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Policy Name	Rent Arrears Policy
Policy Author	Assistant Director (Tenancy Services)
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West Whitlawburn Housing Co-operative will provide this policy on request at no cost, in larger print, in Braille, in audio or other non-written format, and in a variety of languages. Please contact the office.

Registered with the Scottish Housing Regulator No. 203
Registered Charity No. SCO38737, VAT Registration No. 180223636
Registered society under the Co-operative and Community Benefit Societies Act 2014



1. Introduction

- 1.1 West Whitlawburn Housing Co-operative is a community owned and controlled fully mutual Housing Co-operative based in Cambuslang on the outskirts of Glasgow. It is a Registered Social Landlord, set up in April 1989, to improve the living conditions for residents in the area. It operates on a “not-for-profit” basis and is run by an elected Management Committee consisting of tenants. The Management Committee employ a staff team to manage the Co-operative on a day to day basis.
- 1.2 The Co-operative currently owns and manages 644 properties. 543 flats were transferred from Glasgow District Council to community ownership and since then 1 property has been acquired under the Mortgage to Rent scheme and another 100 properties were built in 2009. The current stock breakdown is as follows:-

Property type	Apartment size	Number
Multi-storey	2 apt	13
	3 apt	406
	4 apt	13
Low rise	2 apt	3
	3 apt	67
	4 apt	42
New build	2 apt	16
	3 apt	50
	4 apt	29
	5 apt	5

- 1.3 Rental income is the Co-operative’s main source of income for operational costs. The Co-operative expects all tenants to pay their rent on time in accordance with their tenancy agreement however we appreciate that at times some tenants will find it difficult to do so. This policy is designed to minimise and reduce arrears and so maximise our rental income.

2. Policy Principles

- 2.1 This document outlines the Co-operative’s Arrears policy. In line with legal and good practice requirements the underlying principles are for it to be:-
- **Consistent** – We will ensure a consistent approach to all arrears cases of a similar nature however it is understood that arrears cases can be complex and varied.
 - **Open and Transparent** – we will make the policy document available to tenants and provide clear information while dealing

with arrears.

- **Non Discriminatory** – we will observe equal opportunity requirements to ensure all tenants are treated equally without discrimination or prejudice based on the grounds of the protected characteristics.
- **Confidential** – all information provided for the purposes of actioning arrears will be treated as strictly confidential and under the terms of the Data Protection Act 1998 and General Data Protection Regulation (GDPR). It will only be passed onto or discussed with another person or organisation only with the applicant's permission or where the Co-operative is legally required to do so. Any reports to committee will use case numbers rather than personal details and only staff involved in managing arrears will be able access rent account information.
- **Accessible** – we will ensure the policy is made available in a variety of formats
- **Pro-active** – We will establish working practices, monitoring and audit systems to minimise arrears in a pro-active manner
- **Effective** – We will efficacy of the policy will be monitored monthly by the Assistant Director (Tenancy Services) and will be reported to the Management Committee quarterly

3. **Policy Aims**

- Ensure arrears are carefully managed to avoid them increasing. Our approach to rent arrears recovery is to be fair but firm
- Maximise rental income to protect the long term viability of the organisation and rent affordability for current and future tenants.
- Minimise increases in current tenant rent arrears levels through a proactive approach that highlights early non-payment
- Signpost tenants to other appropriate support agencies and to liaise with them as appropriate. ie welfare advice, debt counselling, Social Work Department.
- Maintain personal contact with tenants to:-
 - ensure early awareness of non-payment
 - ensure they are fully aware of their obligations and rights and the implications and consequences of not paying their rent
 - promote a culture of responsibility for paying rent
 - encourage tenants to seeking assistance and discuss payment difficulties
 - Maximise benefit uptake and support tenants to resolve any issues with claims
- Eviction will be a sanction of last resort
- Sustain tenants in their homes for as long as possible, thereby alleviating the pressure on homeless services
- Maximise recovery of former tenant debts
- Ensure action taken by the Co-operative complies with all relevant

legislation regulatory guidance and good practice.

4. Legal and Good Practice Framework

4.1 This policy complies with and takes account of the following:

- The Housing (Scotland) Act 1987, 2001, 2010 & 2014
- Data Protection Act 2018 and General Data Protection Regulation
- Equality Act 2010
- Human Rights Act 1998
- Management of Offenders (Scotland) Act 2005 (Multi Agency Public Protection Arrangements – MAPPA)
- Scottish Social Housing Charter
- Regulation Framework (Scottish Housing Regulator)

5. Responsibilities

- 5.1 Operational responsibility for arrears monitoring and control is delegated to the Housing Management Team. Individual Housing Officers have responsibility for all current tenant rent arrears in their “own patch”. Assistant Director (Tenancy Services) as the MAPPA link person will manage any cases that fall under the remit of the MAPPA protocol.
- 5.2 Assistant Director (Tenancy Services) retains overall control and responsibility for decision making and will support Housing Officers in managing their caseload. When a Housing Officer deems it appropriate to serve notices or commence legal action the recommendation will be agreed with and countersigned by the Assistant Director (Tenancy Services).
- 5.3 The Management Committee has delegated authority to the Assistant Director (Tenancy Services) to approve evictions. The decision to progress to eviction will be taken after the case has been fully reviewed with the Housing Officer. The Assistant Director (Tenancy Services) is responsible for providing an eviction report to the Housing Sub Committee quarterly.
- 5.4 The Housing Assistant will manage former tenant arrears and will pass cases to a debt collection agency as appropriate. The Assistant Director (Tenancy Services) will help support the Housing Assistant with their caseload.
- 5.5 The Management Committee is responsible for ensuring the adoption and implementation of a policy to prevent and control of

arrears and to review its effectiveness through regular committee reports.

6. Arrears Management

- Prevention
- Control
- Monitoring

6.1 Prevention

6.1.1 The Co-operative recognises that it has a responsibility not to allow tenants to build up excessive, unmanageable debt and therefore the emphasis will be on early action and intervention. Preventative work will commence prior to a tenancy being granted and during the sign-up process.

6.1.2 Tenancy references will be requested for all housing applicants who are have or have had a tenancy. References which highlight a true arrear, ie not due to UC payment dates, will be suspended in line with the Co-operative's suspensions policy. No offer will be made until the suspension is removed.

6.1.3 At tenancy sign-up all new tenants will be advised:-

- Of their obligation to pay rent, the importance of making rent payments as agreed and the implications and consequences of not doing so.
- Advised of the different payment methods available. Depending on payment method preferred a rent card will be ordered for delivery within 5 days or a direct debit set up while the tenant is in the office
- Agree most suitable payment frequency and amount. Online calculators will be used provide an indication of help with rent to make this as accurate as possible.
- Provided with information and advice on help available with their rent costs
- Signposted to the Hub and other free digital access resources for support with online claims
- Assist with Housing Benefit and Discretionary Housing Payment applications
- Signposted to debt and welfare advice services in the area
- Assist with Housing Benefit claims for two homes if required
- To contact immediately if they anticipate an issue with their benefit claim or making an agreed payment

6.1.4 New tenant visits will be carried out within 6 weeks of the date of entry by the Housing Officer. A rent statement will be given to all new

tenants at the visit. Rent payments and arrears balances will be a key part of this visit.

Annual rent review

- 6.1.5 Rent charges are reviewed annually and letter detailing the new charges will be issued as soon as possible to allow time for tenants to adjust their payments accordingly.
- 6.1.6 Tenants will be advised how to update their Universal Credit claim and the appropriate date for the change in claim.
- 6.1.7 The Co-operative will amend the instruction for those tenants who pay using direct debit and write to them to advise the instruction has been updated. Allpay.net who process our instructions will also write to the tenant to confirm the new amount and next payment dates
- 6.1.8 The Co-operative will advise South Lanarkshire Council of any changes in the charges so claims can be reviewed promptly

Benefits

- 6.1.9 HB notifications will be processed promptly to allow early contact with tenants whose rent contribution has changed.
- 6.1.10 Using the DWP UC portal we will note any tenants who are in receipt of partial UC HE and make contact prior to them receiving their UC payment
- 6.1.11 The Co-operative aims to minimise overpayments of Housing Benefit and therefore avoid large refunds to South Lanarkshire Council. Whenever possible we will seek to have overpayments of housing benefit recovered from a tenant's ongoing entitlement and not directly from the Tenant's rent account.
- 6.1.12 Where South Lanarkshire Council wish to recover a Housing Benefit Overpayment from a tenant's ongoing Housing Benefit Award we will ensure that the Council have complied with the legislative requirements to allow them to do so. If the Overpayment recovery is causing the tenant financial hardship we will support the tenant in negotiating a reduced repayment level.
- 6.1.13 If we become aware that a tenant in receipt of benefit has died, abandoned or ended their tenancy we will advise South Lanarkshire Council and Universal Credit. This will help avoid overpayments.
- 6.1.14 Where a tenant is in receipt of UC and has failed to engage with us we

will apply for Third Party Deductions.

6.1.15 Through the Co-operative's newsletters we will inform tenants of major changes in the benefit system and provide advice on the likely impact to individual tenants.

6.2 Control

6.2.1 The Co-operative strives to continuously improve our service and will ensure that staff receive adequate and continuous training to allow them to carry out their duties effectively. This includes developing and enhancing IT and rent account systems to ensure efficient and effective arrears management.

6.2.2 Arrears cases will be actioned in a staged approach with a clear escalation path as detailed in the procedural flowchart in appendix 1

6.2.3 Rent accounts will be monitored regularly for missed and late payments and appropriate action taken. All action and discussions will be documented including attempts to contact tenants, confirmation of discussions and repayment arrangements.

6.2.4 Tenants in rent arrears will be sent a statement every month to help them manage their rent account

6.2.5 The Co-operative aims to increase the tenant's ability to pay and to manage any debts. We will work closely with Housing Benefit, Citizens Advice Bureau, Money Matters and any other agency to ensure tenants maximise their benefit update.

6.2.6 Where a tenant is unable to clear an arrear with a single payment a realistic and affordable repayment plan will be negotiated. Arrangements will take into account the tenant's outgoings and income.

6.2.7 It will be a condition of any such arrangement that where a tenant defaults with their payments but wishes to continue with a payment arrangement, they must either bring their account up to date by making up the missed payments or shortfall or accept a revised arrangement whereby the debt will be cleared over the same number of payments. This means the arrears balance will be cleared over the same timescale as it would be if the tenant had adhered to the arrangement.

6.2.8 We will make use of all the available options for arrears recovery including wage arrestment, arrears direct, third party deductions, housing benefit direct, managed payment to landlord. Proceeding to

court action will only be instructed if the tenant is not co-operating in bringing their account up to date or adhering to their repayment plan.

6.2.9 Legal action will be instructed depending on the payment history and the level of debt outstanding. Notices will only be served if the Pre-Action Requirements have been met. They are as follows:-

- Give clear information about the tenancy agreement and the unpaid rent or other financial obligations
- Make reasonable efforts to give help and advice on eligibility for housing benefit and other types of financial assistance
- Give information about sources of help and advice with the management of debt
- Make reasonable efforts to agree with the tenant a reasonable plan for future payments
- Consider the likely result of any application for housing benefit that has not yet been decided
- Consider other steps the tenant is taking which are likely to result in payment within a reasonable time
- Consider whether the tenant is complying with the terms of an agreed plan for future payments
- Encourage the tenant to contact their local authority

6.2.10 Where a tenant is considered to be vulnerable e.g. due to age, mental health problems, learning difficulties, language difficulties or because they have young children, the Co-operative will involve Social Work Department.

6.2.11 The Co-operative is committed to the principle of sustaining tenancies and eviction is very much perceived as a last resort.

6.2.12 Tenants who have rent arrears and end their tenancy, are expected to make an appropriate arrangement to clear what will become their former tenant arrears and this will be discussed with them when they end their tenancy.

Court Costs

6.2.13 Tenants who are in rent arrears usually have other outstanding debts, are often on a low income and legal fees are an added burden on their financial situation. Due to this court action will only be instructed as a last resort where a tenant is not working with us to clear their rent account by keeping to a repayment plan.

6.2.14 Where legal proceedings cannot be avoided, it is unreasonable for the burden of the costs incurred to fall onto other tenants who pay their rent. Therefore, the repayment of court expenses incurred will be sought from the tenant concerned. The Assistant Director (Tenancy Services) is authorised to waive such charges where their imposition would cause undue hardship.

Former Tenant Arrears

6.2.15 The Housing Assistant will action former tenant arrears monthly. Action will depend on information available on the forwarding address of the former tenant, employment, personal information and arrears balance. Cases will be actioned in a staged report with a clear escalation path. The escalation path is detailed in the procedural flowchart.

6.2.16 Appropriate action will include direct contact, emails, referral to debt collection agency and Simple Procedures.

Irrecoverable Arrears

6.2.17 The Housing Assistant will identify irrecoverable, former tenant arrears each financial year and the resultant write off will be agreed by the Assistant Director (Tenancy Services). The cases will be identified in line with the Bad Debt Provision Policy

6.2.18 Former tenant arrears will only be written off with the approval of the Management Committee. The write off will be done prior to the year end.

6.2.19 Current tenant arrears that are irrecoverable due to bankruptcy will be written off throughout the year as they are identified after the approval of the Housing Sub Committee

6.3. Monitoring

6.3.1 The Assistant Director (Tenancy Services) will monitor the team's performance in recovering rent arrears.

6.3.2 Key performance indicators will be reported to the Management Committee every quarter

6.3.3 A realistic target will be set at the beginning of the financial year and progress towards this target measured after each debit. All housing

management staff will be involved in agreeing the sectional target.

6.3.4 The Assistant Director (Tenancy Services) will also measure the rental income for each period and note any shortfall in rental income.

6.3.5 Individual discussions will be held between the Assistant Director (Tenancy Services) and each Housing Officer to monitor their case load and discuss any difficult cases. This will also allow the Assistant Director (Tenancy Services) to ensure that procedures are being adhered to.

6.3.6 The Assistant Director (Tenancy Services) will report performance on arrears recovery to the Director after each debit and discuss any ongoing issues/trends will be discussed at relevant forums. ie senior staff meetings, target meetings, welfare reform group. If a concerning trend is developing a regular meeting schedule will be agreed between the Assistant Director (Tenancy Services) and the Director to discuss the issues in detail.

7. Policy Review

7.1 This policy will be subject to review every three years or more regularly if there are legislative changes

Appendix 2

Rent Arrears Strategy 2021

1. Introduction

The Co-operative's rent arrears policy and procedural flowchart were reviewed and updated in November 2020. All Housing Management were involved in the review. The flowchart is a straight forward process and is designed to ensure that all staff are consistent in the actions they use in their arrears recovery management.

The Co-operative's ARC returns show the undernoted arrears and income trend

Year	Arrears %	Rent Collected
18/19	8.64	
19/20	9.20	98%
@Sept 20	10.06	102%

In order to bring about improvements in our performance we have introduced this strategy. These are additional actions that should be followed in conjunction with the current process to improvement in recovery rates.

1. Intense monitoring of arrears.

Housing Officers are responsible for managing their arrears caseload. The Assistant Director (Tenancy Services) will carry out case reviews once a month for all Housing Officers. The main focus will be new cases and increasing cases, however, the review will also ensure that actions is being carried out in line with procedures and are where they should be in terms of the arrears action. These regular discussions are designed to support and guide staff and to ensure action is consistent and in line with policy and procedures.

2. Arrears analysis

Recent analysis of arrears cases show the % of arrears cases paying by different methods are as divided as follows:-

Cash 40%

HB 23%

UC 27%

As the majority of our arrears cases pay by direct payments to the Co-operative, this group of tenants will be a priority for action when each debit is added. The next priority group will be Universal Credit cases. HB cases show a technical arrear due to the mismatch between the HB payment dates and our rent due dates.

Housing Officers will use Open Housing responsive arrears to monitor cases and the Assistant Director (Tenancy Services) will produce a further report to highlight increasing and new cases. This will not replace responsive arrears but should be used in conjunction with it.

3. Methods of contact

It is currently not possible to carry out home visits due to Covid 19 restrictions, therefore additional letters will replace the visits in the policy. The position with home visits will be kept under review.

Housing Officers should use a variety of means to contact tenants including phone, email, text, phone and visits. The contact method will vary depending on the tenant's preference. ALL arrears letter will be sent first class to ensure prompt delivery. Letters should be used to confirm attempts to contact and to urge tenants to respond and discuss their position. Housing Officers should amend the standard letters to personalise them to the tenant's situation.

3. Frequency of contact

Housing Officers should attempt to make contact with tenants who are in arrears and have an increasing balance every week until the tenant engages and starts making payments.

An appropriate level of action would be as follows:-

Week 1 – phone, text or email

Week 2 – phone text or email and visit

Week 3 - phone, text or email

Week 4 - phone, text or email and letter

4. Pre-tenancy advice

At the point of application we provide information about the costs associated with having a tenancy and this includes our rent charges. We ask all applicants to consider how they intend to pay their rent. Information is also given about help that is available to pay rent and this

also includes information about rent liability due to bedroom tax deductions.

5. Start of Tenancy

Discussing rent liability is a key part of the sign up process and the implications of not paying the agreed amount on time should be explained and stressed.

If the tenant is paying their rent directly to the Co-operative, the date of the first expected cash payment should be agreed and monitored closely. Immediate contact should be made if the first payment is missed.

If the tenant is in receipt of Universal Credit, they will be advised to update their journal with the new rent liability immediately. If the tenant meets the criteria for MPTL they will be advised that this is our intention. If they do not meet the criteria for MPTL a discussion will be had about whether the tenant would benefit from requesting direct payments to landlord themselves.

The updated UC claim should show on the UC portal within 48 hours and the Housing Assistant will confirm with the Housing Officer that it has been received. The Housing Officer will then confirm if Managed Payments to Landlord should be applied for. We will always apply for MPTL if they meet the criteria. The first payment will be dependent on their benefit assessment period (BAP) and arrears action will be delayed until it is due however a rent statement will be sent confirming any outstanding balance after the debit while we are waiting for the payment.

If the tenant is claiming Housing Benefit to pay their rent, contact should be made with the Housing Benefit team 14 days after the claim has been made to confirm if there is an issue with the claim. If there is outstanding information needed to process the claim the Housing Officer should contact the tenant and encourage them to provide it promptly. If the tenant is unable to send information electronically the Housing Officer should arrange to have it scanned and sent by the Co-operative.

6. Continuity & Persistence

Where possible we keep the same Housing Officer with the patch to allow them to get to know their tenants and vice versa. This is essential in building good relationships with the tenant as well as getting to know the problem cases.

Staff should be persistent in their pursuit of a solution to the arrears not just following the process. All the action such as phoning, texting and visiting should be recorded on Open Housing. Where we struggle to get

hold of a tenant during office hours, there may be occasions where staff will try to contact tenant outwit these times. We will also use Concierge to help contact tenants where we are having difficulty in getting a tenant to engage with us.

7. Welfare Benefit Advice

One of the contributing factors identified in the increasing trend in arrears, is difficulty accessing good quality welfare benefit advice, particularly in more complex cases. Due to Covid restrictions, CAB have no plans to restart outreach services but referrals can be made to advisers who are working remotely. The demand for this service has increased significantly since the start of the pandemic. Therefore the Co-operative has approved the employment of Welfare Rights Adviser on a session basis up until 31st March 2022. This additional resource will be available 2 days per week. Their diary will be Housing Officer led.

8. Arrangements

Arrangements must be realistic and affordable to the tenant and must take into account their individual circumstances. The Co-operative will allow tenants to pay in a frequency and method that suits them. The payment frequency is usually dictated by the frequency of their income. Tenants are more likely to sustain an arrangement where their rent payments match their UC or pay day. We will encourage tenants to pay by Direct Debit whenever possible as these payments are easier to monitor and manage.

Where a tenant wishes to pay their monthly charge by weekly instalments they will be encouraged to pay a quarter of their monthly charge each week so that their balance does not increase during four week months. We appreciate that this will not be affordable for all tenants so there will be some flexibility with these arrangements.

The Co-operative also appreciates that the payment date for tenants in receipt of Universal Credit is dictated by their BAP dates and this will not necessarily correlate with the rent charge date. Payments received after the debit but where the majority of the payment for the period is for before the debit will be considered as a payment in a different frequency from the charge. ie a late payment.

The Co-operative will always give a tenant in receipt of UC an opportunity to repay arrears directly at a lower rate than the TPD level however Where a tenant is in receipt of UC, has arrears of at least 2 months, and either has a broken arrangement or is failing to engage the Co-operative will apply for TPD.

9. Housing Assistant's Role

In order to support Housing Officers with their arrears the Housing Assistant will ensure the following:-

- HB awards will be updated on diaries within 24 hours of receipt. Copies will also be given to Housing Officer as a trigger for action
- Payments will be posted to rent accounts every morning
- Returned direct debits will be noted on diaries and Housing Officers advised as a trigger for action
- MPTL, TPD and DHPs will be applied for within 24 hours of being requested
- Tenancy methods of payments will be updated immediately as tenant's circumstances change.
- Production of rent statements monthly to all tenants in arrears

10. Former Tenant Arrears and Write off

The Housing Assistant will manage FT arrears to reduce the arrears levels associated with former tenancies. This action will include the use of a debt collection agency and Simple Recovery Procedures.

A write-off exercise has been carried out already this year. All remaining cases will be actioned in line with policy and a further write-off exercise will be carried out before the end of the financial year. Historically the Co-operative has written off low amounts of debts however this has been reviewed and the write off will be maximised.

11. Solicitors

The Co-operative will liaise with our Solicitors to ensure we are complying with legislation and good practise and to ensure cases being heard in court promptly and reduce the amount of continuations for cases.

12. Eviction Decrees.

When the Co-operative is awarded a Decree for repossession, we will allow the tenant a last opportunity to repay the debt by instalments. They will be advised that if this arrangement fails we will proceed with the repossession immediately and no further opportunity will be given for a repayment plan. If the tenant wants to avoid losing their home they will be asked to clear the full arrear.