

Blochairn Housing Association

Rent Arrears: Policy and Procedures

1. Introduction

Rent arrears are most often due to a tenant being unable to pay rather than refusing to pay. Tenants who receive welfare benefits or are on low incomes have many demands on their limited resources.

2. Advice and Assistance

The Association will try to make sure that tenants' income is maximised by providing Welfare Benefits and Financial advice, when appropriate.

3. Recovery Action

Early action and personal contact are in the interests of the Association and its tenants. Rent accounts will be monitored and tenants will be contacted as appropriate – by visit, letter, phone call, email or text. Staff will be as helpful and as sympathetic as possible, taking account of all relevant circumstances, when making repayment arrangements.

4. Court Action

Arrears levels must not become unmanageable. A tenant who does not co-operate in managing arrears can be given a warning Notice of Court action. If there is no significant improvement, an Eviction Decree may be sought in the Sheriff Court.

5. Management Committee Monitoring

The Committee will review arrears statistics and cases, using reference numbers to ensure confidentiality.

This will include the number of tenants in arrears of more than £500; technical arrears, Housing Benefit/Universal Credit received and anticipated and arrears as % of Annual Rent Debit.

The Committee will review cases where an Eviction Decree has been granted to make sure that procedures have been followed before Sheriff Officers were instructed.

6. Procedures

6.1 Monthly Review

- a) Tenants in arrears will be visited or contacted by letter/phone call/email/text depending on the level of the arrears and the case history
- b) If arrears are due to outstanding Housing Benefit/Universal Credit, the tenant will be advised to contact the appropriate offices. If appropriate, staff will liaise with the appropriate authorities, for example, where the tenant is unable to do so or is having difficulty
- c) Where appropriate, tenants will be encouraged to ask for Housing Benefit/Universal Credit to be paid directly to the Association

6.2 Payment by Instalment

- a) Tenants will be encouraged to use the payment cycle best suited to their circumstances, for example, weekly, fortnightly or monthly
- b) The amount of instalment is at the discretion of the Housing Services Officer who will take account of all relevant circumstances
- c) If appropriate, Arrears Direct from the Benefits Agency will be accepted

6.3 Housing Benefit

A Notice, warning of Court action, will be issued to a tenant who uses Housing Benefit/Universal Credit for any other purpose. Where appropriate, tenants will be encouraged to sign a mandate to allow direct payments.

6.4 Notice of Proceedings

A Notice will be issued when a tenant:

- a) uses Housing Benefit/Universal Credit for another purpose
- b) has arrears of more than two month's rent
- c) does not respond to letters and visits

A Notice can be issued in other circumstances and then reported to Committee.

The Housing Services Officer can decide not to issue a Notice, for example, when Housing Benefit/Universal Credit is outstanding. However, where rent arrears are more than two month's rent a Notice must be issued unless the Committee approves a decision not to. If a Notice is issued, the Association will notify the appropriate offices of Social Work Services, Glasgow City Council.

The Housing Services Officer will complete a Notice of Proceedings Checklist before a Notice of Proceedings is issued.

6.5 Court Action

Court action will be raised in the Sheriff Court when a tenant:

- a) has arrears of more than three month's rent
- b) does not respond to the warning Notice of Proceedings

Court action can be raised in other circumstances and then reported to the Committee.

The Housing Services Officer can decide not to begin court action where, for example, Housing Benefit/Universal Credit is outstanding. However, if rent arrears are more than three month's rent, court action must be instructed unless the Committee approves a decision not to.

If court action is instructed, the Association will notify the appropriate offices of Social Work Services, Glasgow City Council.

6.6 Decree for Eviction

From the day that the Decree is granted the tenant will be allowed 28 days to clear the debt to the Association. Payment will not be accepted after 28 days.

Payment by instalment will not be allowed after the Decree has been granted. If necessary, a payment made after the Decree has been granted can be refunded to allow an eviction to be carried out.

The Committee will review the case to make sure that proper procedures have been followed.

If Sheriff Officers are instructed the Association will notify the appropriate offices of Social Work Services, Glasgow City Council.

If a tenant pays the total debt within the 28 days allowed, a new tenancy will be created.

7. Housing Applicants

Housing applications may be suspended if the applicant is in rent arrears. This will be decided by the Association's Allocations Policy.

8. Former Tenant Arrears

- (a) The Association will try to recover rent arrears from former tenants
- (b) Repayment arrangements will be similar to those for current tenant arrears
- (c) Former Tenant Rent Arrears will not be written off without Committee approval. The Committee will regularly consider reports on Former Tenant Arrears to decide whether outstanding arrears should be pursued, monitored, written off or kept on record. If arrears are written off the debt will be resurrected if the former tenant wants to be considered for the tenancy of another house
- (e) The Association will not try to recover rent arrears if a tenant is evicted for those arrears. However, payment will be accepted if offered by the former tenant
- (f) The Association will not raise a court action for former tenant rent arrears and, specifically, will not instruct wage arrestment or warrant sales

9. Review

The Rent Arrears Policy and Procedures will be reviewed every three years.

May 2018

Notes

1. Notice.

A Notice is a warning that the Association might take action in the Sheriff Court to request an Eviction Decree. The Notice is in force for 6 months and an action can be raised any time during the 6 months without further warning. The tenancy cannot be ended without an Eviction Decree being granted in the Sheriff Court.

2. Eviction Decree

If court action is raised the Sheriff will consider whether there are rent arrears and whether it is reasonable to grant a Decree allowing the Association to evict the tenant.

If a Decree is granted the tenancy is ended. The Association will allow the tenant to pay their total debt to the Association within 28 days (See Section 6.6). If the total debt is paid within 28 days a new tenancy will be created.

If the total debt is not paid Sheriff Officers will be instructed to carry out the eviction. Payment will not be accepted after 28 days.

The Association will advise Glasgow City Council's Social Work Services about the eviction.

3. Arrears Direct

Tenants who get Welfare Benefits might be able to have a small amount taken from their Benefit which can be sent directly to the Association to clear rent arrears.