



Cassiltoun Housing Association

POLICY FOR RENT MANAGEMENT

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Chair Person/Office Bearers Signature:	

CASSILTOUN HOUSING ASSOCIATION IS A REGISTERED SCOTTISH CHARITY (SC035544)

**CASSILTOUN HOUSING ASSOCIATION LTD
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CASSILTOUN HOUSING ASSOCIATION LIMITED

POLICY FOR RENT MANAGEMENT

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1. INTRODUCTION

- 1.1 Cassiltoun Housing Association Limited is a Registered Social Landlord (RSL) with the Housing Regulator, and was registered with its forerunner, Communities Scotland and the Housing Corporation in Scotland, in 1985.
- 1.2 The Association is committed to providing high quality, affordable and accessible social rented housing to those in greatest housing need, contributing to the physical, social and economic regeneration of the area, the provision of housing for people with specialised needs and to provide a safe environment for our residents to enjoy. To facilitate this and to give guidance and clarification to both staff and members of the public, the Association has a Rent Management Policy which has been approved by the Board of Management.
- 1.3 The prevention and effective management of rent arrears is crucial to the maximisation of resources available to Cassiltoun Housing Association Limited (hereinafter referred to as the “Association”) to improve and maintain its stock but also to support its tenants to avoid rent arrears debt and the potential risk of tenancy termination. Effective management is a requirement of the Scottish Regulators Tenants’ Social Housing Charter and also evidences a commitment to value for money.
- 1.4 Rent arrears may be just one of many debts that a tenant has, therefore managing arrears effectively involves good internal liaison between the Operations Team and the Money Advice Team and effective referral mechanisms and joint working with other support services such as the Benefits Agency, Housing Benefit Services, Department of Works and Pensions, Debt Counselling and Advice Agencies, Social Work and Homelessness Services. It is therefore important for the Association to develop a consistent and corporate approach to the recovery and prioritisation of housing debts.
- 1.4 This policy therefore sets out to ensure that tenants receive a consistent and unambiguous approach to rent arrears recovery across the organisation. The Association will act to prevent arrears of rent and service charges building up. We will recover any arrears fairly and effectively. It also recognises the need for a comprehensive strategy which links arrears management to service strategies for income maximisation, rent setting, collection and accounting and as a result contributes to the Association’s Business Plan.

2 SCOTTISH SOCIAL HOUSING CHARTER & REGULATORY STANDARDS OF GOVERNANCE AND FINANCIAL MANAGEMENT

This policy complies with the following Social Housing Charter (2017) outcomes:

Outcome 2:	Communication
Outcome 9:	Housing Options
Outcome 11:	Tenancy Sustainment
Outcome 13:	Value for Money
Outcome 14 & 15	Rents and Service Charges

Our Policy also complies with the Scottish Regulators Regulatory Standards of Governance and Financial Management, in particular Standard 3: The Registered Social Landlord manages its resources to ensure its financial well-being and economic effectiveness.

3. LEGISLATIVE FRAMEWORK

In formulating and implementing this policy, statutory requirements and good practice have been incorporated where required. Relevant legislation and regulatory guidance include:-

- 3.1 **The Scottish Secure Tenancy Agreement** used by the Association describes the obligation that tenant's have to pay rent monthly in advance.
- 3.2 **The Housing (Scotland) Act 2001** sets out the legal framework for any action by the Association to recover tenancies on the grounds of rent arrears.
- 3.3 **The Homelessness etc (Scotland) Act 2003** requires the Association to notify Glasgow City Council if proceedings are raised to recover a property. (Section 11 Notice issued by the Association's solicitor).
- 3.4 **The Housing (Scotland) Act 2010** introduced Pre-Action Requirements that landlords must satisfy in all rent arrears cases before serving a notice on a tenant and **the Scottish Social Housing Charter** which sets the standards and outcomes that all Scottish social landlords should aim to achieve when performing their housing activities.
- 3.5 **The Data Protection Act 2018** which was brought in as a result of the General Data Protection Regulations which came into force on the 25th May 2018 and sets the standards for gathering and sharing information.
- 3.6 **The Equality Act 2010** introduced nine protected characteristics and requires the Association to ensure that policies and procedures to provide fair and equal treatment for all.
- 3.7 **The Welfare Reform Act 2012** which changed the rules concerning a number of benefits offered within the social security system including changes to Housing Benefit and introduction of Universal Credit.
- 3.8 **Bankruptcy (Scotland) Act 2016** which details how a person (tenant) can deal with their debt and apply to be sequestrated.

4. DELEGATION OF RESPONSIBILITIES

- 4.1 Overall control of the policy rests with the Board of Management and the Operations Sub-Committee has delegated authority to make operational decisions within the scope of the current policy. Training will be provided on this Policy after each policy review or after the AGM when new Sub-committee members are appointed.

The Director of Operations is responsible for the day to day implementation of the policy. The Director of Operations and other members of the Association staff have delegated authority for debt recovery, raising legal proceedings for debt recovery, providing advice and assistance.

The Housing Manager (Services) will oversee the day to day management of the rent management service in line with this policy and is responsible for the regular monitoring

of the service to ensure that it is carried out in line with this policy and that all KPI's are being met.

5. PRINCIPLES, AIMS & OBJECTIVES

5.1 This policy and procedure will ensure that the Association:-

- Adopts a firm but sensitive approach to arrears recovery
- Advocates early action to prevent arrears accruing or increasing
- Attempts personal contact with every tenant as soon as arrears arise, by home visit or telephone followed up by text, e-mail or letter if personal contact fails.
- Offer confidential appointments with the Money Advice Team
- Take a staged approach in which action is targeted and recorded
- Complies with the Pre-Action Requirements of the Housing (Scotland) Act 2001 Section 14 and 14a as amended by section 155 of the 2010 Act
- Takes into account of the needs of vulnerable tenants.
- Makes use of all available remedies and use eviction only as a last resort

5.2 Cassiltoun Housing Association will promote a corporate approach to the recovery and management of rent arrears, specifically the Association aims to

- Increase tenants' ability to pay and manage debt by referral to the Money Advice Team.
- Continue to develop strong referral links to debt counselling, advice and money advice centres where they exist
- Work closely with GCC Financial Services and the Department of Works and Pensions (DWP) and monitor the effectiveness of these relationships in order to highlight any issues that arise.
- Establish agreements with the DWP to pay arrears direct or alternative payment arrangement (APA) for claimants over 8 weeks in arrears
- Adopt the Housing Options approach to tenancy sustainment developing excellent working relationships with the named contacts at the joint Health and Social Care Partnership.

5. POLICY

The Association's arrears strategy and policy has four distinct features, all of which are interdependent and essential, and taken together form a comprehensive arrears policy, which seeks to prevent arrears of rent, reduce them when they do occur and minimise tenants' debt and the Association will only evict as a last resort. Its key elements are:

- Arrears Prevention
- Arrears Management
- Arrears Recovery
- Performance Monitoring

6. ARREARS PREVENTION

The relationships between staff, the tenant and external agencies are a key factor in resolving rent arrears. Early intervention and ongoing contact can be an extremely

positive way of building that relationship. Arrears prevention strategies emphasise the quality of that contact and focus on how that can be developed. There are a number of critical elements in the Association's arrears prevention strategy:

- Rent consultation, setting and collection
- Housing Benefit and Universal Credit
- Benefit and Money Advice, Debt Counselling, Income Maximisation
- New and existing tenant support

7. RENT SETTING AND COLLECTION

7.1 The Association will annually involve tenants in meaningful rent increase consultation. The Association will set rents which are affordable to all including those in low paid employment, that meet management and maintenance costs and are comparable with rents charged by other social landlords in Glasgow.

7.2 Tenants will be advised annually of the rent increase and the new amount that they are required to pay and will also receive a quarterly rent statement in order that they can clearly see the amount that they have been charged, the payments that they have made and any arrears or credit on their account.

7.2 The Association will also offer a variety of ways in which tenants can make payments which will be reviewed and new payment options added as and when appropriate. These currently include:

- Housing Benefit Direct Payment
- Managed Payment to Landlord from Universal Credit
- Any Post Office
- Bank of Scotland
- Credit Union Offices
- Bank Standing Order
- Chip & Pin in the Association's Office
- Cash/Cheque in the Association's offices
- On the website at www.cassiltoun.org.uk

7.3 In line with their Scottish Secure Tenancy Agreement tenants are encouraged to pay rent and other charges, one month in advance, in full on or before the 1st of the month. The Association values the support of those tenants who regularly pay on time.

8. Housing Benefit, Universal Credit and Welfare Reform

8.1 Housing benefit is the largest element of Cassiltoun Housing Association's rental income at 56% in 2018/19 (ARC Data) with 67% of the Association's tenants in receipt of housing benefit. This percentage is likely to decrease with the continued roll out of Universal Credit as more new and existing tenants are transferred over to this benefit. Supporting tenants to submit claims forms accurately and on time must be a key priority for staff in seeking to prevent arrears. Building up an effective relationship with the Glasgow City Council Financial Services Department and the Department of Works and Pensions is also essential to ensure that housing benefit and universal credit claims are processed on time in order to prevent arrears accruing from late or non-submission of claims forms, also;

- Tenants are encouraged to pay benefit direct to the landlord where appropriate.

- Shared information is registered as such under the General Data Protection Regulations and the Data Protection Act 2018.
- Staff regularly check tenants' benefit entitlement, especially at arrears interviews.
- Tenants in receipt of Housing Benefit are encouraged to return claim forms, change of circumstances and Review Forms promptly and will be assisted by the Operations Team to complete these forms on line.
- Tenants will be assisted with completion of appropriate forms such as Housing Benefit forms, Discretionary Housing Payment, 4-week overlap, and assisted with reducing their overpayment deductions.
- Tenants' receiving Universal Credit are encouraged to manage and maintain their claim on-line through their journal and to report any changes in circumstances. The Operations Team can provide assistance with this.
- Appointments will be arranged with the Money Advice Team as required.
- Staff should advise tenants of the potential benefits and consequences of certain actions and the potential financial effect on Housing Benefit or Universal Credit Housing Costs e.g. taking in a lodger.

9. Benefits Advice, Debt Counselling, Income Maximisation and Liaison

Any preventative strategy must include the provision of benefits advice, debt counselling, information on income maximisation and liaison with other agencies. Cassiltoun Housing Association have employed their own Money Advice Team consisting of an Advice Team Co-ordinator who specialises financial inclusion and debt management and two part time Welfare Rights Officers specialising in benefit advice. This Team will deliver a full package of practical support advice and information to the Association's tenants. This will include assisting in debt management e.g. contacting fuel provider and negotiating repayment arrangements, assisting with benefit applications and attending Tribunals to appeal benefit claim rejections.

In addition to this the Team will provide training and support to the Operations Team and report performance quarterly to the Operations Sub-Committee.

10. New Tenant Strategies

Through the Housing Options process, pre-tenancy advice assistance and counselling will be offered to all prospective and transferring tenants. This will involve among other things:

- Explaining what the rent is and the tenants' responsibility to pay, where and when.
- Advice on housing benefit eligibility and universal housing costs and the importance of completing claims forms and keeping GCC Financial Services and the DWP through the tenant portal informed of changes in circumstances.
- A referral to the Association's Money Advice Team will be offered to every new tenant at the point of sign up. This ensures that a benefit check is carried out to maximise the tenant's income not just their housing cost element.
- Once an offer has been accepted the new tenant will be assisted to complete a new claim for housing benefit or universal credit and to report a change in circumstances

for either. This must be completed within one day of the sign up to ensure that the effective date is the same as the date of entry. The Operations Team will check daily the Trusted Landlord Portal and will verify any requests for rent charges.

- A check for former tenant arrears and where necessary a repayment plan will be agreed which must be adhered to.
- Home visits will be made to new tenants; the first within 6 weeks of the date of entry and rent and benefit checks will be discussed at each visit.

11. Existing Tenants

The Association will publicise relevant money and benefit advice in our quarterly newsletters, website and social media.

Association staff will be proactive in maximising income, housing benefit and housing costs in order to minimise the risk of rent arrears occurring. Association staff will react promptly to all notifications received from GCC Financial Services or DWP. Particularly in relation to a lack of response to:

- Confirmation of rent charge
- Requests for necessary information or documentation
- Failure to re-apply at review of entitlement

12. Arrears Recovery: Early Intervention and Tenant Contact

- 12.1 Prompt action when arrears are small is essential. This will prevent arrears escalating and reinforce to the tenant that rent arrears will be dealt with as a matter of priority.
- 12.2 A realistic and consistent approach to arrears recovery is essential. Tenants need to know that non-payment or failure to return a housing benefit form will provoke a quick reaction from staff that rent arrears will not be allowed to build up.
- 12.3 Early intervention/identification of arrears is a key expectation of the Association. The purpose of this is to establish the reason(s) for non-payment reach agreement on how this will be resolved and provide any support identified.
- 12.4 The Association's focus at the early stages of arrears recovery is to:
- Establish contact and build up an effective relationship with the tenant
 - Conduct a full arrears counselling interview with the tenant, in private either at home or at the office
 - Establish the reasons for non-payment
 - Carry out a benefit check
 - Refer case to Money Advice Team
 - Seek agreement for direct payments
 - Make a formal arrangement to pay signed by the tenant and a copy issued to them
 - Advise tenant of consequences of failing to adhere to this agreement Confirm the strict monitoring arrangement that will be put in place to confirm adherence
 - Check for and note any qualifying occupiers in case further action is required.
- 12.5 Cassiltoun Housing Association will adopt a firm but sensitive approach to arrears recovery. Visits to tenants as soon as arrears arise may reveal other issues such as multiple debts, illness, harassment or relationship breakdown. Where tenants are vulnerable specialist support may be required. Debt counselling services, community

or voluntary groups, Social Work Services and/or mental health teams, can provide advice and support to both tenant and housing officer when such a need is identified. Such support may also help with tenancy sustainment. Staff will ensure that where external advice or support is required they are able to provide information on where and how to access such support. Where possible, staff will assist in arranging access to these support services

- 12.5 Where a tenant is more than 8 weeks in arrears and receives Income based benefits an application to the Department of Works and Pensions for Arrears Direct payments on the tenant's behalf will be made. Tenants will be advised if an application is refused or similarly if an existing direct payment is cancelled. Staff will also counsel tenants in this category on their potential to also pay an additional amount to their rent account to reduce their arrears.
- 12.6 The Pre-action Requirements set out in the Housing (Scotland) Act 2010 will be followed in all cases where attempts to make contact are being ignored or the tenant fails to make or adhere to an arrangement. Once the Pre-action requirements have been exhausted a Notice of Proceedings for Recovery of Possession (NOP) will be issued. This does not necessarily mean that court action will be taken, but that it will be if further attempts to engage with the tenant are unsuccessful.

13. Legal Action and Prevention of Eviction

- 13.1 Legal action for recovery of possession of the house for non-payment of rent is a necessary element of the rent management process. It will not be taken lightly and only where all else fails. If legal action is pursued and non-payment continues it must be recognised that eviction is the likely outcome. The Association has no desire to evict but will do so as a last resort to reflect the interest of tenants who do pay their rent.
- 13.2 Where arrears continue to escalate and the tenant fails to engage with the Association by making contact, reducing the arrears on their account or adhering to a reasonable arrangement the Association will have no option but to raise proceedings for recovery of possession of the house. To comply with the provision of the Housing (Scotland) Act 2001 the Association must and will serve the notice on the tenant and any qualifying occupiers in the house. The Association will therefore make inquiries to establish, so far as is reasonably practicable whether there are any qualifying occupiers of the house, and if so, their identities. Qualifying occupier means:
- A member of the tenant's family aged at least 16 years
 - A person assigned or sub-let the house with the landlord's consent
 - A person whom the tenant has, with such consent, taken in as a lodger
- 13.2 Identifying "qualifying occupiers" is best done at first contact and can be checked at future contacts.
- 13.3 The action would be raised under 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.'*
- 13.4 If Court Action is to be raised the Association will pass the case onto their solicitor who will submit the summons to the Court. Once at Court the solicitor acting on behalf of

the Association has to convince the Sheriff that the ground is established and that it is **reasonable** to evict. The need for clear and detailed records being kept at all stages of the arrears process is vital in evidencing reasonableness. This requirement must therefore inform how we engage with the tenant while legal action is being taken.

- 13.5 No reasonable offer of repayment will be refused at the first calling of the case and a continuation will be sought where a reasonable offer has been made in order that this arrangement can be monitored for payment. Repayment arrangements are acceptable at any stage of recovery action up to and including the first calling in court, and should reflect the tenant's ability to pay.
- 13.6 Whilst the case is at court the Operations Team will continue to pursue contact with the tenant. The aim is to encourage the tenant to make a formal arrangement and support him/her to adhere to that arrangement. For continued non-payment a final appointment with the Housing Manager (Services) and the Money Advice Team will be offered to the tenant and any other mutually agreed agencies to consider the current position, why arrears continue to increase and what if anything can be done to support the tenant to manage their debt.
- 13.7 If arrears continue to increase a decree for eviction will be sought which if granted will be enforced. However, the Decree is valid for a 6-month period and the Association can, if the tenant agrees to pay the arrears off within the 6-month period, hold the decree for the 6-month period at the end of which if the arrears are still not paid in full, enforce the Decree.

14. Role of the Board of Management

Responsibility for the implementation of this policy lies with the Operations Sub Committee. The Housing Manager (Services) will provide quarterly reports to the Sub Committee regarding all cases that have been issued with a NOP. Committee approval will then be sought for court action up to and including requesting a Decree for Eviction. All cases will be anonymised in order that the Sub Committee are not aware of the identity of the tenants' concerned. This information is also reported annually in the ARC.

15. Former Tenant Arrears/Credits

- 15.1 Former tenant arrears will be pursued timeously and vigorously.
 - At the point of termination, the outgoing tenant must be made aware of any debt or credit on their account. If the account is in debit they will be and advised on how this must be paid and that if not being paid in full a repayment arrangement must be made. If the account is in credit the tenant will be asked to sign a BACs form in order that once the tenancy has been closed down the credit amount left can then be transferred into their bank account.
 - If the former tenant is known to be in employment and ignores requests for payment a small debt action (wage arrestment) may be raised for recovery. In considering this action the amount of the debt must be weighed against the cost of raising the action.
 - Where a tenant has current and former tenant arrears with the Association, the current arrears will be the priority and former only pursued once the current arrears have been paid in full.
 - The Operations Team will categorise the former tenant arrears into those arrears that can realistically be recovered and those that cannot. E.g. death of a tenant, no forwarding address and unable to trace.

- The Welfare Rights Officer(s) in conjunction with the Operations Team will seek to minimise former tenant arrears by reviewing and challenging Housing Benefit overpayments where recovery is sought from the Association.
- Former tenant arrears and credits will only be written off when recovery or repayment is not viable or the former tenant cannot be traced. These write offs will be authorised by the Operations Sub Committee and will take place on a minimum bi-annual basis.

16. STAFF SKILLS AND TRAINING

16.1 Arrears prevention and recovery are greatly enhanced by skilled and experienced staff. They will require ongoing training and support with legislative and policy changes if targets are to be achieved. The relationship formed at the outset of a tenancy goes a long way to influencing the flow of communication if problems arise later in the tenancy. To enable staff to cope with the increased demands of their job, the Association will ensure that annually the staff's training needs are assessed to ensure that the following are met:-

- Regular ongoing briefing in changes to the welfare system.
- Staff have the relevant IT skills.
- Staff are competent interviewing and counselling tenants.
- Staff can deal with difficult customers and with confrontation.
- Benefit fraud awareness.
- Can provide basic benefit calculations.

In addition to this staff in the Operations Team should be competent in:-

- Raising legal action.
- Briefing a solicitor prior to a court date.
- The impact on homeless duties to Cassiltoun Housing Association.
- Debt counselling.
- Other Staffing Issues

17. PERFORMANCE MONITORING

17.1 In order to judge the success of this policy, the Operations Sub-Committee will receive quarterly monitoring reports on the Key Performance Indicators contained within the Operations Service Plan including those on arrears performance. These will include:-

- Current arrears as a percentage of gross annual debit.
- Monthly rent receivable
- Analysis of arrears by amount owed and number of tenants in each category.
- Analysis of performance against targets

- Total amount of rent arrears
- % of tenants owing more than £500.00 rent
- Number of cases with live NOPs
- Number of cases with live court action pending
- Level of former tenant arrears
- Number of evictions resulting from rent arrears

17.2 The monthly reports will include an analysis of the figures and performance against targets set and any recommendations for policy/ procedural change.

18. EQUAL OPPORTUNITIES STATEMENT

We recognise our pro-active role in valuing and promoting diversity, fairness, social justice and equality of opportunity by adopting and promoting fair policies and procedures. We will check this policy and associated procedures regularly for their equal opportunity implications, taking appropriate action to address inequalities likely to result or resulting from implementation of the policy and procedures. We are committed to providing fair and equal treatment to all applicants and tenants and will not discriminate against any on the grounds of race, colour, ethnic or national origin, religion, age, gender sex, sexual orientation, marital status, family circumstances, employment status or physical ability.

19. PROCESSING INFORMATION – GENERAL DATA PROTECTION REGULATIONS

Cassiltoun Housing Association will process information and data contained within the Housing Applications in accordance with its Policies and Procedures relating to the General Data Protection Regulations and all applicants will be issued with a Fair Processing Notice.

All staff members will be made aware of their responsibilities in relation to the General Data Protection Regulations and will be trained in the process that the Association has introduced to ensure compliance with GDPR.

20. CUSTOMER SATISFACTION

The Association is committed to a high level of customer satisfaction in the delivery of this Policy, seeking continuous improvement. Satisfaction with the full range of services provided by the Association will be gathered independently every 3 years in line with the Scottish Housing Regulator's guidance. This will include the effectiveness of the objectives of this policy, and results will be disseminated to the Operations Sub Committee, staff, tenants and other service users.

21. COMPLAINTS

Our aim is to get it right first time, however, the Association is aware that this is not always the case and tenants maybe dissatisfied with the service that they have received. Therefore, the Association has a Complaints Policy which should be referenced where there is dissatisfaction with this policy or its operation. The Complaints Policy is available as a separate document on our website, from the Association office and, as with all of our policies, can readily be made available on tape, in Braille, in large print or in translation.

22. Policy Review

This Policy will be reviewed on a 3 yearly basis or earlier if the legislation changes to ensure that its aims are being met.