

***Paragon Housing Association Limited***

<b>POLICY:</b>	<b>ARREARS</b>
<b>POLICY AREA:</b>	<b>HOUSING MANAGEMENT</b>
<b>DATE APPROVED:</b>	<b>10/04/13</b>
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**1. Policy Statement**

In accordance with the Association's tenancy agreement the payment of rent is the responsibility of every tenant.

Rent is the Association's main source of income and it is therefore essential that arrears from current and former tenants are kept to a minimum.

The aim of the Association's Arrears Policy is to maximise rental income by prompt, effective recovery and control of rent arrears by both current and former tenants.

The Association's objectives are to:

- Prevent arrears arising wherever possible.
- To provide clear advice at the beginning of, and during the tenancy in order to minimise arrears.

- To ensure that all tenants receive early, clear and concise information on the debt.
- Secure an agreement for payment of arrears that is realistic, sustainable and acceptable to both parties.
- To contain current tenant arrears to an agreed target percentage. The target will be reviewed annually.

## **2. Introduction**

The purpose of this policy is to provide a guide to good practice in arrears control.

An arrears policy is necessary:-

- a. To safeguard the financial viability of the Association e.g. arrears can impact on the long term improvement and maintenance plans of the Association.
- b. To review the rent arrears situation over a specified period.

## **3. The Scottish Social Housing Charter**

This policy is designed to comply with the Scottish Social Housing Charter (The Charter).

Charter Outcome No 1: Equalities

Social landlords perform all aspects of their housing services so that:

- Every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.

Charter Outcome No 3: Participation

Social landlords manage their business so that:

- Tenants and other customers find it easy to participate in and influence their landlord's decision at a level they feel comfortable with.

Charter Outcome No 11: Tenancy Sustainment

Social landlords ensure that:

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

## Charter Outcome No 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.

### **4. Background on Legislative and Regulatory Framework**

The Association seeks to ensure that its Arrears Policy reflects the current “good practice and complies with the following legislation:

- The Housing (Scotland) Act 2001& 2010
- The Data Protection Act 1998
- The Equalities Act 2010
- The Homelessness etc. (Scotland) Act 2003

The Association will ensure that it complies with the Scottish Housing Regulator (SHR) Regulatory Framework for social housing and guidance for monitoring the Association’s performance in achieving the outcomes and standards in the Charter.

### **5. Preventative Measures**

New tenants will receive a settling in visit from their Housing Officer within 6 weeks of them moving into their house. The Housing Officer will:-

- Provide rent and benefits advice
- Check the tenant satisfaction levels.

The Association will encourage tenants through our Newsletters to contact the Association at the earliest opportunity should they find they have difficulty paying their rent.

The Association will ensure that in all rent arrears cases the pre-action requirements steps are completed before serving a notice on the tenant. In brief, the pre-action requirements are to:

- Give clear information about the tenancy agreement and the unpaid rent or other financial obligations;
- Make reasonable efforts to give help and advice on eligibility for housing benefit and other types of financial assistance;
- Give information about sources of help and advice with management of debt;
- Make reasonable efforts to agree with the tenant a reasonable plan for future payments;

- Consider the likely result of any application for housing benefit that has not yet been decided;
- Consider other steps the tenant is taking which are likely to result in payment within a reasonable time;
- Consider whether the tenant is complying with the terms of an agree plan for future payments; and
- Encourage the tenant to contact their local authority.

## **6. Procedures**

The Association has a detailed procedure for dealing with rent arrears for current and former tenants in arrears.

In the case of former tenant arrears the Association will ensure that all reasonable steps are taken to recover arrears outstanding including the use of debt collection agencies.

## **7. Data Protection**

The Association is required to comply with the Data Protection Act 1998. Information provided to and sought by the Association in connection with rent arrears can only be used for this purpose. All such information is treated in the strictest confidence.

The Housing (Scotland) Act 2001 requires that qualifying occupiers must be served a Notice for Recovery of Possession in addition to the tenant. In this case the rights of qualifying occupiers supersede the Data Protection provisions. Qualifying occupiers require information about any intended legal action against a tenant to enable them to defend their legal rights. Qualifying occupiers are members of a tenant's family, aged 16 years and over, living with the tenant in the property.

## **8. General Information and Advice**

The Association's tenant's handbook contains information on payment of rent and housing benefit and is provided to tenants when signing up to their tenancies. Regular newsletters also provide any relevant information and advice as available and appropriate.

A finance handbook is also made available to all Association tenants giving general information and advice on money management.

Tenants in arrears are given details of local advice agencies where they can obtain money advice or assistance with debt management.

Information on how to pay rent and contact details for arrears can be found on the

Association's website at [www.paragonha.org.uk](http://www.paragonha.org.uk) .

## **9. Liaison with Social Services and Other Agencies**

The Association's staff will liaise, as appropriate, with Social Services and other agencies who are involved with households in arrears. Any exchange of information will be treated with the strictest confidence in accordance with the terms of the Data Protection Act 1998.

In accordance with the Homelessness etc. (Scotland) Act 2003 when court proceedings are being raised to obtain a Decree for Repossession against a tenant the Association will serve a Section 11 notice on the relevant local authority.

## **10. Tenant/Committee Members in Arrears**

The Association expects Committee Members to maintain a high standard of conduct. They are required not only to develop the rent arrears policy but to consider individual arrears cases. It is important that where the Association's Committee comprise of tenants there is not a conflict of interest. For tenant members, where rent arrears have accrued and a notice of proceedings for recovery of possession has been served the matter will be referred to the full Management Committee. A Committee Member can be removed from office if 2/3 of the remaining Committee vote in favour of this at a special meeting of the Committee convened for this purpose.

## **11. Equal Opportunities**

The Association aims to promote equal opportunities and will ensure that its staff act in a manner which will not discriminate against any individual, household or group on the grounds of any of the nine protected characteristics set out in the Equalities Act 2010. These are:

- Age
- Disability
- Gender Reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion and belief
- Sex
- Sexual orientation

## **12. Complaints**

The Association is committed to providing high-quality customer services. It accepts that despite the best efforts of staff, problems may arise from time to time. If its customers feel dissatisfied with its policies, the way these are implemented or the level and quality of service provided, they may wish to make a complaint. Should such a situation arise staff are committed to investigating the matter fully and ensuring a satisfactory solution is achieved as quickly as possible. The Association has adopted the SPSO's complaints handling procedure which sets out the standard approach to handling complaints which is to be used across the housing sector.

Tenants who are dissatisfied with the way that their arrears have been handled can use the Association's complaints handling procedure.

Details of our Complaints Policy can be obtained from the office or from our website.

## **13. Monitoring & Review of Arrears cases**

It is vitally important that all current and former tenant rent accounts are monitored closely by the Association's staff. In order that the Association's arrears performance can be monitored efficiently, a number of key performance indicators will be collected and collated for current and former tenant arrears.

The Association's procedures detail the reports which will be submitted to the Finance and General Purposes Sub Committee, Housing Management and Investment Sub Committee and the full Management Committee.

In addition, the Association participates in benchmarking processes with other registered housing associations and these statistics are presented to the Management Committee.

Also, Senior Management will undertake documented periodic reviews of the actions being taken for arrears to ensure appropriate measures are being taken in compliance with the procedures and provide guidance on subsequent actions which should be taken.

## **14. Review**

This policy will be reviewed at least every 5 years or earlier if legislation changes.

