

POLICY

RENT MANAGEMENT

Wellhouse - The Place to Be

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Reviewed by: Housing & Customer Services Manager

We can produce this document in different formats, for instance, in larger print, Braille or audio-format; we can also translate this document into specific languages, as appropriate.

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Linked Policies/Procedures

1.	Equalities and Diversity Policy
2.	Openness and Confidentiality
3.	Customer Engagement and Participation Policy
4.	Complaints Policy
5.	Allocation Policy
6.	Income and Debt Recovery
7.	Rent and Service Charge Policy
8.	Data Protection Policy
9.	Repairs and Maintenance Policy

1. Vision and Values

Wellhouse – the Place to Be.

Our Rent Management Policy is a strategic policy in helping us deliver our vision of 'the place to be' by promoting a sustainable community, social justice and equal opportunities.

The policy is underpinned by our strategic values of Trust, Honesty, Integrity, Excellence, Accountability and Sustainability.

2. Governance

Wellhouse HA is a community controlled Registered Social Landlord and is managed by our Management Committee.

Our rent management policy has been approved by the Management Committee, and they will monitor its implementation, to ensure that it delivers against our strategic aims, promotes our strategic values, delivers against our agreed service standards and that outcomes are broadly in line with targets set and our equality duties.

3. Policy Aims

We are committed to doing all that we can to help our customers pay their rent and to help them when things go wrong. The rents our customers pay are the main income that we receive. Making sure that all our customers pay their rents on time and in full is vital for us to keep delivering excellent services and providing high quality and affordable homes. When a customer does not pay their rent, it impacts on all our customers. We ask our customers to tell us as soon as there is a problem so that together we can agree an arrangement to keep their account clear.

Because our customers' rents are our main income and loss of income impacts on all our customers, we are committed to using all the powers that we have to support and encourage our customers to pay their rents. If customers consistently do not pay their rents, we will take legal action; this could mean the tenant will lose their home.

We will make every effort to recover Former Tenant debt and this will be pursued using internal resources and external debt recovery agencies.

4. Equal Opportunities and Human Rights Statement

We aim to ensure that all our services provide equality of opportunity.

We will not discriminate against any individual for any reason, including age, disability, gender re-assignment, marriage, civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation, or other status.

We will promote equality and diversity throughout our rent management policy and related procedures by:

- providing accurate and clear information to tenants about their rental responsibilities, rent arrears and any other debts owed to the Association
- using interpreters for people from black and minority ethnic groups, or for disabled people, as appropriate
- responding to the different needs and service requirements of individuals (including those with protected characteristics)
- monitoring arrears services to ensure that our services are delivered without any form of discrimination, as well as promoting awareness of equal opportunity matters

5. Legislation

The following legislation is relevant to this policy:

- The Housing (Scotland) Act 2014
- The Housing (Scotland) Act 2001 & 2010
- Equality Act 2010
- Data Protection Act 2018
- Human Rights Act 1998
- Welfare Reform Act 2012
- Debtors (Scotland) Act 1987
- Homelessness etc. (Scotland) Act 2003

6. Scottish Housing Charter

The Scottish Government's Social Housing Charter came into force in April 2012 and was reviewed in 2019 and in November 2022. The Charter sets out the standards and outcomes that Registered Social Landlords should achieve.

There are 5 outcomes under the Charter that are especially relevant to our rent management policy, these are:

Outcome 2 Communication

Social landlords manage their business so that:

- tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides

Outcome 11 Tenancy Sustainment

Social Landlords ensure that:

- Tenants get the information they need on how to obtain support to remain in their homes and ensure suitable support is available, including services provided directly by the landlord and other organisations.

Outcome 13 Value for Money

Social Landlords manage all aspects of their business so that:

- Tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay

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 service users can afford them
- Tenants get clear information on how rent and other money is spent, including details of any individual items of expenditure above thresholds agreed between landlords and tenants

7. Our Principles and Standards

To make it as easy as possible for our customers to pay their rents we:

- Offer a choice of ways to pay rent
- Deal with any rent queries immediately
- Contact customers as soon as they miss a payment
- Deal sympathetically where customers are having difficulties paying their rent
- Help our customers to find out what benefits they may be entitled to
- Provide our customers with support to budgeting and signpost them to other relevant agencies which can help
- Make reasonable efforts to agree reasonable plans for future payment of rent and arrears.
- Take all action available to us to collect rents and reduce arrears where customers do not pay their rent.

8. The Policy

Current rent

Rent is due on the first day of every month and should be paid from day one and in advance. Our customers who are tenants sign a Tenancy Agreement with us. The Agreement sets out their rights and obligations. Signing the agreement means that our customers are committing to pay rent for the home they live in.

We provide a range of ways for our customers to pay rent with the preferred method being Direct Debit, however we also offer:

- Payment by standing order
- Allpay outlets such as the post office and local convenience stores
- Internet payments
- Call our office to make payment over the phone or pay in person at the office
- Through housing allowances and benefits

Wellhouse promote a positive 'rent first' payment culture, reinforced in our communication strategy, newsletter articles and leaflets specifically aimed at promoting the importance of timely payment. We issue our customers with an annual rent statement which show how much rent has been paid, when and how it has been paid. We will provide a rent statement upon request, and we will discuss the rent statement with our customers during a home visit.

We make sure that our staff are well trained in dealing with difficult subjects, such as, multiple debt and rent arrears. Staff attend regular training courses to ensure they have the most up to date information on benefits, welfare advice and debt counselling. We also make sure that our Management Committee are aware of the issues around debt and any relevant policy and legislative changes.

We will publicise numbers of legal actions and evictions in our newsletters and website.

New Tenants

We spend time with new tenants to tell them about

- Their rent and any service charge for their home
- The need to pay their rent from day one and in advance
- When the rent is due and how to pay it
- How to apply for assistance with housing costs
- The offer of a welfare benefits checks to make sure they are receiving all the benefits they are entitled to
- How much it costs to run a home
- Their responsibilities and rights as a tenant or a joint tenant
- What to do if they are having difficulties paying their rent
- Asking how they would like us to communicate with them – offering letters, e-mail, text messages
- Signposting to local advice and support agencies that are available

We appreciate that there is a lot to take in before signing the tenancy agreement with us, so we visit all new customers within 8 weeks of commencement of the tenancy and we use that opportunity to go over the information about rent and paying rent.

Where any arrears occur, we will visit the tenant and confirm the bullet points above with the tenant and explore:

- Reason for non-payment
- Support needs
- Household composition and contact details, especially qualifying occupiers
- Complete an income & expenditure form
- Offer appointment with Income Advisor for benefit check including Discretionary Housing Payment qualification, Housing Benefit, Universal Credit, Arrears Direct
- Reach a repayment agreement

Note: we promise to always send a confirmation of what we have agreed; payment amounts, start date and plan of action/monitoring frequency and include all of these details in our Housing Management Computer system.

All new customers will receive a Tenants Handbook, including specific information on all aspects of rent and benefits. A diagram showing “What rents pay for” is included in all new customers sign up packages.

Our approach to arrears

We know that people’s circumstances can change suddenly. This can mean that customers fall into arrears. We operate an open-door policy for our customers and ask them to contact us soon as they begin to find it difficult to pay their rent.

We recognise that arrears can arise for multiple reasons and also that not paying the rent can mean that there are more complex financial problems.

There are a number of ways in which customers fall into arrears:

- a change in personal circumstances (e.g., relationship breakdown)
- loss of income (e.g., loss of job or reduced income as a result of Covid-19)
- low household income in general and additional pressures on income
- multiple debts
- tenants having difficulty managing their finances
- where there has been a delay in benefits being processed and payment is delayed
- where people pay late
- where people do not update their standing orders and continue to pay the old rent amount
- where new customers do not pay from day one or in advance
- where customers miss a payment
- where customers consistently do not pay rent

We will intervene as early as possible, being aware of the current economic climate and welfare reform. We can fix some of these arrears with our customers’ help, but arrears still impact on all our customers and services that we can provide. We ask for

customers to co-operate with us in sorting out their arrears and we work with Glasgow City Council and Department of Work and Pensions (DWP) in relation to any housing costs. We will always let customers know if they are in arrears and encourage them to pay on time and update direct debits and standing orders each year. We issue all our customers with an annual rent statement and that will show clearly when and how they pay. We will discuss how people are paying their rent at each home visit.

We know that customers can miss a payment because of unexpected demands on their incomes. We contact our customers as soon as a payment is missed and make an arrangement for the payment to be made or we agree how the tenant can make up the arrears. We arrange with the tenant to pay the rent either at once or over a period of time. We expect customers to continue to pay their rent and pay the arrangement. Our arrangements to repay will always be realistic and we will offer customers advice and, if necessary, signpost them to local agencies who can help with budgeting.

Immediately upon identifying a Committee member with rent arrears the Housing Officer will, in addition to following Policy as for all other tenants, advise the Housing Manager of the case. The Housing Manager will, in turn, raise the case with the Association's Director who will approach the Committee Member to discuss their responsibilities should they not immediately contact the Housing Officer to deal with the arrear.

We check weekly, fortnightly, 4-weekly or monthly as required depending on the payment arrangement to ensure that the tenant is keeping to their agreement and follow up if this fails.

Early intervention is the best way in supporting our customers to avoid arrears and to keep their home. Our main driver is to help avoid unmanageable debts building up.

We ask our customers:

- To pay their rent on time and in advance
- To tell us if their circumstances change
- To keep any arrangements they make with us
- To keep in touch with us

We ask ourselves to:

- Check accounts regularly and in accordance with policy and procedure
- To take a preventative approach where possible
- To act early, apply consistency and progress cases accordingly
- To treat tenants with dignity
- To make the majority of contacts face to face
- To maximise income due to Wellhouse Housing Association

Consistent non-payment of rent

Where customers consistently do not pay their rent, do not engage with us or work with us to reduce their arrear, the arrears process will be escalated and at each stage we will continue to:

- Offer to make a realistic arrangement with our customers who are in arrears;
- Offer advice and put them in touch with our own Income Advisor and money advice agencies, if appropriate;
- If customers are on benefits, then we will do a benefits check to make sure that they are receiving all the benefits they are entitled to;
- If the arrear is as a result of welfare benefit policy then we will support them to make an application to the discretionary housing fund;
- Explore whether there are organisations or charities that might be able to provide help and assistance and put tenants in touch with these sources of help.

We ask our customers to keep to the arrangements they make with us and to tell us if things change that impact on them keeping their arrangement. Where all possible support has been explored, multiple arrangements are persistently broken and the arrears are not reducing then the arrears process will be escalated and legal action will be considered.

Taking Legal Action

We do all that we can to help the customer to put things right and to encourage all our customers to pay their rent and keep their account clear. However, because of the impact of not paying rent on all of our customers, we will take legal action.

Where we instigate legal action, by booking the case to court, against a committee member concerning their arrears, they will be required to step down as a committee member, by rule. The same general rule would apply to tenants applying to join Committee as new members. They would not be able to do so.

There are various types of action that can be considered, including a Repayment Decree, wage arrestment or a Decree for Recovery of Possession i.e., eviction. However, we always want to support our customers at every stage of the escalation process:

- We will hand deliver the customer a Notice of Proceedings, which says that we intend to take court action which will give a minimum of 28 days-notice depending on the tenancy agreement. The Notice allows us to raise an action in court at any time over the subsequent 6 months. At the end of the six months, we may issue a new Notice if required.
- A copy of the Notice of Proceedings will also be served on all qualifying occupiers, within the household
- If the customer does not contact us when they get the Notice, we may proceed with court action. Customers will be liable for court costs.
- If we proceed with court action, even at this stage, we will be prepared to make a realistic arrangement with the customer.
- At court we can request a Continuation if there is a change in circumstances, suspend (Sist) the court action so that the customer gets a chance to keep to an

agreed arrangement or seek Decree for payment and/or recovery of possession. Court costs will apply even if the arrears have been cleared.

- It is for the Sheriff to decide whether tenants should lose their home. Customers have a right to be represented and the Sheriff has the power to ask that arrangements are made for a period.
- If the Sheriff decides that all reasonable steps have been taken to support the tenants and that they have had chances to put things right and chosen not to, the Sheriff may decide that they should lose their home by awarding a Decree. The Sheriff will only grant Decree if satisfied it is reasonable to do so.
- The Management Committee will then consider whether to enforce the Decree.

We ask our customers:

- To contact us if they receive a Notice of Proceedings
- To make an arrangement with us to clear their arrears
- To keep in touch with us and work with us to clear their arrears
- To meet the costs of any court action which we have to take in relation to their arrears.
- To understand that not paying their rent can mean that they may lose their home.

We will make an arrangement at any time with customers to clear their arrears and pay their rent and will continue to offer support. However, once a case is enrolled in court, legal action will continue until the account is clear.

We ask ourselves to:

- Give every opportunity for the situation to be remedied;
- Contact tenants who are not engaging at evenings and weekends;
- Offer the tenant a meeting with the manager at Notice of Proceedings stage;
- Send an invitation to offer the tenant a meeting with the Director at Court stage;
- Serve a pre-abandonment letter in the absence of contact from a tenant;
- Serve letters from Housing Officers, Solicitors or Sheriff Officers at pre-court stage; and when the case is enrolled in court and continue Officer contact;
- Recommend eviction when we are sure it is the only remedy;
- Ensure the management committee have the final say on an eviction.

For Wellhouse HA, eviction is a costly failure and counter to our primary objective of offering social housing to those in need. However, we accept that in the small minority of cases this will be the only option. Therefore, there will always be an independent review of the case prior to the decision, asking:

- Have we done all we can to avoid eviction;
- Has all relevant, policy, procedure and best practice been followed;
- Has the tenant been given good quality advice and support;
- Have we assessed vulnerability as a variable in the situation;
- Have we made the appropriate external referrals and followed them up;
- Have we asked ourselves is eviction a reasonable, proportionate and financially sound action.

In limited cases tenants will lose their home through non-payment of rent. Consideration will be given to any new information presented which may have a bearing on evicting a tenant. In certain circumstances the Management Committee may agree on a decision to evict and offer a Short Scottish Secure Tenancy with support.

When persistent non-payers are awarded more than one eviction decree, eviction will be considered even if the debt is cleared.

Technical Arrears

Technical Arrears reflect the delay in payments that occur when Housing Benefit is paid to the Association for qualifying tenants. This is paid on a 4 weekly cycle and our rents are charged monthly which may leave an arrear which is coverable by Housing Benefit.

Similarly, there is a delay in Universal Credit Housing Element payments. However, Universal Credit is a personal payment paid monthly directly to the tenant and the onus is on the tenant to ensure payments are made on time. The landlord can request payment of the rent or arrears direct from Department of Work and Pensions under certain circumstances such as arrears on rent account, tenants who require support or at the request of tenants.

Former Tenant Debts

The Rent Management Policy is designed to minimise current tenant arrears. This in turn should assist in reducing former tenant arrears. In line with the objective of maximising rental income, staff will pursue former tenants with outstanding arrears.

Former tenant debts occur when a customer is no longer the Scottish Secure Tenant of the property having lost their tenancy through the following events:

- Eviction
- Termination of Tenancy
- Assignment
- Death (through the winding up of deceased's estate)
- Transfer
- Abandonment

Court Costs do not require further actions raised to recover the debt. The original decree granted with costs should be used to recover court costs even if the costs relate to a tenancy that is no longer current. Staff will contact the former tenant and discuss the arrear to be paid in full or to agree a repayment plan. If the former tenant is unwilling to co-operate staff may pass the debt onto a debt recovery agency. If we do not have a forwarding address, staff will take appropriate action which may include contacting the former tenant's next of kin. Staff may also instruct tracing services through a debt recovery agency.

Following legal advice and audit recommendations, due to legal and court action costs, it would be uneconomical to pursue court action against any former tenant with a lower arrears level. Current level proposed is £350. Court action for arrears over £350 will be considered.

Each year the Association makes appropriate budget provision for bad debts in relation to former tenant arrears. It is good business practice to write off former tenant arrears. This does not mean arrears written off are not recoverable. While we would not legally pursue a written off debt, we may still hold a former tenant liable for any outstanding debt owed to the Association.

The Prescription and Limitation (Scotland) Act 1973 sets out the rules on how long a creditor (the Association) has to take certain action to recover a debt. This time is five years for a debt to be 'statute barred'. For a debt to be statute barred after the five-year time period, the following must apply during this time period:

- The creditor (the Association) has not made contact about the debt owed.
- The creditor (the Association) has not obtained a decree during the last five years.
- The debtor (tenant) has not made a payment on the debt during the last five years.
- The debtor (tenant) has not written to the Association admitting they owe the debt during the last five years.

During the financial year, the Association will compile a list of former tenant arrears cases which are deemed to be non-recoverable. Typically, this will involve former tenants whom we cannot trace or a reason given that makes the arrear uneconomical or unable to pursue. Management Committee will review the list and decide which cases may be written off as bad debts.

9. Monitoring and Performance

We report to our Management Committee on rent arrears 4 times per year and more if arrears are increasing. We do not name our customers in our reports; each tenant in arrears has a unique reference number. We treat all information relating to arrears in confidence and investigate where there have been any breaches. We follow our policies on Openness, Confidentiality and Data Protection.

However, there is a potential conflict of interest in terms of Committee involvement in dealing with arrears related issues where a committee member themselves has rent arrears.

9.1 Conflicts of Interest

The general rule to be applied in the case of existing Committee members is that if the Committee member concerned has responded immediately to notification of their arrears by paying these off in full or by entering into and maintaining an appropriate

arrangement under the terms of the Association's Rent Arrears Policy then the conflict would be considered satisfactorily resolved. Otherwise, the Committee member concerned would be considered to have a conflict of interest and consequently would be required not to participate in any discussions relating to rent arrears. This would require declaring an interest in the relevant Agenda Item of any Committee Meeting. The same general rule would apply to tenants joining Committee as new members

See also Section 8 Policy for further details.

10. Consultation

We aim to deliver excellent services, which respond to local needs and reflect what is most important to our customers.

To do that we need our customers to tell us how well our policy is working and help us to make the changes which will improve it. In line with our Customer Engagement and Participation Policy:

- We make it easy for customers to give us their comments and views - face to face, by telephone, e-mail, online or in a letter.
- We commission formal independent tenant satisfaction surveys on a continuous monitoring basis carried out every three months.
- We consult our Customer Opinion Panel
- We publish the targets we set
- We publish how we have performed against those targets

We use customer feedback to review our policies and talk to customers about the changes we are making.

11. Complaints

We have a separate complaints policy and procedure. Leaflets and copies of the complaint's procedure are available from the Association's office and on our website. We also provide information on how our customers can make a complaint to the Scottish Public Services Ombudsman (4 Melville Street, Edinburgh EH3 7NS, telephone, 0800 377 7300) and how to contact the Scottish Housing Regulator.

The Ombudsman will not normally deal with complaints unless customers have followed the Association's complaints' procedure

12. Review Timeframe

The policy will be reviewed every three years, or sooner, in response to a change in legislation or circumstance. The Housing and Customer Service Manager will be responsible for reviewing the policy.

13. General Data Protection Regulation UK

The organisation will treat personal data in line with our obligations under the current data protection regulations and our own GDPR Policy. Information regarding how data will be used and the basis for processing data is provided in Wellhouse HA's privacy notice.