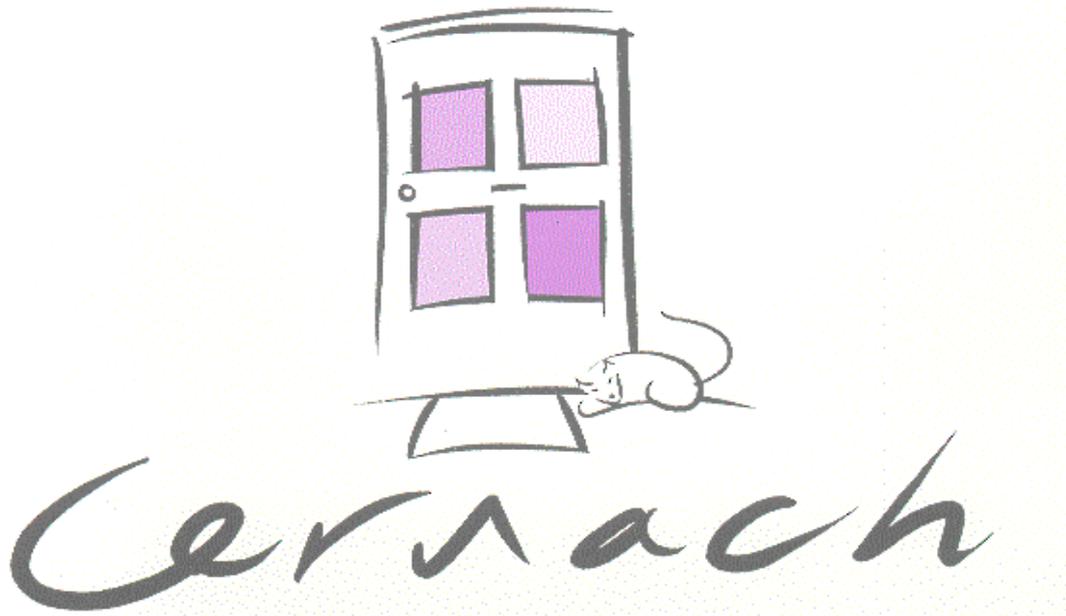


CERNACH HOUSING ASSOCIATION

LIMITED



RENT MANAGEMENT POLICY

Date Approved by Management Committee:	09 March 2023
Date Issued to Staff	15 March 2023
Due for Review:	March 2026

1. Introduction

- 1.1 The Association's prime aim is to maintain and improve the quality of the housing service, housing stock and its environment within the means of people in housing need.
- 1.2 Rents are the source of our revenue income from which we provide the service, and as such maximising the organisation's income through the prevention and recovery of rent arrears is essential to ensure we continue to provide a good quality service to our customers.
- 1.3 The Association's rent management policy takes account of the Scottish Social Housing Charter in particular Outcome 14 and 15: 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 other customers can afford them.
 - Tenants get clear information on how rent and other money is spent, including any details of individual items of expenditure above thresholds agreed between landlords and tenants.
- 1.4 The rent management process must be an integral part of the Association's internal management planning including budgeting and longer term planning. The prevention of and effective management of rent arrears is crucial to the maximisation of income available to the Association to improve and maintain its stock, meet loan charges and management costs and make prudent provision for future repairs.
 - 1.5 Timely collection of rent is a key area and the timely paying of rent will be encouraged. The main thrust of the Association's rent management policy is prevention. Implementing proactive procedures to prevent arrears arising in the first place, with prompt personal contact and early responsive action taken immediately when there is a missed payment is crucial to avoid rent arrears debt and the potential risk of tenancy termination. Personal contact will focus on phone calls, text messages and emails to tenants and visits to their home as a priority in addition to traditional letter correspondence.

2. Policy Aims and Objectives

2.1 The purpose of this policy is to outline the key areas of operation for arrears management within the Association. This will be supported by a separate rent management procedure which will outline the practical steps taken by the Association.

2.2 The objective of this policy is to minimise loss of rental income by prompt, effective recovery of rent arrears and support tenancy sustainment. The Association's rent management policy has three distinct features, all of which are interdependent and essential, and taken together, form a comprehensive rent management policy. The policy seeks to prevent and control rent arrears for tenants and former tenants, adopting a firm but sensitive approach to arrears recovery, advocating early action to prevent arrears debt arising or increasing.

- Prevention
- Control & Recovery
- Performance Monitoring

3. Legislative and Regulatory Framework

3.1 This policy has been developed within a framework that ensures proper compliance with legislation, regulatory advice, and good practice.

3.2 This policy adheres to the Housing (Scotland) Act 2001. It also meets the following legislative provisions relating to this policy:

- Homelessness etc (Scotland) Act 2003
- Equality Act 2010
- Housing (Scotland) Act 2010
- Welfare Reform Act 2012
- General Data Protection Regulation (GDPR) 2018

4 Risk Management

4.1 By having a written detailed rent management policy, the Association is able to ensure that a uniform and professional approach is adopted throughout the

organisation and the service delivered is compliant with law, best practice and internal policy.

- 4.2 Without a rent management policy, the Association is at risk of allowing arrears to escalate and in turn, reduce the flow of income to the Association. Failure to maintain an adequate income flow will impact on the level of service to residents through fewer repairs and improvements, put pressure on loan repayments and potentially result in staff being made redundant.

5. Equality and Human Rights

- 5.1 The Association's Equality and Human Rights policy, which was approved by the Committee in April 2021, outlines our commitment to promote a zero tolerance to unfair treatment or discrimination to any person or group of persons, particularly on the basis of any of the protected characteristics¹. This includes ensuring that everyone has equal access to information and services, and, to this end, the Association will make available a copy of this document in a range of alternative formats including large print, translated into another language or by data transferred to voice.
- 5.2 We are also aware of the potential for policies to inadvertently discriminate against an individual or group of individuals. To help tackle this and ensure that it does not occur, best practice suggests that organisations carry out Equality Impact Assessments to help identify any part of a policy that may be discriminatory so that this can be addressed (please see section 6 of the Equality and Human Rights policy for more information).
- 5.3 In line with section 6 of the Equality and Human Rights Policy, the Association carried out an Equality Impact Assessment on this policy and no remedial action was identified as necessary. The full assessment is appended at the end of this policy.

6. Responsibility & Delegated Authority

- 6.1 The Management Committee has delegated the Property & Development Sub-Committee authority to monitor the level of rent arrears and take action, including court action, to secure payment of rent.

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

- 6.2 It is the responsibility of the Housing Management Team to implement this policy as delegated by the Senior Housing Officer. Individual Housing Officers have responsibility for rent arrears within their own 'patch'.
- 6.3 The Senior Housing Officer has responsibility for
- monitoring performance
 - monitoring the operation and implementation of the policy
 - key aspects of day to day service delivery
 - review of the policy
 - reporting to the Depute Director and Operations Sub Committee on key performance indicators
 - consult with Operations Sub Committee on any legal action taken
- 6.4 The Depute Director retains overall responsibility of the implementation of this policy. The Operations Sub Committee hold responsibility of approval of this policy as delegated by the Management Committee.
- 6.5 The Housing Officer has delegated authority to take action up to and including booking a case into court. These cases are monitored by the Senior Housing Officer. The Operations Sub Committee continues to monitor court cases and has the authority to uphold or reject a recommendation by the Senior Housing Officer to request repossession at the next court hearing irrespective of any arrangement proposed by the tenant.

7. Prevention

- 7.1 The relationship between staff, tenants and benefit services is one of the key factors in preventing and resolving rent arrears. Housing staff should use every means possible of helping tenants to pay their rent and take up housing costs benefit entitlement to prevent arrears arising. Early and continuing personal contact is key in building that relationship. The focus is on phoning, and visiting tenants followed up by text, email and letter if personal contact fails. All actions are recorded on SDM housing system.
- 7.2 The Association will aim to prevent arrears form arising by:-

- Setting rents that are affordable to tenants in low paid employment.

- Establishing a payment culture from early contact with perspective tenants and tenants.
- The Model Scottish Secure Tenancy document states that rent and other charges are due for payment monthly in advance.
- A referral to the Association's Welfare Rights and Tenancy Sustainment Officer will be offered to every new tenant at point of sign up to ensure a benefit check is carried out to maximise the tenants income as well as housing costs.
- Providing a range of payment methods in line with best practice, technological development and tenant consultation. The preferred method is direct debit but the Association accepts cash payments, standing orders, card payments, housing costs direct payments and Allpay.
- Payment methods will be advised in reception areas, at pre tenancy interviews and sign ups, in newsletters and in the leaflet 'Rent and Your Responsibilities'.
- All prospective tenants will be advised of the Association's rent management policy. At the pre-allocation visit, the housing staff will advise the monthly rent, the tenants' responsibility to pay, payment methods and payment due date, give advice on benefits and the importance of completing a claim form and keeping benefit department informed of change to circumstances.
- All offers of tenancy will state the monthly rent, payment methods and payment frequency. The prospective tenant will be advised that first's month rent is due at sign up. On occasion, a tenant may be allowed to pay up their rent, if there is a legitimate reason for doing so, such as wage pattern etc. This will always be at the Senior Housing Officer or Depute Directors discretion.
- Within six weeks of tenancy start date, housing staff will conduct a settling in visit with new tenants. This is an opportunity to discuss issues such as rent and housing costs, promote a payment culture and give advice, where appropriate.
- When tenants fall into arrears with their rent, we will look to prevent formal action being taken against their tenancy by intervening at an early stage. Tenants will be provided with clear and concise information regarding rent management, support and advice to help them maximise their income and reduce their outgoings and signpost them to external agencies.

- Tenants will be given a minimum of 28 days notice of the annual rent increase. Notification will be sent to Glasgow City Council for benefit information.

8. Housing Benefit/Universal Credit

- 8.1 The Association recognises that many of its customers are dependent upon Housing Benefit or Universal Credit to pay their charges. Benefit claims remain the responsibility of the customer and we expect customers to liaise with Housing Benefit/The Department of Work and Pensions (DWP) to ensure their rent is paid to the Association. However, the Association can offer assistance to those tenants who require additional help in dealing with these agencies to manage their benefit claim.
- 8.2 The housing staff will utilise the online landlord portal platforms made available by Glasgow City Council and DWP to monitor and manage payments due to the Association which are paid directly from these sources on behalf of the tenant. The housing staff will also use the Universal Credit landlord portal platform to request Managed Payment to Landlord and Third Party Deductions for any cases who meet the qualifying trigger criteria to ensure payment is made directly to the Association where appropriate.
- 8.3 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.

9. Control & Recovery

- 9.1 Essential to the early identification of non-payment of rent is an effective rent accounting system. The Association provides a fully integrated IT rent management system which maintains a payment history for each tenant and is easy to update with stage of action. Rents are due monthly in advance on the 1st day of each month.
- 9.2 As soon as a new arrear has been identified, the Association will take timely action in the recovery of the debt as per the rent management procedure. The Association has developed a detailed set of procedures identifying actions, roles and responsibilities in implementing its policies. These procedures will be subject to regular review and audit.
- 9.3 The Association will take a firm but fair approach when dealing with tenants who have arrears and will consider all options available to help

tenants deal with clearing their arrears. We will enforce our arrears procedure consistently, efficiently and effectively.

- 9.4 Arrears recovery will focus on personal contact through phone calls and home visits to establish the reason for non-payment, reach agreements on how it will be resolved and the consequences of non payment. This will be followed up in writing. Text messaging and email will also be used as correspondence methods in rent and arrear management.
- 9.5 All rent accounts will be reviewed at least monthly, taking appropriate follow-up action. Prompt action will prevent arrears escalating and reinforce to the tenant that arrears will be dealt with as a matter of priority. The Association will monitor all rent accounts and make contact with tenants in arrears as per the rent management procedure. The Association will use a variety of methods to contact and record all contact whether by telephone call, home visit, letter, email, text or office interview and record all contact on the SDM, Housing Management system.
- 9.6 The Association will expect low level debts (of one month's rent or less) to be cleared in a single payment and will only agree to instalments where the tenant can demonstrate their inability to clear in a single payment following analysis of their income by completing an income and expenditure exercise.
- 9.7 The Association will conduct income and expenditure checks with tenants and for higher level arrears, will consider an instalment repayment based on the tenant's personal circumstances. The agreement will be a realistic payment plan with an end date, by which the account shall be cleared. Written confirmation of any agreed action will be sent to the tenant. These agreements will be both manageable for the tenant and acceptable to the Association. Repayment periods will not normally exceed 2 years, and this length of time will only be agreed in exceptional circumstances.
- 9.8 Joint tenants have joint responsibility for rent arrears repayments. The Association will recover from either tenant if one is not complying with payment arrangement.
- 9.9 Where there is the possibility of a shortfall in expected Housing Benefit or Universal Credit e.g. as a result of a late claim, the tenant will be expected to enter into an interim paying arrangement until the claim has been assessed. This will be based on projected benefit entitlement.

9.10 We will explain in a clear and concise way the action that we are taking against tenants to recover rent arrears, stressing at all times the serious consequences of failing to pay rent.

10. Legal Action and Eviction

10.1 Legal action for recovery of possession of the property for non-payment of rent is the last stage in the arrear management process. The decision will not be taken lightly and only where all else fails. The Association has no desire to evict but will do so as a last resort.

10.2 The Housing (Scotland) Act 2010 established the requirement for Registered Social Landlords to satisfy a number of conditions referred to as Pre-Action Requirements and to document that they have done so before beginning any legal action to end a tenancy.

10.3 In cases where the Association requires to raise court action for repossession, the Association will commence the process by serving a Notice of Proceedings for Recovery and Possession (“a Notice”) on the tenant, joint tenant and qualifying occupiers. The Notice would be served on Ground 1, Schedule 2, Part 1 of the Housing (Scotland) Act 2001:

‘Rent lawfully due from the tenant has not been paid, or any other obligation of the tenancy has been broken.’

10.4 The Housing Officer will continue to make reasonable attempts to contact the tenant to agree a resolution. Before court action is instructed the Housing Officer will need to demonstrate that all actions have been taken under the pre action requirements have been taken. The decision to proceed with court action will be the Housing Officer and the Senior Housing Officer will monitor these cases at court.

10.5 Eviction will only be requested at Court where the tenant has failed to comply with an appropriate payment arrangement. The grounds for eviction will need to be demonstrated to establish that it is reasonable to pursue eviction. It is critical that clear and detailed records are maintained at all stages to illustrate reasonableness. The Association will work with tenants until the last moment to prevent eviction action becoming necessary. The Association will advise tenants of the legal fees they will be responsible for as a result of court action. The case for eviction will be taken to the Operations

Sub Committee who will consider reports and recommendations from staff to enforce Decree for Eviction.

10.6 The tenancy will only terminate when the Association receives the Decree and instructs its Solicitors/Sheriff Officers to implement the Decree.

11. Performance Monitoring and the Role of the Committee

11.1 On a monthly basis a Performance Report will be taken to the Operations Sub-Committee meeting which will outline the current arrears performance.

This report will highlight the following:

- a) Monthly Technical Arrear, as a figure and percentage of the debit
- b) Monthly Non Technical Arrear, as a figure and percentage of the debit
- c) Total Arrears
- d) Comparison with previous months ' and years' figures
- e) Shared ownership total arrears and comparisons from previous month's figures
- f) Number of Notice of Proceedings for Recovery and Possession raised this month
- g) Legal Action cases
- h) Recommendations for eviction when decree has been awarded (where applicable).
- i) Monthly former tenant arrears and comparisons from previous months

Performance targets will be agreed by the Management Committee on an annual basis and included within the Association's Internal Management Plan. Targets and performance against targets will be published in newsletters and annual reports and the Association's website www.cernachha.co.uk

12. Co-operation with other Agencies

12.1 The Association will co-operate with external agencies that may assist the tenant in managing their financial circumstances and reducing their debts, giving priority to their rent and their rent arrears. Drumchapel Law and Money Advice, Citizens Advice, Social Work Services, Homeless Casework Team, and mental health teams can provide advice and support to both tenant and Housing Officer when a need is identified. Housing staff should ensure they can provide information on where and how to access this support. If possible, assist in arranging access to these services.

12.2 The Association has an in-house Welfare Rights and Sustainment Officer available to provide assistance and advice as well as facilitating referrals to external agencies for Money and Debt Advice services.

13. Former Tenant Arrears

13.1 Former tenant arrears will be pursued using the same principles as current tenant arrears. Tenants ending their tenancy will be reminded of their payment responsibilities and asked for a forwarding address. If there is an arrear balance at the point of termination, an appropriate payment arrangement will be agreed. If the forwarding address is unknown or the former tenant refuses to co-operate the debt will be passed onto a debt recovery agent for trace and collection.

14. Shared Owners and Factoring Arrears

14.1 A separate policy exists for sharing owners and factoring arrears.

15. Bad debt provision and write offs

15.1 The Operations Sub-Committee will consider bad debt provision twice a year. In November for the Management Accounts for the period to the end of September and May for the year end accounts, in accordance with the provision for bad debt policy.

16. Sanctions

16.1 Tenants who are eligible for home loss and disturbance payments will have any arrears deducted from this payment, unless an agreed payment arrangement is in place and is being adhered to.

17. Committee Members in Arrears

17.1 Anonymity will be preserved at all times from Committee Members in terms of considering individual cases. As Committee Members may also be tenants of the Association, those tenants should not accrue arrears (with the exception of technical arrears). However, any Committee Member falling into arrears must enter into and maintain a written agreement to clear the arrears. If this agreement is maintained, they may still serve on Committee, but must declare an interest when arrears are being discussed and leave the meeting prior to the discussion taking place.

17.2 If the agreement is not maintained and the Association issues a Notice of Proceedings for Recovery of Possession (NPRP) then this Committee Member should be referred to the Management Committee to invite a resignation.

18. Confidentiality

- 18.1 The Association stresses that the tenant's privacy must be safeguarded.
- 18.2 All information given by tenants in relation to this policy will be treated as strictly confidential and will not be discussed with third parties without their permission. A signed mandate must be provided before staff will enter into discussions regarding an individual case. The Association will comply with the requirements of the Access to Personal files Act, the Data Protection Act and the General Data Protection Regulations.
- 18.3 Reporting of arrears cases to the Operations Sub-Committee will be by number code only. There will be no personal information of tenants, including names or addresses, provided at any time. Information will be provided so that individuals' identities cannot be revealed.

19. Customer Satisfaction

- 19.1 The Association is committed to a high level of customer satisfaction, seeking continuous improvement. The Association will carry out an independent tenant satisfaction survey every three years, which will include questions on rent management issues and will disseminate the results to the tenants.

20. Staff Training

- 20.1 Cernach recognises that it is extremely important to arrears prevention that the resourcing and training of staff is adequate to meet all the needs of its tenants. The Association is committed to making training relating to effective prevention and rent arrears control available to staff. Training should be updated as appropriate. Staff will be encouraged to network with other RSLs in order to share best practice in dealing with arrears.

21. Complaints Procedure

- 21.1 The Association has a published Complaints policy & procedure, which can be used where there is dissatisfaction with this policy or the operation of this policy. Any tenant who feels aggrieved by their treatment under this policy can ask for a copy of the Association's complaints policy, which is available at the Association's office and on the website www.cernachha.co.uk.

21.1 As with all our service policies, the complaints policy can be made available in large print, translated or on tape. Tenants also have the right to complain to the Scottish Public Services Ombudsman if they are not satisfied with our stage 2 response.

22 Policy Reviews and Tenant Consultation

22.1 The Association has developed this policy in consultation with tenants and the Resident Panel group, to account taken of representations made.

22.2 The Association will publish a summary of this policy in our newsletters and make it available on the Association website. Leaflets on 'Preventing Rent Arrears and Legal Action' will be published, made available in reception, provided at new tenant sign up and sent to tenants along with arrears correspondence.

22.3 The Operations Sub-Committee and the Management Committee will review the rent management policy every three years. This review will be brought forward if there is a need to respond to new legislation and/or policy guidance.



<h2 style="margin: 0;">Cernach Housing Association Equality Impact Assessment Tool</h2>	
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Name of the policy / proposal to be assessed	Rent Management Policy	Is this a new policy / proposal or a revision?	Revision
Person(s) responsible for the assessment	Emma McShane		
1. Briefly describe the aims, objectives and purpose of the policy / proposal	The aim of this policy is to maximise the Association's income through prevention and recovery of arrears in order to maintain and improve the quality of housing stock and ensure we continue to provide a good quality service to our customers.		
2. Who is intended to benefit from the policy / proposal? (e.g. applicants, tenants, staff, contractors)	Tenants, residents, sharing owners		
3. What outcomes are wanted from this policy / proposal ? (e.g. the benefits to customers)	Minimise rent arrears and positively engage with tenants, residents and sharing owners		

Approved 09 March 2023



<p>4. Which protected characteristics could be affected by the proposal? (<i>tick all that apply</i>)</p> <p> <input type="checkbox"/> Age <input checked="" type="checkbox"/> Disability <input type="checkbox"/> Marriage & Civil Partnership <input type="checkbox"/> Pregnancy/Maternity <input checked="" type="checkbox"/> Race <input type="checkbox"/> Religion or Belief <input type="checkbox"/> Gender <input type="checkbox"/> Gender Reassignment <input type="checkbox"/> Sexual Orientation </p>		
<p>5. If the policy / proposal is not relevant to any of the protected characteristics listed in part 4, state why and end the process here.</p> <p>While policy actions such as rent charges, arrear actions and recovery apply equally, there are some impacts upon groups which apply generally when communicating with our tenants and residents.</p>		
<p>6. Describe the likely positive or negative impact(s) the policy / proposal could have on the groups identified in part 4</p>	<p>Positive impact(s)</p>	<p>Negative impact(s)</p> <p>People of any race, but different nationalities may disproportionately be affected by any communication or language barriers which would affect the style of arrear management actions.</p> <p>Disabled people could be disproportionately affected by any visual communication needs such as visual impairment. Disabled people also may have mental health conditions which could limit their ability to manage rent</p>



		accounts in the same way as abled people.
<p>7. What actions are required to address the impacts arising from this assessment? <i>(This might include; collecting additional data, putting monitoring in place, specific actions to mitigate negative impacts).</i></p>	<p>All staff have been trained in equalities and communication styles required for different groups. Due regard will be given for all arrear cases where language or disability could be a factor in managing accounts and the policy reflects this.</p>	

Signed:  (Job title): Corporate Services & Assurance Manager

Date the Equality Impact Assessment was completed: 21/02/2023

Please attach the completed document as an appendix to your policy / proposal report