

## **CLYDEBANK HOUSING ASSOCIATION**

### **RENT ARREARS PROCEDURE – November 2019 HMPROC12**

This procedure should be read in conjunction with HMPOL3 Rent Arrears, and HMPROC21 Service of Notices.

Current tenant and former tenant arrears should be separated and worked on at different times.

Tenants who require information in a different format should be forwarded it in the required format. Check F/ Documents in different formats and warning tab within Homemaster system.

HO's & HA's have a dedicated day (weekly) to work on all issues regarding current and former tenant's rent accounts including arrears.

#### **Phone Calls**

Staff should contact all tenants in arrears by telephone in the first instance. Calls should be recorded in the history tab in the occupancy within the communications tab on Homemaster.

#### **Emails & texts**

Staff should make maximum use of email and text messaging services where tenants cannot be contacted by telephone. All contact should be noted within the communications tab as above.

#### **Standard Letters**

- As much use as possible should be made of the standard letters in the Homemaster system.
- Letters automatically appear in the communications tab of the account being worked on.
- Letters sent should follow a sequence so that we are clear we have notified the tenant of arrears and any action we propose to take and allows the tenant to make a suitable arrangement to repay the arrears.
- Letters can be amended to include extra information or advice, and this facility should be used as required.
- All letters should be printed double sided to include advice information on the rear of the letter.
- Letters which advise we will take further action should only be sent if this is the intention.

## **Payment Agreements**

All payment agreements should be completed using the standard payment agreement form in Homemaster. All payments should be made by direct debit where possible. All agreements should be confirmed in writing, using the standard letters in Homemaster.

Where court action has been instructed a payment proposal form should be completed through Homemaster.

On completion of a payment agreement or proposal, all personal information on Homemaster should be updated, if necessary. The HO or HA should note the agreement on the communications tab in Homemaster.

## **Visits**

Where no response has been made to an initial arrears letter or a payment agreement has been broken, a visit should be carried out. The visit should be supplemental to a further letter, not in place of. Visits should be carried out during standard working hours, with the time varied to increase the chance of access, i.e. morning and afternoon. Visits after office hours are acceptable and encouraged, however these should be carried out in pairs at a designated time. All house visit should be recorded under the other, visits tab on Homemaster.

Where a notice of proceedings has been served the Housing Officer must ensure that the tenant has been contacted in person either at the office, or in person. A range of attempts at contact must be demonstrated, i.e. letters and visits.

## **Calling up and working on arrears on Homemaster**

Arrears should be looked at daily, with every case having been visited at least once in a two week period by the rental team.

HO should work on their arrears in amount order to ensure serious cases are dealt with first and that no case is missed.

HO should also use the Homemaster system on a monthly basis to check and take the appropriate action on the following cases:-

Tenants with a Notice of Proceedings

Tenants with ongoing Court Action

Tenants with Sisted Court Action

Tenants with Decree

Tenants who have not paid or met rent payment during current rental period

HO should check on all payment agreements that were due to made, on a weekly basis.

### **Use of monthly arrears report**

All tenants in arrears as reported monthly should be contacted/have cases actioned within the first two weeks after the report using the mechanisms as outlined above.

All tenants whose arrears have increased in the number of months owed between reports.

### **Delegated Responsibility**

- The HSSC will take decisions on whether decree should be implemented.
- The Head of Housing Services will generally report to Committee on rent arrears.
- The HO within their patches will co-ordinate daily work and duties within the team.
- The HA will inform the HO of tenants / sharing owners who have 2 months or more rent arrears where this totals less than £500. HAs to email HO with full name of tenant, address, arrears level, monthly rent charge, any details of sharing owner's names, address, arrears level, monthly rent charge and lender if known. HO to action.
- The HO will arrange for tenants who have unaddressed rent arrears and require a notice of proceedings (NOP). The HO will seek advice from the Head of Housing Services in cases where it seems inappropriate to serve a Notice at this stage. The HO will inform a sharing owners lender if there are arrears of 2 months or more outstanding, again consulting with the Head of Housing Services on inappropriate cases.
- The HO will deal with all tenants / sharing owners who have arrears of £500 and above as well as sharing owners who are 2 months or more in arrears.
- The HAs will deal with tenants / sharing owners who have arrears of £499.99 or less. The exception is where a sharing owner is 2 months in arrears – the HA will have flagged this to the HO who will action this.

### **General Information**

- A Notice will generally be served if a payment arrangement is broken or if there is persistent late payment or non payment. It should however be borne in mind that service of an NOP indicates an intent to take court action for recovery of possession, so if this is not the intent it should not be served. This route for those owing less than two months arrears should therefore be seen as a last resort where all other support and arrangement measures have failed.
- Where a tenant has not paid or responded within 4 weeks, a home visit should be carried out to check whether the property has been abandoned. An arrears agreement sheet and payment history should be taken in case the tenant is in.

- A new tenant visit will be carried out 4 – 8 weeks after a tenant has moved in and this should be used to reinforce rent commitments or to enter into a payment arrangement if arrears have accrued. Where there are rent arrears or any other tenancy issues it is important that 2 more visits are carried out to try to get access, therefore if necessary a morning, afternoon and early evening home visit should be carried out.
- All visits, correspondence, interviews, telephone calls and arrangements should be noted in the communication tab in Homemaster.

### **End of Tenancy**

A standard letter will be sent by HO within 48 hours of us having notified of the tenants intention to terminate their tenancy. This will include the amount of rent outstanding at the date of leaving and whether it should be covered by Universal Credit/Housing Benefit.

At the time the tenant hands in keys the Housing Assistant will check the rent account balance and arrears agreements and notes for any arrangement to clear outstanding arrears. The Housing Assistant will interview the tenant and make an arrangement detailing the amount, frequency, date of 1<sup>st</sup> payment, day of week we should expect payment. Use of the arrears agreement sheet should be made. This should be confirmed to the outgoing tenant in writing within 48 hours and marked up in Homemaster by the Housing Officer. The tenant should be informed that if they do not give a forwarding address, if there are any arrears outstanding at the end of tenancy the Association will take action to trace them.

If the tenant is deceased or is in long term residential care, details including the name, address and telephone number of the executor / person dealing with the tenant's affairs should be taken. This person should be contacted by the Housing Officer within 7 days to ascertain if an estate has been left (if the tenant is deceased) / arrangements for clearing any arrears (if the tenant is still alive).

In all cases where keys have been returned the Housing Assistant will, the same day as keys are returned, e-mail the Housing Officer that an arrangement has been made / not made & why not.

### **Non Housing Benefit Tenants**

- The Housing Assistant should order a swipe card for a new tenant within 24 hours of them signing up.
- New tenants should have their rent obligations marked up on the communication tab in Homemaster (e.g. full HB entitlement / no HB etc) after they have completed the sign-up process.
- The Housing Assistant will send a letter to a new tenant within 48 hours of signing the missive explaining rental obligations. Standard letters are on Homemaster.
- All tenants / sharing owners including new tenants should be notified by the HA of an arrear within 2 weeks of it occurring.

- Where a tenant makes an arrangement to clear the arrear, a particular day of the week for payment should be agreed and this should be monitored to ensure the payment comes in by the HA/HO as applicable.
- It is important to make an arrangement that allows the arrear to be cleared at the earliest date possible. Account should be taken of the tenant's income & outgoings. Agreements should tie in with the wage cycle i.e. weekly arrangements for weekly paid tenants etc. Telephone interviews are acceptable for those with arrears less than 2 months otherwise a face to face interview should be arranged at the office or tenant's home at a time suitable to the tenant as far as possible. All support issues should be noted, and action taken where required/possible to ensure the tenant has a full range of required support services in place.
- All arrangements should be confirmed in writing to the tenant and include the amount of each payment, its frequency and the day/date it will be paid. It should also include the consequences of breaking the arrangement. The electronic arrears agreement letter must be used for this purpose so it saves direct to the tenants' history.
- Letters should be sent out weekly if possible, fortnightly at the latest. By the time a Notice is due to be served a tenant will have received several letters and/or visits asking them to contact us to make an arrangement. **No tenant should be in the position where they are due to receive a Notice without having been given adequate opportunity to address their rent arrears situation and seek help.** Where a HA has not managed to cover all arrears cases within each 2 week period the HA should inform the HO of the reason.
- The Housing Officer will ensure that attempts are made to interview face to face all tenants in arrears of 2 months or more. If this does not happen in the office a house visit should be carried out. If unsuccessful 2 further house visits (if necessary due to no access) should be carried out at varying times. Therefore at this stage attempts to make contact will have spanned morning, afternoon and evening with a calling card being left after each no access visit. The interview should establish the tenant's need of support, the action taken to arrange the support, the tenant's eligibility for benefits, whether referral to another agency re the debt is appropriate as well as relevant payment amounts and methods. Visits and outcomes should be marked up in the history.
- The tenant should be given the option of voluntary wage deductions when arrears are at 2 months however not all employers will agree to this. This should be discussed as part of the arrears arrangement. Where the tenant agrees, they should provide the HO with details of who they should write to confirm that the deduction will take place, on what date, the frequency and amount. A stamped addressed envelope should be enclosed. The tenant should be made aware that not all employers will agree to this and that they should personally keep to an arrangement for the next four weeks until an employer agrees or otherwise. Tenants should be notified about whether voluntary wage arrestment will proceed.

## **Housing Benefit and Universal Credit Tenants**

- The Housing Assistant should order a swipe card for a new tenant within 24 hours of them signing up.
- The HA will arrange regular meetings with WDC / UC re problem cases if necessary. This can also take place via telephone contact with the relevant departments.
- The HA will help the new tenant complete a HB form online during the sign up process if required. Tenant will be advised to hand in proof of identity and proof of income of all in household at an early date so that the claim can be forwarded to the Council and processed. Proof can be accepted and assessed here under verification framework.
- The HA will give the new tenant advice about Universal Credit, who to apply to / how it works etc
- New tenants should have their rent obligations marked up on the Homemaster benefit entitlements tab (e.g. full HB entitlement / no HB / UC etc).
- The HA will send a letter to a new tenant within 1 working day of signing the missive explaining rental obligations, UC and HB obligations.
- The HA will ensure that a tenant who is likely to qualify for part HB / UC is made aware of the likely monthly payment and the dates of required payments. The HA will contact West Dunbartonshire Council, Private Housing Benefit or Universal Credit for an estimated projection of housing benefit / rent allowance entitlement. It should be made clear to the tenant that this is only a rough assessment. This should be confirmed in writing. Assessment can also be carried out via the Government website.
- Cancellations to HB will be notified by the Housing Assistant to tenants within 24 hours of us being informed
- On receipt of housing benefit notices HA to update the communications tab with arrears status and HB detail. HA to check details as part of arrears work and adjust for rent arrears or deductions being made for housing benefit overpayments.
- All tenants / sharing owners should be notified of an arrear within 2 weeks of it occurring. This should include new tenants who are waiting on UC/HB as they will then contact you and it will be established whether they have submitted all information to DWP/WDC. UC claims can be checked on the Universal Credit portal by the HA.
- When we are informed by WDC that an HB overpayment has arisen we will write to the tenant and advise them to contact WDC to make an arrangement to pay back the arrears. Where an arrangement is not made or is broken WDC will take deductions from the tenants HB. Where there is a credit in the tenant's rent account, we will refund this to WDC and inform the tenant.

- When we are informed by DWP that an UC overpayment has arisen we will arrange refund back to DWP. Should this create an arrear on the tenants account, the tenant will be contact and arrange will be made to pay back the arrears.
- Tenants who currently receive Universal Credit should be informed that we intend to request management payments and arrears direct if agreement is not made and adhered to.

## **Liaison Arrangements**

### **Internal Communication**

- At the start of the tenancy the HA should make a referral to the Community Support Officer and CAB advice service for all tenant in receipt of benefits. Tenants not in receipt of benefits should also be given the option for a referral to be made. A referral should also be made to the Community Support Officer and CAB advice for all tenants with arrears over two months.
- Where we have been unsuccessful in contacting a tenant on 3 different visits we should inform Reception that we want to speak to the tenant if they contact the Association for any reason. Remember to let reception know if we no longer want to speak with the tenant.

### **WDC HB Section**

- Regular formal meetings with WDC HB section will take place to discuss strategic and operational issues. The HO's will attend. These are part of local forum meetings.
- Regular meetings between the HAs & WDC HB staff will take place to discuss individual cases which have been unresolved. These can be in the form of telephone discussions.

### **Other Agencies**

- All staff should keep up to date with the location and contact numbers of benefit agencies and advice centres with a view to being able to formally refer our tenants.
- Telephone numbers of CAB, DWP and WDC's Welfare Benefits service should be programmed into each of the office mobile phones so that an appointment can be made easily during an interview at a tenant's home.
- We will develop links with other local agencies to promote the take up of welfare benefits.
- We will publicise information on welfare benefits in newsletters and on the CHA web site.
- The Housing Officer will make a referral to the Homelessness Section at the stage when we are asking our solicitor to book the tenant into court in order to comply with Section 11 guidance (Housing Scotland Act). The HO will also inform the Homelessness Section of the outcome of court action after the case has been

finalised at court. The HO will notify the Homelessness Section of the date of eviction where relevant. If a case has been sisted and the sist is subsequently recalled the HO should at the recall request stage re-refer the applicant to the Homelessness Unit. In addition if the HO feels it is likely at the NOP stage that a particular tenant is likely to end up at court it is permissible to refer the tenant to the Homelessness Section at the NOP stage.

## **Legal Action**

The HO will usually arrange for a Notice to be served when a tenant is in arrears of 2 months or has broken an arrangement. Notices must state the amount of arrears, the monthly rent due, any arrangements made and broken. In line with Pre Action Requirements.

When delivering the NOP, if not already in place, a house visit should be carried out to get a signed agreement in place that contains all of the relevant income / outgoings details. A rent account print out should be taken also and the staff member delivering the NOP should be aware of the history contents prior to visiting.

All NOP tenants should be recorded on Homemaster under the legal action tab. Staff visiting, or interviewing tenants who have had an NOP served on them, or where court action has started, need to let the HO know details so that relevant information is recorded on this file.

All NOPs should be scanned and saved on Homemaster in Files tab.

The HA should liaise with the HO on which tenants should be booked into court and at what stage. This will be dependent on individual circumstances. Some or all of the following should apply

- an arrangement has not been made
- arrears are rising
- an arrangement has been made and broken
- where applicable all efforts to obtain Universal Credit/Housing Benefit for the tenant have failed

The HO will arrange for all tenants who are being booked into court to be notified in writing. The HO will ensure that attempts are made to interview face to face all tenants in arrears at this stage. If this does not happen in the office a house visit should be carried out. If unsuccessful 2 further house visits (if necessary due to no access) should be carried out at varying times. Therefore at this stage attempts to make contact will have spanned morning, afternoon and evening with a calling card being left after each no access visit. The interview should establish the tenant's need of support, the action taken to arrange the support, the tenant's eligibility for benefits, whether referral to another agency re the debt is appropriate as well as relevant payment amounts and methods. Visits and outcomes should be marked up in the scratchpad. This should be carried out whether we got access at the service of the NOP stage or not as the tenant's circumstances could have changed.



Where we ask for a tenant to be booked into court

- We should ask the solicitor to check that the notices are competent
- Include a current rent statement
- Include a copy of the missive
- State we wish to seek recovery of both the property and the outstanding debt

The Head of Housing Services will report to Committee on forthcoming court cases, detailing arrangements, payments, likelihood of recovery.

When we are advised of the court date by the solicitor we should

- Confirm whether we wish to pursue eviction or have the case sisted
- In cases where we wish to have the case sisted, we should state the reasons why; e.g. arrangement of £x made and being adhered to
- In cases where we wish to pursue decree for eviction we should ensure the following information is always provided
  - Tenants DOB
  - Family composition
  - Family ages
  - Employment status
  - Income
  - Outgoings
  - Arrangement(s) made and broken
  - Amount of rent arrears
  - Whether arrears are increasing
  - What steps have been taken to find out if there are any qualifying occupiers - include copy of information to solicitor
  - Whether applicant is likely to qualify for HB
  - Whether applicant has applied for HB
  - Date arrears started
  - Number of letters sent re rent arrears
  - Whether applicant has been referred to any agencies for advice
  - Whether advice has been given to applicant on relevant agencies that can be of help
  - Copy of Section 11 paperwork as sent to WDC homeless section

What happens in court will depend on whether a tenant is represented / defended and on what information is provided to the solicitor to enable them to represent us as best as possible.

Court cases can take a considerable length of time and we must do our best to provide our solicitor with the most up to date information. Therefore, if a case is sisted / continued / has a proof fixed for a new date, the HO should ensure the solicitor receives up to date information approximately a week prior to the new date. This could be required several times during a court case.

All court case outcomes should be recorded on Homemaster under legal action and communications tab. Staff visiting, or interviewing tenants where court action has started, need to let the HO know details so that relevant information is recorded on this file.

All Decrees should be scanned and saved on Homemaster in Files tab.

If a decree is awarded at court, the Housing Officer should seek confirmation from the Management Committee that the eviction should proceed.

### **Monitoring of arrears performance and trends**

The Head of Housing Services will use the arrears report presented to the HM sub committee to monitor overall arrears performance, trends and targets.

### **Former Tenant Arrears**

The HO will attempt to recover former tenant arrears over £500.00 with the Housing Assistant dealing with those below £500.00 by some or all of the following

- Writing to the tenant prior to the tenancy end giving the amount due
- Writing to the tenant or executors after the tenancy has ended – within 4 weeks
- Following up with another letter if the first has no effect – within 4 weeks
- Possibly writing to Sheriff Officers re issue of legal letter if no response – within 4 weeks
- Possibly small claim to be started if likely to succeed if no response to legal letter – within 4 weeks
- Tracing the tenant – within 4 weeks of leaving property. Sheriff Officers will also attempt to get address of employer.
- Wage arrestment possibility – within 4 weeks of legal letter if no response
- Home visit at any stage where address known and local to CHA