



<b>Title</b>	Rent Arrears Policy
<b>Purpose</b>	<p>Maryhill Housing aims to ensure its continued financial viability and accountability through maximising the collection of rent in an efficient and cost effective manner.</p> <p>The Association will provide staff with clear operational procedures and guidelines to determine the criteria by which the Association will maximise revenue income through rent collection and rent arrears control.</p> <p>The Association recognises that many of its tenants are very often reliant on benefits for their income and or in low paid work and acknowledges that there are many reasons why arrears of rent occur. The Association will adopt a firm but fair approach to rent arrears recovery, which is sensitive to the circumstances of individuals.</p> <p>The Association is committed to promoting preventative action, personal contact with tenants and developing a range of financial inclusion initiatives.</p> <p>The Association will comply with relevant legislation and adopt the principles and practices detailed in the Social Housing Charter where applicable.</p>
<b>Scope</b>	<p>The Board has responsibility for monitoring performance on rent arrears and will be presented with quarterly reports on the performance of arrears management against the key performance indicators (KPIs). The Board also has responsibility for approving the Rent Arrears Policy.</p> <p>The Maryhill Living Board has responsibility for monitoring the performance of rent arrears for mid market properties and will be presented with quarterly reports on the performance of arrears management against the KPIs. .</p> <p>The Board and Maryhill Living Board will consider and agree on an annual basis the KPIs relating to the management of arrears.</p> <p>The Director of Operations holds the lead responsibility for this policy with responsibility for implementation delegated to the Head of Neighbourhoods and Communities.</p> <p>This policy applies to all Board and Committee members, members of staff whether employees of MHA, freelance , casual, or temporary</p>

	<p>agency staff irrespective of grade, position or length of service responsible for the management and or monitoring of rent arrears within the Association.</p>
<p><b>Definitions</b></p>	<p>For the purposes of this policy, unless otherwise stated, the following definitions shall apply:</p> <p>The policy applies to the management of property owned by the Association and subject to a Scottish Secure Tenancy, a Short Scottish Secure Tenancy, a Private Residential Tenancy, a Shared Ownership Occupancy Agreement, Lock up Agreement or Lease.</p> <p>The Policy also refers to former tenant debts.</p> <p>Pre Action Requirements are the actions which must be followed as set out in the Housing (Scotland) Act 2010 before the Association can serve a Notice of Proceedings on a tenant in respect of rent arrears.</p> <p>Alternative Payment Arrangements are available for tenants who have difficulty managing their single monthly Universal Credit payment or paying their rent. It allows the Association to request that the rent is paid direct to the landlord by Managed Payment to Landlord, as opposed to the claimant. The managed payment may apply from day one of their Universal Credit claim or at any point throughout the claim.</p>
<p><b>Policy Statement</b></p>	<p>The payment of the rent is the responsibility of every tenant and this obligation is a central obligation contained within the relevant tenancy agreement.</p> <p>The key principles, consistent with the values of the Association and its strategic objectives, will underpin the Policy and associated procedures. This Policy aims to set out the guidelines and criteria by which Maryhill Housing Association will maximise rental income through rent collection and rent arrears control.</p> <p><b>Prevention:</b> Maryhill Housing Association seeks to create a ‘payment culture’ and a “rent in advance culture “which encourages tenants to be responsible for actively managing their rent accounts. To do this it will work to maximise tenant incomes through financial inclusion initiatives and provide access to money advice and welfare rights services.</p> <p>All pre-tenancy communication with applicants will provide clear expectation of rent in advance requirements from initial contact to the offer of communication.</p> <p>. Referrals are then normally made to a range of financial inclusion services to ensure that the applicant receives the appropriate support, e.g., welfare rights or fuel poverty services before taking on a tenancy.</p> <p>Where appropriate, tenants will receive a benefit check to ensure that they are receiving all of the benefits they are entitled to and</p>

support to make a claim for Housing Benefit or the rental element of Universal Credit.

The Association will continue to insist that all new social housing tenants meet their tenancy obligations of paying rent in advance. Tenants in receipt of Housing Benefit and Universal Credit who are unable to pay one month's rent in advance at the start of their tenancy will be asked to pay at least two weeks rent in advance initially with a view to entering into an arrangement to pay the difference. Tenants will be made aware of this requirement as part their pre tenancy counselling and through correspondence and information etc received from the Association.

Going forward existing tenants in receipt of Housing Benefit who will migrate onto Universal Credit in the future will be encouraged to make small payments on their account to build up a month's worth of credit on their rent account.

Managers will use discretion where the tenant is unable to pay rent in advance in line with this policy and will have the authority to agree an alternative payment arrangement in exceptional circumstances or in the case of a section 5 referral.

New tenants offered a mid market rent property will be expected to pay a months rent in advance at the start of their tenancy and rent payments thereafter will be paid by direct debit or standing order if requested by the association. Where the tenant is unable to pay a months rent in advance the offer of accommodation will be withdrawn.

**Early Intervention:** Arrears will be tackled promptly and consistently with emphasis placed on early contact and intervention. It is recognised that tenants in debt are under considerable financial stress and will be offered support and guidance in recognising the priority of housing debt and in reducing arrears.

Staff will be expected to attempt to make personal contact with tenants in order that the appropriate advice and support can be provided at the earliest opportunity.

**Arrears Management:** All rent accounts will be monitored regularly in line with the relevant processes and frameworks. The rent accounting process will allow staff to take a systematic approach in the monitoring of rent accounts.

Tenants will be notified promptly when their account is in arrears to prevent the debt from becoming unmanageable.

Rent statements can be provided upon request from any tenant.

Tenants will be given information about the support that is available to assist them in sustaining their tenancy and their rights as a tenant

of the Association. This will be promoted on our website and social media platforms.

Benefit Campaigns will be undertaken to raise awareness and increase the uptake of benefits and grants so that customer incomes are maximised.

A range of approaches will be adopted to pursue rent arrears and the Association is committed to ensuring that the approach adopted by staff is sensitive, respectful, and supportive.

The Head of Neighbourhood and Communities will review all arrears cases prior to commencing legal action and ensure all pre action protocols must be met. Legal action will be instigated where there is a serious level of rent arrears and/or there are persistent arrears and the tenant will not make or maintain an arrangement to repay the arrears.

Mid-market rent arrears cases will be reviewed by the Head of Neighbourhood and Communities before being referred to the First Tier Tribunal in advance of commencing legal action.

Eviction will be seen as a last resort and can only be authorised by the CEO or two other Directors.

**Universal Credit:** Where a tenant is in receipt of Universal Credit and therefore unable to have payments mandated to the Association the Association will establish if the individual(s) falls into the category of being suitable for an alternative payment arrangement and will submit a formal request to the DWP for the rent to be paid directly to the Association.

**Partnership Working:** Maryhill Housing Association will establish a number of relationships to support this area of work. This will include the local authority in particular housing benefit departments, DWP in their role in administering Universal Credit and financial inclusion organisations which support fuel poverty strategies, money advice services and access to banking and low-cost loan facilities.

**Business effectiveness and efficiency:** Maryhill Housing Association will continue to review the effectiveness of its rent collection systems in order to support the management of rent collection and will offer its tenants a wide range of payment options.

**Accountability, audit and risk management:** The Board will agree the annual targets for the management of rent arrears and will monitor performance against target through the quarterly Assurance Boards.

The Board of Maryhill Living Board will agree the annual targets for the management of rent arrears for the mid market properties and monitor performance quarterly at Board meetings.

**Former Tenant Arrears:** All former tenant balances will be pursued with the exception of tenants who have died without an estate or are subject to sequestration.

Sequestration is a formal process in which an individual is declared bankrupt and is called sequestration in Scotland. When you are bankrupt, your finances are transferred to the control of an appointed trustee. It is the trustee's role to pay off unsecured debts and any debts that the individual is unable to pay will be written off by creditors. This is an option for individuals who are unable to repay their debt and is more widely referred to as bankruptcy.

Staff will initially attempt to recover the debt and where the debt remains unpaid the Association may pursue an earnings arrestment, small claims action or bank arrestment. Debts will be transferred to a debt recovery agency where the Association has been unable to recover the debt.

Tenants residing in a mid market rent property will have any arrears outstanding at the end of their tenancy deducted from their deposit in line with tenancy deposit criteria.

**Lock Up Arrears:** Customers with a lock up will be given the opportunity to clear any arrears accrued on their account in full or by an agreed repayment plan. If lock up arrears persist and more than 2 months in arrears, a Notice to Quit will be served to bring the Lock Up Agreement to an end.

**Leased Properties:** Organisations who lease property from the Association will be given the opportunity to clear any arrears accrued on their account in full; however the Association has the option to terminate the lease in line with the options set out in the lease for non payment of rent.

**Mid Market Rent:** Rent Accounts for Mid Market Rent properties will be managed in line with relevant legislation and recognised good practice.

Timely action will be taken to minimise and manage rent arrears in our mid-market stock to ensure that the properties provide value for money for the Association

**Writing off debts:** Where all methods of debt recovery have failed or the amount outstanding is uneconomical to recover arrears will be presented to the Board for approval to write off. Write offs will be presented to the Board twice a year.

**Training:** Regular training will be carried out on the rent arrears policies and procedures to ensure that staff are equipped to manage income effectively. Managers will regularly monitor cases to ensure that they are managed in line with our procedures and will provide support and guidance where required.

	<p>Staff involved in the management of mid market rent properties will be appropriately qualified in line with Scottish Government legal requirements.</p> <p><b>Legal and Good Practice Requirements:</b></p> <p>This policy is compliant with the following legislation and good practice guidance:</p> <ul style="list-style-type: none"> <li>• Housing (Scotland) Act 2001, 2010 &amp; 2014</li> <li>• Housing (Scotland) Act 1998 (shared ownership)</li> <li>• Debtors (Scotland) Act 1987</li> <li>• Human Rights Act 2000</li> <li>• Equality Act 2010</li> <li>• Welfare Reform Act 2012</li> <li>• Homelessness (Scotland) Act 2003</li> <li>• Private Housing (Tenancies) (Scotland) Act 2016</li> <li>• Letting Agent Code of Practice 2018</li> <li>• Pre Action Requirements Order 2012</li> <li>• Scottish Social Housing Charter</li> <li>• The First-tier Tribunal for Scotland (Housing and Property Chamber)</li> <li>• Chartered Institute of Housing</li> <li>• Private Housing (Tenancies) (Scotland) Act 2016</li> <li>• Letting Agent Code of Practice (Scotland) 2016.</li> </ul>
<b>Approval</b>	Board – April 2024
<b>Policy Owner</b>	Head of Neighbourhood & Communities
<b>Review</b>	<p>April 2026 – Director of Operations responsible for review.</p> <p>The policy may also be reviewed in light of legislation, good practice, or internal structural and process change.</p>