrears with clearly written arrears letters which detail the current balance on the rent account, what action they need to take and information on how to get assistance/pay their rent.
- 8.4 We will maintain detailed IT based records of all arrears actions / contacts and legal action taken in relation to individual tenants.

9. Arrears Interviews/Contacts

- 9.1 All interviews/contacts with tenants, whether in their home or in the Association's Offices will be conducted in private and the outcomes recorded in writing as well as on the tenant's computer record.
- 9.2 Where a tenant is known to be vulnerable, arrangements will be made for his/her advocate to be present.
- 9.3 Where a tenant requires an interpreter or signer, arrangements will be made to have one present.

10. Repayment Arrangements

- 10.1 Before any formal action is considered we will make every effort to get a clear picture of the tenants' circumstances and the reason for the arrears.
- 10.2 In cases where the tenant cannot clear the arrears in a single payment, we will agree an affordable payment to reduce the arrears in realistic and sustained instalments over a specific period of time.
- 10.3 Any repayment agreement will normally be based upon a detailed assessment of the tenants' ability to pay.
- 10.4 A written agreement will be made with the tenant where possible.
- 10.5 Once a tenant has made an agreement to repay the arrears, their rent account will continue to be monitored. If payments continue to be missed then further action will be taken.

11. Legal Action

- 11.1 Legal action is the last stage in the arrears process.
- 11.2 We will only make a decision to proceed with action to recover possession of the property and outstanding debt when tenants are not complying with arrangements / requests to reduce their arrears and all reasonable arrears recovery efforts have been exhausted. Full consideration will be given to the background of each individual case before instructing legal action.
- 11.3 The first stage of the legal process will be the issue of a Notice of Proceedings upon a tenant and qualifying occupiers in accordance with legislative requirements.
- 11.4 Relevant Departments of Glasgow City Council and any appropriate support agency/provider will be informed of the legal action and encouraged to provide assistance to prevent the homelessness of the tenant and their household.
- 11.5 During all stages in the legal action process we will continue to closely monitor the rent account and maintain attempts to make personal contact with the tenant.
- 11.6 Housing Officers will take all possible steps to ensure good lines of communication with tenants are maintained, especially when a Decree of Repossession (Eviction) is likely to be obtained and enforced, to ensure tenants are fully aware of the situation They will also aim to ensure that they continue to explore means of avoiding eviction if this is at all possible. If this is not possible that tenants are prepared for eviction and can explore any re-housing opportunities which may be available.

12. Eviction

- 12.1 When a tenant has had a Decree of Repossession awarded against them the tenancy will not automatically terminate.
- 12.2 The tenancy will only be terminated if the Association actually evicts the tenant by instructing our solicitors / Sheriff Officers to implement the Decree.
- 12.3 An eviction may only be carried out with the approval of the Director.
- 12.4 Reports requesting permission to evict must be presented to the Director after Decree has been awarded.
- 12.5 To ensure confidentiality the names and addresses of individual tenants in arrears will not be disclosed.
- 12.6 The Director will be given all the relevant information on which to make an informed decision.

13. Former Tenant Arrears

- 13.1 We aim to recover arrears from former tenants. All efficient and economic means will be used, including debt recovery agencies where appropriate.
- 13.2 We will ensure that all former and current arrears are held in separate accounts.
- 13.3 All tenants when terminating their tenancy are encouraged to pay any outstanding arrears and will be advised of the implications involved if rent arrears are not paid in full.
- 13.4 Former tenants in arrears will be encouraged to agree a repayment plan that is affordable and sustainable.
- 13.5 Where attempts to recover arrears by Pineview staff have failed or the former tenants' whereabouts are unknown, the debt may be referred to our Debt Collection Agency or Sheriff Officers as applicable.
- 13.6 Legal action to recover the arrears will be taken in cases where an assessment of the former tenant's financial circumstances and outstanding debt indicates that such action would be appropriate.
- 13.7 Where the arrears are in respect of a deceased tenant, action will be limited to contacting the next of kin or executor to claim against the estate.
- 13.8 Cases where a debt is uneconomic to pursue or there is little/no prospect for recovery, will be written off each financial year following approval from Management Committee. The Housing Services Manager will provide an annual report to the Management Committee recommending suitable cases for write off.

14. Prioritisation of Debt Recovery

14.1 Where a tenant owes money to the Association for more than one account or sub-account, the debts will be prioritised for repayment in the following order:

- Current Tenant Arrears
- Former Tenant Arrears
- Rechargeable Repairs Costs
- Rechargeable Legal Fees

15. Delegated Authority

15.1 The Housing Services Manager will have overall responsibility for the day to day operation of the rent account management policy and procedures.

15.2 Housing Officers will have responsibility for all rent arrears in their 'own patch' and have delegated authority to issue Notice of Proceedings and progress all arrears cases to eviction stage (implementing an eviction decree is subject to approval by the Director).

15.3 The Housing Services Manager and the Senior Housing Officer have the delegated authority to approve and cancel any legal/court proceedings. Housing Officers should therefore obtain the approval of the Housing Services Manager / Senior Housing Officer before instructing the Association's solicitors.

16. Credit Balances

16.1 Credit balances can occur on the rent accounts of both existing and former tenants in particular circumstances.

16.2 These balances will be managed through a process of regular monitoring with refunds being made to current tenants where requested and appropriate and also to former tenants where possible.

16.3 However, where there are outstanding recoverable charges (such as charges for repairs, legal fees etc.), any credit balance will be off set against this before a refund is made.

16.4 Where there is no prospect of returning the credit balances these will be included in an annual report provided by the Housing Services Manager to Management Committee recommending suitable cases for write off.

17. Performance Monitoring

17.1 Management Committee will set annual performance targets for rent arrears management. The targets will be realistic and challenging.

17.2 We will provide quarterly written reports to Management Committee comparing performance against targets as applicable including the following:

- Monthly technical arrears (both total and % Rent Debit)
- Monthly non-technical arrears (both total and % rent debit)
- Total former arrears and % rent debit
- Total arrears and % rent debit
- Summary of legal action
- Comparison with previous month(s) figures
- Comparison with other local RSLs and Scottish / Peer Group average figures

18. Training

18.1 The training requirements of Management Committee and staff will be regularly assessed to ensure that they have the necessary skills to effectively implement and monitor this Rent Account Management Policy.

19. Complaints / Appeals

19.1 Anyone who is not happy/ satisfied with the service they have received as a result of this policy has a right to complain. Please see the Association's Complaints Policy for details on how to do this.

20. Review / Consultation

20.1 This policy will be reviewed every 3 years unless amendment is prompted by a change in legislation or monitoring/reporting reveals that a change in policy is required sooner.

20.2 The policy review consultation will involve our Customer Forum , tenants and other service users / agencies as appropriate. We will take account of any views or representations in revising our policy and service provision to assist in the development of effective service delivery.

20.3 Procedures and working methods may be altered more frequently where this is needed.

20.4 The Association's Management Committee will assess and review targets relating to arrears management on an annual basis to ensure their appropriateness.

20.5 We will regularly publish information about our performance in managing rent arrears through annual reports or other appropriate methods.

Appendix 1: Main Stages in Current Arrears Recovery Procedures

Missed Payment –Within 1 week from Debit Raised	First Reminder Letter (plus visit, telephone, email, text, video call contact as applicable)	
Two weeks from Debit Raised Still no payment.	Second Reminder Letter (plus visit, telephone, email, text, video call contact as applicable)	
Reminder Letters produce no Action	Continued intensive action to pursue contact / payment. Visits by Housing Officer (plus telephone, email, text, video call contact as applicable) If no access, card left. Follow up letter if no response to card, message left etc.	Reason for Non-payment investigated. Entitlement to benefits etc. checked. Check whether financial problems. Referrals in applicable cases. Repayment arrangement negotiated and confirmed in writing.
2 nd Debit Raised – no payment received.	As above – Housing Officer to ensure compliance with pre-legal action requirements	As above and follow up letters if applicable.
	Serve Final Warning prior to Notice of Proceedings (including a check for household members) if no contact/insufficient payment received.	
	Serve Notice of Proceedings Continued intensive action to pursue contact / payment as above	Discuss case with Senior Housing Officer at effective/prior to expiry date. Appropriate support agencies etc. notified and assistance requested. Section 11 notice to GCC.
	Serve Final Warning Letter after Notice of Proceedings Effective Date. Evening Visit (as appropriate & with Housing Services Manager approval)	Letter confirming arrangement if access gained or advising tenant of seriousness of situation.

2 - 3rd Debit Raised – no payment received

<p>Housing Services Manager/Senior Housing Officer 'Last Chance' Interview arranged in appropriate cases.</p>	
<p>Court Report submitted to Housing Services Manager/ Senior Housing Officer.</p>	<p>Facts of the case considered. Check procedures have been followed.</p>
<p>Housing Services Manager or Senior Housing Officer approves Court Action.</p>	
<p>Solicitor initiates action – summons issued.</p>	<p>Court Hearing Letter(s) sent.</p>
<p>Court Hearing. Eviction Decree Awarded.</p>	<p>Tenant, GCC advised eviction report being prepared.</p>
<p>Housing Services Manager submits Eviction Report to Director. Director approves eviction.</p>	<p>Tenant, GCC advised of eviction.</p>
<p>Eviction</p>	

N.B. At any time up to the actual eviction a repayment arrangement can be made and a proactive approach to contacting/visiting the tenant must be taken at all times.