



Aberdeenshire *housing partnership*

Rent Arrears Policy

January 2005

Aberdeenshire Housing Partnership believes that effective and efficient management of rent arrears is vital to the successful functioning of the company. It understands that maximising the rental income (including service charges) and preventing rent arrears accruing at the earliest opportunity will ensure that the Partnership's commitments are met.

In cases where rent arrears do accrue, the Partnership understands the importance in taking early action so that these are kept to a minimum and arrears reduce through a fair, responsive and when necessary, firm approach.

RENT ARREARS POLICY

1.0 Our Aims and Objectives

The Partnership recognises that prevention and the recovery of rent arrears should be carried out in a just and impartial basis. Through this Policy and associated procedures, the Partnership will aim to:

- Maximise rental income collection for the organisation.
- Try and reduce arrears to compare favourably with other local RSL's and LA's.
- Ensure that Aberdeenshire Housing Partnership is financially viable and does not suffer in the future when applying for funding/loans due to high levels of arrears.
- Make affordable flexible arrangements with tenants to enable them to remain in their homes.
- Use eviction as a last resort.
- Not to unduly increase tenants financial hardship by pursuing unrealistic repayments.
- Use early intervention to try and stop tenants becoming heavily in debt.
- Offer up to date information on organisations that can provide money/debt/welfare advice.

2.0 Our Principles

The Partnership is committed to the recovery of rent arrears and will pursue negotiations with tenants and any other relevant agencies to ensure that all rent arrears owed is repaid in full. The Partnership will adhere to the following principles:

- A firm but fair arrears policy applicable to all tenants.
- Be consistent in applying our policy and procedures to all arrears cases.
- Keep tenants informed of our policy and their individual case.
- Work with other agencies/organisations to give specialist advice and help.
- Offer where financially possible a wide choice of payment methods.
- Involve tenants in the setting of the arrears policy
- To monitor cases regularly by the Housing & Property Services Manager/Management Team.

- To monitor performance to ensure achievement of targets and objectives.
- Continuously review the policy to reflect Best Practice.

3.0 Our Targets

The following targets have been set and agreed with the Housing Committee. These targets will be reviewed and set on an annual basis in order to be current, achievable and to reflect Government and legislative changes, which may affect rent collection, negatively or positively:

3.1 Performance targets

Our arrears target for March 2005	6.5% of rent roll
Our arrears target for March 2006	5.0% of rent roll

3.2 Comparisons & benchmarking

Whilst Communities Scotland does not set a rent arrears target the Scottish average level of rent arrears was 4.6% of gross rental income.

4.0 Our Key Stages:

The following targets are to ensure that prevention and early recovery of rent arrears is maximised. The Partnership recognises that the complexity of individual rent arrear cases means that there are individual circumstances which need to be dealt with sensitively and flexibly.

- **Key Stage 1:**

Within 2 weeks of their monthly rent being overdue, all tenants will be issued with an invoice, leaflet 1 and a rent statement.

- **Key Stage 2**

Within 4 weeks of their monthly rent being overdue, tenants will be contacted directly by phone or in person. An NOP, covering letter and leaflet 2 (served by Sheriff Officers) will be issued when tenants are a minimum of £150 in arrears.

- **Key Stage 3**

If tenants are £500 in arrears all cases (without a repayment plan or not keeping to the repayment plan) will be enrolled in Court. Letter 2 and Leaflet 3 will be issued.

- **Key Stage 4**

All cases being considered for eviction will be visited by 2 members of staff, wherever possible, by the Housing Officer and the Housing & Property Services Manager.

5.0 Information, help and advice

5.1 Extended payment methods available from 1 April 2005

- Cash, cheque Standing order, Direct debit, Debit/Credit card (24 hour payment facility), PayPoint, Payzone, Post Office payments by swipecard.

This extended range of payment methods allows tenants the freedom to choose which way best suits their lifestyle. The aim is to offer a flexible range of options which recognises the diverse geographical spread and make up of our stock. The payment methods we offer also help support local facilities and businesses sustaining existing communities.

5.2 Information leaflets

The following services are publicised in our range of leaflets sent to tenants at each key stage of the arrears process.

- Rent statements are sent with all arrears letters and
- Scheduled Home Visit Service.
- Referral to Money Advice Services
- Referral to welfare benefits Advice
- Evening/lunchtime appointments by arrangement
- Information leaflet and a visit at each key stage
- Confidential advice from fully trained staff with authority to agree a realistic repayment plan.

5.3 Pre tenancy services

It is important that at 'offer stage' new tenants are made aware of their responsibility for rental payments including organising their housing benefit claim.

5.4 At offer stage

- We will send out our written offer, details of the weekly rent and any service charges on our offer sheet. A receipt from the housing benefit office (confirming HB form received) or one months rent will be required before keys are given out for their new property. This amount can be reduced at the discretion of the Housing Officer to reflect tenant's financial circumstances.
- We will help tenants complete their form by phone or in person.
- We will automatically issue a swipecard to all new tenants. This means that should their circumstances change or they wish to change payment methods they can use their swipecard without delay.

OUR PROCEDURES

6.0 Staff Responsibilities

The Housing and Property Manager will be responsible for giving guidance and support to staff when dealing with tenants who are in rent arrears.

- As a first point of contact the person answering the phonecall is responsible for taking accurate information and details from tenants. However agreeing to a new repayment plan suggested by the tenant must be passed to the Housing Officer for their authorisation.
- Each Housing Officer is responsible for all arrear cases in their patch. The Housing Officer is responsible for pursuing all cases up to and including eviction. They are responsible for ensuring that the appropriate authorisation is received before they progress a case to the next stage.
- The Housing & Property Services Manager is responsible for the arrears overall and in accordance with the monitoring requirements meeting regularly with the Housing Officers to review. The Housing & Property Services Manager is responsible for providing accurate arrears information in a monthly report to the Management Team/ Housing Committee/Board.
- The Management Team is responsible for discussing these figures and agreeing any strategic action necessary.
- The arrears report is provided in full to the Housing Management Committee, which currently meets monthly. The Committee is responsible for examining the figures, agreeing and suggesting further steps for the Staff Team to implement.
- The arrears report is included in summary form in the Quarterly Performance Report discussed at the appropriate full Board Meeting.

7.0 **SUMMARY OF ARREARS ACTIONS**

Week	Action required	Information sent
2 weeks rent overdue	each tenant in arrears will have an invoice, a leaflet & rent statement issued.	Invoice and leaflet 1 & rent statement.
3 Weeks rent overdue	those tenants who have not responded to the invoice to be visited or phoned.	Contact form to be completed when contact made by phone/visit.
*4-5 Weeks rent overdue /£150 rent arrears	tenants served a NOP and contacted by phone or in person. Repayment plan to be agreed.	Pack issued to Sheriff Officers: NOP, cover letter, leaflet 2 & rent statement. <i>Contact form to be completed if outstanding.</i>
6-8 Weeks rent overdue	Personal contact to be made. Repayment plan to be agreed.	<i>Contact form to be completed if outstanding.</i>
8-10 Weeks rent overdue	Those cases not keeping to their repayment plan to be referred to solicitor to enrol the case in Court.	Letter 2, Leaflet 3 & rent statement.
10-16 Weeks overdue	While awaiting the Court Date the case is to be monitored on a weekly basis and solicitor advised of any changes.	
16-18 Weeks rent overdue	Court hearing.	
16 Weeks rent overdue	Court hearing outcome considered and payments monitored.	Visit. Letter 3 & statement.
16 Weeks +	If decree granted and no payments or inadequate payments made eviction procedure to be implemented.	Visit by Housing Officer & Housing & Property Services Manager.

7.1 Clarification:

NOP

To protect AHP from the risk of increasing debt a NOP will be served in all cases where the debt is over £150 including cases where a repayment plan is being adhered to. At the Housing & Property Services Managers discretion a NOP maybe served in cases where the risk of escalating arrears or past history require a NOP to

be served below the £150 level. At the Housing & Property Services Managers discretion a NOP may also be served for persistent late payment of rent.

7.2 Court action

All arrears cases over £500 without an agreement plan in place or making inadequate/erratic payments will be enrolled in Court. A Home visit will be carried out prior to the Court Hearing date.

7.3 Case Reviews

Even in cases where tenants are making payments it is important to maintain contact with tenants as it may give early warning signs of payment problems or serious debt problems.

To ensure that cases are monitored closely and that tenants can discuss any changes which may affect their payments, the top 10 arrear cases (regardless of amount owing) will be contacted on a 3 monthly review basis. The phone call or visit will be to check the tenant is managing, offer advice if their circumstances have changed and ensure that they are aware of the importance of making each payment and the length of time the payments need to continue.

7.4 Acknowledgment of arrears being cleared

When cases over £500 have cleared their arrears in full the acknowledgement card will be sent. This will inform the tenant that their rent account is now clear and asks them to contact us and confirm their payment amount/payment methods for the future.

8.0 Information, Advice and Help

Aberdeenshire Housing Partnership is committed to providing information and advice tailored to tenants' specific circumstances. Housing Officers are encouraged to be proactive phoning and pursuing HB claims, backdates etc and phoning agencies and making appointments for tenants whilst in their home.

We liaise closely with the Citizens Advice Bureau's Money Advice Team and Gordon Rural Action to encourage tenants to use Money Advice services. Because many tenants have multiple debts it is advantageous for the tenant and ultimately Aberdeenshire Housing Partnership for all of a tenant's money problems to be addressed.

8.1 Evening Appointments

By appointment tenants can request an appointment between 5-7pm. This gives working tenants more flexibility and options for receiving early advice and help with their arrears, where appropriate. For personal safety of staff all requests must be discussed and authorised by the Housing & Property Services Manager.

8.2 Home visits

Home visits can be arranged at a tenant's request during Office hours.

9.0 Monitoring And Review

We will monitor all relevant aspects of our rent arrears policy.

Aberdeenshire Housing Partnership will also monitor such items as:

- Methods of rent payment methods to ensure we offer a wide choice;
- checking that the service is effective and fair to all tenants;
- seeking tenants' views on the service;
- reporting results on a regular basis;
- reviewing policies, practices and performance at regular intervals.

9.1 The Housing & Property Services Manager is responsible for ensuring that this policy and the procedures which support it are implemented by all relevant staff.

9.2 This policy is to be reviewed by the Housing Committee every 2 years, or following a substantive legislative or performance requirement.

10.0 Other Related Policies

- Complaints policy
- Equal opportunities policy
- Data protection policy
- Allocations policy

Policy reference number	H01
Current version approved	20 January 05
Policy approved by	Housing Committee
Date of next review	20 January 2007
Policy complies with	Communities Scotland Performance Standard AS1.8

GLOSSARY OF TERMS

Best Value	A method by which RSL's and LA's can assess all services by applying 4 principles: challenge, consult, compare and compete.
Continuous improvement	Government initiative to encourage RSL's and LA's to focus on improving their performance, services provided and value for money.
Benchmarking	Good practice method of checking our performance against other organisations.
RSL or LA	Registered Social Landlord, Local authority.
NOP	Notice of seeking possession. Required legal notice giving tenant 28 days notice that case will be enrolled in Court if arrears not cleared. This notice remains valid for 6 months.
Court case sisted	Case put on hold by Sheriff. If tenant does not make satisfactory payments Aberdeenshire Housing Partnership can have the case heard again and apply for decree (eviction).
Decree granted	Means the Sheriff has granted an eviction order. Aberdeenshire Housing Partnership can then automatically ask Sheriff Officers for an eviction date.
Swipecards / FCS cards	Our plastic rent payment card like bankcards automatically issued to each tenant at start of tenancy. This enables tenants to make payments only to their rent account at any Post / paypoint.
Allpay.net	Our provider of swipe cards and financial services related to rent payments. They also through a software package provide information on a daily basis the payments made by tenants for posting to their rent account.
Paypoint / Payzone	Alternative option to Post Office for tenants to pay rent. Paypoint and Payzone are offered by newsagents, garages and small shops. Payments by swipe card are accepted and processed in the normal way by allpay.net.
Annual rent debit/ Rent roll	The total annual rent amount due from all our tenants rents.
Repayment Plan	A series of payments agreed between the tenant and Aberdeenshire Housing Partnership to repay their arrears within a set period.