



South Lanarkshire Council

Rent Arrears Policy

October 2010

Contents

1. Introduction
2. Aims and Objectives
3. Service Standards
4. Prevention of Rent Arrears
5. Recovery of Current Rent Arrears
6. Recovery of Former Tenant Arrears
7. Performance Monitoring/Reports
8. Legal Framework
9. Equal Opportunities
10. Complaints

1. Introduction

This policy becomes effective from 1 October 2010 replacing all previous rent arrears policy statements and links to other council policies and strategies with particular focus in helping promote tenancy sustainability and preventing homelessness.

South Lanarkshire Council's rent arrears policy is based on an approach that focuses on preventative methods of control, using eviction as a last resort.

This policy outlines how the Council will manage both current and former tenant rent arrears and the actions it will take.

The key components of this policy are:

- aims and objectives
- service standards
- prevention of arrears
- recovery of arrears both current and former
- performance monitoring and reporting

Detailed procedures have been developed to guide staff through the key processes involved.

2. Aims and objectives

2.1 The principal objective of the rent arrears policy is to 'maximise rental income to the Council by minimising the level of arrears and number of tenants in arrears, whilst being sympathetic to the individual circumstances of tenants'.

2.2 To achieve this objective the Council takes a preventative approach that seeks to maximise tenant's entitlement to benefits and secure regular payments. Emphasis is placed on effective management and personal contact whilst arrears are at a relatively low level, in order to prevent the escalation of arrears.

2.3 The specific aims of the Rent Arrears Policy are:

- to have early intervention mechanisms in place which prevent rent arrears initially occurring and tackle rent arrears promptly to prevent debt escalation
- that the Council's approach to rent arrears is 'Firm but Fair'
- to take appropriate and proportionate action to recover rent arrears
- to offer early support and guidance to tenants to reduce rent arrears
- to maximise tenant's income by providing an effective service to persons in receipt of or having a possible entitlement to Housing Benefit and other welfare benefits
- to work effectively with other Council Departments and external agencies, to support those in arrears and at risk of homelessness
- to promote the availability of independent advice
- to ensure consistency is applied across the service
- to ensure staff are adequately trained to enable them to carry out their roles effectively

3. Service standards

3.1 A summary of South Lanarkshire Council service standards are set out below. We will;

- ensure a wide range of payment methods for rent are available
- provide rent arrears statements to current tenants in arrears at the end of each month
- ensure information about rent, including the requirements to make regular payments is provided at each tenancy sign up interview in accordance with Estate Management 'Tenancy Sign Up' procedures
- ensure Housing/Council Tax Benefit entitlement is considered, and where appropriate a Housing/Council Tax Benefit claim form completed, at each tenancy sign up interview
- ensure that all repayment arrangements are realistic and affordable
- refer all cases to Social Work for them to offer support and advice where court action for current rent arrears is raised
- involve stakeholders, including service users, in the ongoing development of policy and procedures through consultation

4. Prevention of rent arrears

4.1 At the start of a tenancy, the council will make every effort to ensure that the tenant is informed of all the potential costs associated with their tenancy.

4.2 This will be achieved by providing detailed information on the tenant's obligations and duties at the tenancy sign up interview. This will clearly set out:

- their rent charge;
- rent cycles; and
- payment methods

4.3 Where appropriate, tenants will be encouraged to complete a Housing Benefit application form and will be provided with a benefit assessment. This will apply at any stage in the tenancy where there is a potential benefit entitlement identified.

4.4 Assistance will be provided where tenants experience difficulty with the completion of a Housing/Council Tax Benefit application form.

4.5 Help and advice on debt, money management and welfare benefits will be made available to tenants where required.

4.6 When the tenant(s) notifies the council that they are terminating their tenancy they will be advised of the amount of any outstanding rent and other council debts up to their date of termination in accordance with the Estate Management 'Tenancy Termination' procedures.

5. Recovery of current rent arrears

5.1 Rent arrears recovery will be based on a staged escalation process, up to and including repossession for non-payment of rent.

- 5.2 Every effort will be made to establish early contact with tenants, through home visits including settling in visits, office interviews and telephone calls to identify the cause(s) of arrears and discuss potential solutions. Early morning and evening phone calls or visits will be made where necessary.
- 5.3 The stages involved in this process are:
- issuing reminder(s);
 - serving a Notice of Proceedings;
 - raise court action;
 - seek decree; and
 - eviction
- 5.4 At each stage in the process the council will provide tenants in arrears with clearly written arrears letters with details of:
- their outstanding arrears balance
 - the action they need to take and consequences of non-payment
 - internal and external money advice agencies
- 5.5 In cases where the tenant cannot clear the arrears in a single payment, the Council will agree a reasonable and affordable repayment arrangement to reduce the arrears. Repayment agreements will be based upon a detailed assessment of the tenant's ability to pay, to ensure consistency in application, unless the tenant wishes to pay more. Appropriate action will be taken where arrangements are broken.
- 5.6 At any stage where tenant(s) are identified as vulnerable and the tenant gives consent, assistance will be given to access in-house and external support agencies i.e. MMAS, Social Work and Citizens Advice Bureau etc.
- 5.7 The Council will consider all forms of legal action available through the court process to recover rent arrears where previous actions prove ineffective.
- 5.8 Advice and assistance to the tenant will be provided by the Court Team throughout the court process with referrals to Social Work and Homelessness Teams to help prevent eviction. Tenants will also be given advice and details of independent agencies that can assist and provide legal advice i.e. Citizens Advice Bureau, Legal Services Agency, Shelter etc.
- 5.9 If decree is not sought at the first court calling and the arrears continue to rise with the tenant failing to take agreed action, the case will be reviewed by a Senior Manager within two months to determine the next appropriate course of action.
- 5.10 The Council may fast track cases into the court process where court action has previously been taken and arrears have again occurred. This action would be taken in an attempt to break the cycle of arrears and prevent debt escalation and potential homelessness.
- 5.11 Where ¹decree has been granted and enforced and the debt is then cleared, the tenant may be given an opportunity to stay in the property with a new tenancy agreement. This is termed a technical re-let.

¹ decree – an order of the court granting the remedy sought

6. Recovery of former tenant arrears

- 6.1 Former tenant arrears recovery will be based on a staged escalation process, up to and including forms of ²diligence which can include arrestment of earnings, goods or bank account for non payment of the debt owed
- 6.2 The stages involved in the process are:
- tracing former tenants;
 - issuing reminder(s);
 - referral to debt collection agency;
 - raise court action;
 - perform diligence
- 6.3 At each stage in the process the council will provide former tenants in arrears with clearly written arrears letters with details of:
- their outstanding arrears balance
 - the action they need to take
 - internal and external money advice agencies
- 6.4 Former tenants in arrears will be encouraged to agree a repayment plan that is affordable and sustainable.
- 6.5 Legal action to recover the arrears will be taken in cases where an assessment of the former tenant's financial circumstances indicates such action would be appropriate.
- 6.6 Where the decision is made by the Senior Officer that an arrear is uneconomic to pursue or where there is no prospect of recovery, the debt will be written off.
- 6.7 In cases where a write off has occurred, the information will remain on the rent system and could be reinstated for recovery should the former tenant be located or re-apply for housing at a later date.

² diligence – the collective term for the procedures used to enforce a decree of a court, these include arrestment of wages, goods or a bank account

7. Performance monitoring/reports

- 7.1 The Council will monitor performance on rent arrears using both statutory and local performance indicators.

Statutory Performance Indicators

- Current tenant arrears as a percentage of the net rent due in the financial year
- The percentage of current tenants owing more than 13 weeks rent excluding those owing less than £250
- Average number of weeks rent owed by tenants leaving in arrears
- The amount and percentage of former tenant arrears written off or collected during the financial year

Local Indicators

- The total amount of current tenant arrears
 - Current tenant arrears by band (i.e. arrears under £100, £100 to £200, £200 to £300 etc) showing number of accounts and total arrears due for each band
 - Number of Notice of Proceedings issued
 - Number of court actions taken
 - Number of tenants evicted due to rent arrears
 - Number of technical evictions
 - The total amount of former tenant arrears
 - Former tenant arrears in-year collection
 - Total rent arrears written off
- 7.2 Information on the Council's rent arrears court activity including evictions is reported to the Resource Management Team (RMT) on a quarterly basis.
- 7.3 Reports on the progress of rent arrears performance will regularly be presented to the Central Liaison Group, Central Liaison Sub Group, Local Housing Forums and tenants groups.

8. Legal framework

- 8.1 The Council will ensure that the Rent Arrears Policy meets with legislative and good practice requirements in minimising rent arrears. This will include complying with the following:
- Data Protection Act 1998 and Freedom of Information Act (Scotland) 2002
 - Debt Arrangement and Attachment (Scotland) Act 2002
 - Housing (Scotland) Act 2001
 - Homelessness etc (Scotland) Act 2003

9. Equal opportunities

- 9.1 In relation to rent arrears, this policy is consistent with our Equal Opportunities Policy and aims to ensure that we act fairly and lawfully on all occasions. We will not discriminate against anyone on the grounds of race, colour, ethnic origin, nationality, gender, sexuality, disability, age, religion or other belief.
- 9.2 An Equality and Diversity Impact Assessment has been carried out to ensure that the policy is inclusive and does not unfairly disadvantage any groups within the community.
- 9.3 We will continue to monitor the policy to ensure that it achieves all equalities objectives set.

10. Complaints

- 10.1 The Council operates a Complaints Procedure that is available to anyone who is not satisfied with the way in which their case has been dealt with. Details of the Complaints Procedure will be made available and accessible through our local offices, Customer Service Centre and Council website.

For more information or if you want this information in a different format or language, please phone 01698 452722 or email housing.hamilton@southlanarkshire.gov.uk

If you need this information in large print, on tape or in Braille, please contact 01698 452722.

Please phone 01698 452722 if you would like this information in Chinese, Urdu, Punjabi, Hindi or Polish.

這份資料備有中文譯本，查詢詳情請致電 01698 452722

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अतिरिक्त जानकारी के लिए इस फोन नं: पर सम्पर्क करें:
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ਹੋਰ ਜਾਣਕਾਰੀ ਲਈ ਇਸ ਨੰਬਰ ਤੇ ਫੋਨ ਕਰੋ:

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