



**Drumchapel
Housing**
Co-operative Limited

Rent Management Policy and Procedure

This document can be produced in various formats, for instance, in larger print or audio format and it can also be translated into other languages, as appropriate.

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1. Introduction

- 1.1 The Co-operative's aim is to maintain and improve the quality of our services, housing stock and the environment. Rents are the source of our revenue income from which we provide our services.
- 1.2 The Co-operative's Rent Management policy takes account of the Scottish Social Housing Charter in particular:

Outcome 14/15: 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*
- 1.3 The rent management process must be an integral part of the Co-operative'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 Co-operative to improve and maintain our stock, meet loan charges and management costs and make prudent provision for future repairs.
 - 1.4 Timely collection of rent is a key area and the timely paying of rent will be encouraged. The main thrust of the Co-operative's Rent Management policy is prevention. Implementing a proactive procedure to prevent arrears arising, with prompt personal contact and early responsive action taken, this is crucial to avoid rent arrears debt and the potential risk of tenancies failing.
 - 1.5 The purpose of this policy and procedure is to outline the key areas of operation for arrears management within the Co-operative, and outlines the practical steps taken by the Co-operative.

2. Policy Objectives

2.1 The policy has four distinct objectives. These features are interdependent and essential, and taken together, form a comprehensive Rent Management policy which seeks to prevent and control rent arrears for tenants and former tenants. We adopt a firm but sensitive approach to arrears recovery, advocating early action to prevent arrears arising or increasing -

- Prevention
- Control
- Recovery
- Performance Monitoring

3. Risk management

- 3.1 By having a detailed policy and procedure on rent management, we ensure that a uniform and professional approach is adopted throughout the organisation and the service delivered is compliant with law and best practice.
- 3.2 Without a rent management policy and procedure, the Co-operative is at risk of arrears escalating and in turn, reducing the flow of income. Failure to maintain an adequate income flow will impact on the level of service to tenants through fewer repairs and improvements and/or put pressure on loan repayments and potentially result in staff being made redundant.

4. Legislative and Regulatory Framework

- 4.1 The current legal context for the recovery of possession (as a result of rent arrears) is contained within the Housing (Scotland) Act 2001 and grounds are detailed within the Scottish Secure Tenancy Agreement. However, in implementing our approach, the Co-operative is also mindful of our rights and responsibilities contained within the following legislation:
- Data Protection Act 2018 – responsibilities for gathering and sharing information – staff should refer to the appropriate policy and subsequent guidance.
 - Disability Discrimination Act 2018 – ensure general accessibility of service provision, options for payment methods etc.
 - Children Scotland Act 2020 – Consider implications and options prior to taking recovery action.
 - Debtors Scotland Act 1987 – Enables the Co-operative to seek wage arrestment from a debtor.
 - Human Rights Act 2015 – responsibilities in terms of safeguarding human rights etc.
 - Housing (Scotland) Act 2010 – Pre-action Requirements.
 - Welfare Reform Act 2012 – Universal Credit rent direct payments to tenants.

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- The Coronavirus (Scotland) Act 2020
- The Cost of Living (Tenant Protection) Scotland Act 2022

5. Equality and Diversity

- 5.1 The Co-operative's Equality and Human Rights policy, which was approved by the Board in April 2021, outlines our commitment to promote a zero tolerance to unfair treatment or discrimination to any person or group of persons, particularly based on any of the protected characteristics. This includes ensuring that everyone has equal access to information and services, and, to this end, the Co-operative will make available a copy of this document in a range of alternative formats including large print, translated into another language or audio recording.
- 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 The Co-operative has 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. Delegated Authority

- 6.1 Our Housing Officers have responsibility for all rent arrears in their 'own patch' including monitoring levels of rent arrears and taking action in-line with the policy and procedure.
- 6.2 The Senior Housing Officer has overall responsibility for the implementation of the Rent Management Policy and Procedure and arrears monitoring. The Senior Housing Officer also has delegated authority to escalate recovery action by authorising a Notice of Proceedings and booking a case into court.
- 6.3 The Management Board has the authority to uphold or reject a recommendation by the Senior Housing Officer to carry out an eviction if Decree is granted at court.

7. Prevention

- 7.1 The relationship staff, tenants, Glasgow City Council Revenue and Benefits Department and the Department for Work & Pensions (DWP) is one of the key factors in managing rent arrears. The Housing Management Team must try every means possible of helping the tenant with the uptake of Housing Benefit and Housing Costs from Universal Credit. The Housing Management Team will also encourage tenants to maximise their income, thus preventing the possibility of arrears arising. Early and continued contact is key to building the relationship.
- 7.2 The Co-operative will attempt to prevent arrears from arising by ensuring that, at all times we:
- a) Set rents which are affordable to our tenants.
 - b) Offer a variety of ways in which tenants can make payments:
 - Housing Benefit directly from Glasgow City Council
 - Housing Costs directly from Universal Credit
 - Direct Debit
 - Standing Order
 - Debit/credit card payment by contacting the office
 - Cash payments within the office
 - Allpay – online debit/credit card payments or by payment card at the Post Office or PayPoint
 - c) Display posters with rent payment methods in the office reception and highlight methods in newsletters.
 - d) Advise all prospective tenants of the Co-operative's Rent Management policy during pre-tenancy interview. At this interview, staff will explain how much the rent is and the tenants' responsibility to pay, how to pay and when, give advice on Housing Benefit, Housing Costs from Universal Credit and the importance of making a claim. Prospective tenants will be advised of the importance of keeping Glasgow City Council and the Department for Work & Pensions informed should there be any changes in circumstances.
 - e) Clearly state the monthly rent charge at tenancy offers. The Tenancy Offer letter will also provide clear guidance on the 'rent due' date and advise that the first month's rent will require to be paid at the start of the tenancy. The full month's rent should be paid at the time of signing for the tenancy however, each case will be assessed on an individual basis at the discretion of the Senior Housing Officer.
 - f) Discuss payment methods for future rent payments and agree how payments will be made with the new tenant prior to the start of tenancy to suit their individual circumstances. The

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tenant should also be aware that they should contact their Housing Officer immediately if difficulties arise with making payments. The leaflet 'Paying Your Rent' will be issued.

- g) Complete a New Tenant Details Form at sign-up which will note up to date contact details and an emergency contact.
- h) Support tenants to make benefit applications to prevent rent arrears. A Housing Benefit claim or Universal Credit claim can be completed with the tenant at sign-up or the tenant can be sign-posted for support. An appointment can also be made at our weekly Welfare Rights surgeries held by the Citizens Advice Bureau. We will assist any new tenants already in receipt of Housing Benefit to apply for Housing benefit on two homes. In cases where a tenant will not qualify for full Housing Benefit but may qualify for partial benefit, they will be encouraged to make rent payments while their claim is being assessed.
- i) Housing Benefit and Housing Costs from Universal credit are by far the largest element of the Co-operative's rental income. Building up an effective relationship with Glasgow City Council and the DWP is also essential to ensure that there is no barrier to Housing Benefit/Housing Costs claims being processed. This will also avoid a build-up of technical arrears or actual arrears resulting from late or failure to make an application.
- j) There will be ongoing campaigns to encourage tenants to maximise income. This can be done via sign-posting tenants or making an appointment at our weekly Welfare Rights surgeries held by an Adviser from the Citizens Advice Bureau.
- k) In the event that a tenant qualifies for Universal Credit Housing Costs, we encourage tenants to have these paid directly to the Co-operative in-line with their tenancy agreement.
- l) All payments made by tenants to their rent accounts are normally processed within one working day.
- m) Continue to promote our online tenant portal where tenants can log on and check their rent account. We can still issue rent statements to individual tenants upon request.
- n) Normally within six weeks of a tenancy start date, the Housing Officer will carry out a New Tenant Visit. This is mainly a settling in visit; however, issues such as rent and Housing Benefit/Housing Costs will be covered during the discussion, and appropriate advice given.
- o) Provide clear and concise information regarding rent management to tenants throughout the duration of their tenancy via newsletters, text messages and home visits.
- p) Tenants will be given a minimum of 28 days' notice of the annual rent increase and notification of the new rents will be

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sent to Glasgow City Council for Housing Benefit purposes.

- q) Extensive use of home visits during working hours, periodical Saturday mornings and early evening visits and telephone calls to make personal contact will be made.

8. Control

- 8.1 Essential to the early identification of non-payment of rent is an effective rent accounting system. The Co-operative provides a fully integrated rent management system which maintains a payment history for each tenant and is easy to update with each stage of action.
- 8.2 Rent is due monthly in advance on the first day of each month. The rent reconciliation will be undertaken by the Finance Team within 5 working days of the month end.
- 8.3 As soon as a new arrear has been identified, the Housing Officer will contact the tenant to advise them that their rent account is in arrears and discuss settlement of the balance. The purpose of this early, personal contact is to establish reason for non-payment and reach an agreement on how this will be resolved and agree a payment arrangement if required.
- 8.4 Even if an arrears balance is minimal, prompt action is essential. This will prevent arrears escalating and reinforce to the tenant that arrears should be a priority. The Housing Officer will monitor all rent accounts, contacting tenants in arrears in-line with this policy. Staff will use a variety of methods to contact tenants regarding arrears and record all contact whether by telephone call, text message, letter, email, office interview or home visit.
- 8.5 A consistent approach to arrears recovery is essential. Our tenants must be made aware that non-payment of rent or, failure to complete a Housing Benefit or Universal Credit claim will trigger action in line with this policy and further recovery action will continue until the arrears are addressed.
- 8.6 An income and expenditure check will be offered to ensure a realistic payment arrangement is agreed with an end date by which the account shall be cleared. Written confirmation of any agreed action will be sent to the tenant within two working days of such an agreement. If the tenant is in the office at the time of signing the payment arrangement, a copy will be taken and given to the tenant.

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- 8.7 Joint tenants will be made aware that each one of them is fully responsible for payment of rent. The Co-operative will recover from either tenant if either one is failing to make payment.
- 8.8 Where there is the possibility of a shortfall in expected Housing Benefit e.g. as a result of a late claim, the tenant concerned will be expected to enter into an interim payment arrangement in anticipation of this being the case.
- 8.9 Action will be taken in accordance with this rent management policy and procedure.

9. Recovery

- 9.1 The Housing Officers will adhere to this policy framework and the internal procedure to control, minimise and recover rent arrears.
- 9.2 If a tenant is receiving Housing Costs from Universal Credit and is in arrears, the Housing Officer will apply to have a Managed Payment of Housing Costs (if this isn't already in place) plus direct deductions for arrears.
- 9.3 Where the tenant either fails to co-operate in reducing the arrears or continuously breaks a repayment arrangement, the Co-operative will consider taking conjoined legal action (repossession and recovery of outstanding arrears).
- 9.4 Whilst legal action is seen as a last resort in the control of individual rent arrears, the Co-operative will implement the terms of the Scottish Secure Tenancy Agreement with regard to recovery of possession. This is in instances where it becomes clear that the tenant refuses to meet their rental obligation.
- 9.5 Where a tenant fails to engage and attempts to make contact are ignored and/or the tenant fails to adhere to a payment arrangement, the Housing Officer will ensure that the 'Pre-action Requirements' set out in the Housing (Scotland) Act 2010 are met before initiating legal action. This includes issuing a Pre-action Requirement one and two letter. The Co-operative will commence legal action by serving a Notice of Proceedings for Recovery of Possession (NOP).
- 9.6 The Senior Housing Officer will review each case and give authorisation to serve a NOP which is the first stage of legal action. Under normal circumstances once an NOP has been served, a tenant has 28 days before the Co-operative can initiate legal action. The initial NOP will be signed off by the Senior Housing Officer. Housing Officers can sign off subsequent NOPs where these are required, after discussion with Senior Housing Officer.
- 9.7 Under the terms of the Housing (Scotland) Act 2001, NOPs must

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also be served upon any 'qualifying occupier' who is any adult over 16 years old residing within the household.

- 9.8 The Housing Officer will seek authorisation from the Senior Housing Officer to instruct court action if no satisfactory payment arrangement is reached with the tenant or a payment arrangement is broken. This can be done during the six months duration of a live NOP. The tenant will also be advised at the time of the NOP being served that their case will be referred to Glasgow City Council, Homelessness Prevention Team and/or Social Work Department.
- 9.9 Other remedies that may be considered by the Co-operative as an alternative to eviction action are voluntary wage deductions.
- 9.10 Where the tenant either fails to co-operate in reducing the arrears or continuously breaks a payment arrangement, the Co-operative will consider taking conjoined legal action (repossession and recovery of outstanding arrears). The Co-operative will also seek court expenses and Sheriff Officer fees where cases are lodged in court.
- 9.11 Legal action for recovery of possession is a necessary element of the arrears recovery 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 may be the likely outcome. The Co-operative has no desire to evict but will do so as a last resort to reflect the interests of tenants who do pay their rent.
- 9.12 Should the tenant make a suitable payment arrangement even once the case has been booked at court, the Co-operative will consider all options including sisting (pending) the case to monitor the payment arrangement. If the tenant fails to maintain the payment arrangement at the next court calling, decree with expenses will be sought.
- 9.13 Eviction and payment of the arrears will be requested if the tenant fails to comply with the payment arrangement agreed in court. If a Proof Hearing is set by the Sheriff to hear evidence, the Housing Officer will attend the Proof to provide evidence to 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 arrears cases is vital to proving reasonableness.
- 9.14 Once the court has granted decree, the Co-operative will seek approval from the Management Board to enforce it unless full payment, including court expenses, have been received within 28 days of the date of decree.
- 9.15 If a decree is enforced, the Co-operative will liaise with Glasgow City Council's Homeless Casework Team.

10. Performance monitoring and the role of the Management Board

- 10.1 A Performance Report will be provided at the Management Board meeting on a quarterly basis which will outline:
 - a) The percentage of gross rent arrears (Indicator 27 of the Annual Return on the Charter to the Scottish Housing Regulator).
 - b) The rent collected as a percent of rent due (Indicator 26 of the Annual Return on the Charter to the Scottish Housing Regulator).
 - c) The current arrears performance in comparison to the Key Performance Indicators (KPIs) and the previous year's ARC return.
- 10.2 An arrears banding report will also be provided outlining the total current and former tenant arrears, the number of tenants in arrears and the total technical arrears.
- 10.3 KPIs will be agreed by the Management Board on an annual basis and included within the Co-operative's Business Plan. KPIs and performance against targets will be published in newsletters, the tenants' report card and on the Co-operative's website – www.drumchapelhc.org.uk

11. Co-operation with other agencies

- 11.1 The Co-operative will work together with external agencies that may assist the tenant in managing their financial circumstances and reducing their debts, which also gives priority to their rent and their rent arrears. Housing Officers should ensure that where external advice or support is required, they sign-post tenants by making referrals (with the tenant's permission) or, provide information to tenants on where and how to access such support.
- 11.2 Welfare Rights Surgeries have been provided by the Co-operative since January 2006. Tenants can be referred by staff or can self-refer. This includes referrals for money advice, budgeting and debt management.

12. Former tenant arrears

- 12.1 The Co-operative will pursue former tenants who have an outstanding rent arrears balance. If a forwarding address is known, the former tenant will be contacted and encouraged to make a payment arrangement to clear the arrears.
- 12.2 Where either the forwarding address is not known, or the former tenant refuses to co-operate the debt will be passed onto a debt recovery agent for trace and collection.

13. Bad debt provision and write offs

- 13.1 The Management Board will consider the bad debt provision annually in accordance with the Bad Debt Provision and Write-off policy. Write-off requests will be submitted to the Management Board on a quarterly basis.

14. Confidentiality

- 14.1 The Co-operative stresses that the tenant's privacy must be safeguarded. 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 Co-operative will comply with the requirements of the Data Protection Act and GDPR.
- 14.2 Reporting of arrears cases to the Management Board will be by number code only. No tenants' name or address will be revealed at any time. Information will be provided in such a way that it should not be possible for the identities of individual tenants to be revealed.

15. Complaints

- 15.1 If a tenant or service user is dissatisfied with the level of service they have received in relation to this policy, a complaint should be made to the Co-operative who will respond in accordance with their complaints policy and procedure. Should the tenant or service user remain dissatisfied having exhausted the organisation's internal complaints procedure, they can raise a complaint to the Scottish Public Services Ombudsman (SPSO).

16. Management Board Members in arrears

- 16.1 Anonymity will be preserved at all times from Board Members in terms of considering individual cases. As Board Members are also tenants of the Co-operative, those tenants should not accrue arrears. Any Board member falling into arrears and allowing arrears to accumulate (with the exception of technical arrears) should be referred to the Management Board to invite a resignation. If a Board member falls into arrears and enters into and maintains an agreement to clear the arrears this Board member may continue to serve as a Board member however must declare an interest when arrears are being discussed and leave the meeting prior to the discussion taking place.

17. Staff training

- 17.1 Housing Management staff will be fully trained in all aspects of the policy and procedure in managing with rent arrears, and training will be updated, as appropriate. Staff will be encouraged to network with other RSLs in order to share best practice in managing rent arrears.

18. Policy reviews and tenant consultation

- 18.1 The Co-operative has developed this policy in consultation with our tenants.
- 18.2 The Co-operative will publish the policy on our website. We will make leaflets on 'Paying Your Rent' available in the office reception, we will routinely provide these to all new tenants at sign-up stage. A copy of 'What happens in Court' will also be included with any Notice of Proceedings served.
- 18.3 The Management Board will review the Rent Management Policy and Procedure every three years. The review will be brought forward if there is a need to respond to new legislation and/or policy guidance. The success of this policy be measured against the following outputs and outcomes:

OUTPUT	OUTCOMES
<ul style="list-style-type: none"> Rent Management Policy and Procedure 	<ul style="list-style-type: none"> Increased rental income
<ul style="list-style-type: none"> Income and expenditure check offered for all payment plans 	<ul style="list-style-type: none"> Realistic payment arrangements agreed and ensure rent is a made a priority with a date for arrears to be cleared
<ul style="list-style-type: none"> The Co-operative's clear position in relation to preventing rent arrears and arrears control 	<ul style="list-style-type: none"> Reduction in rent arrears cases

19. GDPR

- 18.1 The Co-operative will gather and use certain information about individuals in accordance with UK GDPR. Staff members have a responsibility to ensure compliance with the terms of the privacy policy and to collect, handle and store personal information in accordance with relevant legislation. The Fair Processing Notice (FPN) details how personal data is held and processed with third parties in accordance with relevant policies and procedure.

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