



# Rent Arrears Prevention Policy V.7 March 2024

<b>Policy Number</b>	<b>H.23</b>			
<b>Document Owner</b>	<b>Housing Services</b>			
<b>Review Frequency</b>	<b>3 yearly</b>			
<b>Reviewed by</b>	<b>Housing and Finance</b>			
<b>First Approved</b>	<b>March 2021</b>			
<b>Date Approved</b>	<b>March 2024</b>			
<b>Next Review Due</b>	<b>March 2027</b>			
<b>Version Number</b>	<b>7</b>			
<b>Consultation Required</b>	<b>Yes</b>	<b>x</b>	<b>No</b>	
<b>Equalities Impact Assessment</b>	<b>Yes</b>		<b>No</b>	
<b>Added to Website</b>	<b>Yes</b>	<b>x</b>	<b>No</b>	

<b>SSHC Reference</b>	13 Value for Money 14 and 15 Rents and Service Charges
<b>SHR Reference</b>	

## Related Documents

- Scottish Secure Tenancy Agreement
- Corporate Plan
- Home Argyll Allocations Policy
- Equal Opportunities Policy
- Former Tenant Arrears & Credits Procedure
- Rent Arrears – Control & Prevention Procedure

## **Translation Statement**

If you have any difficulties reading this information or need further help understanding our processes please contact us. We can make this document available in a variety of formats. All you need to do is let us know what you need and we will try to assist.

## **Compliance**

This policy has been drafted to ensure that it complies with current legislation and industry good practice.

## **Equality & Diversity**

Fyne Homes is committed to providing services which embrace diversity and which promote equality of opportunity. As an employer we are also committed to equality and diversity within our workforce. Our goal is to ensure that these commitments, reinforced by our Values, are embedded in our day-to-day working practices.

## **Openness & Confidentiality**

Fyne Homes believes that its members, tenants and other interested parties should have access to information on how it conducts itself. This means that unless information requested is considered commercially sensitive or personally confidential it will be made available on request.

## **General Data Protection Regulations**

Fyne Homes recognises that the General Data Protection Regulations are an important piece of legislation to protect the rights of individuals in respect to any personal information that we may keep about them, whether on computer or in manual systems. We will treat your personal data in line with our obligations under the current data protection regulations and our own Data Protection Policy. Information regarding how your data will be used and the basis for processing your data is provided in our Transparency Statements

## Contents

1.	Introduction	4
2.	Policy aims	4
3.	Objectives	4
4.	Legal Framework	4
5.	Compliance with the Scottish Social Housing Charter	5
6.	Equal Opportunities	5
7.	Arrears Prevention	5
8.	Recovery of Property	6
9.	Recovery of Former Arrears	6
10.	Training	7
11.	Monitoring & Reporting	7
12.	Committee Member	7
13.	Reviewing Process	7

# Arrears and Prevention Policy

## 1. Introduction

1.1 Fyne Homes believes that effective and efficient administration of arrears for rent, recharges and factoring is essential to the success of our organisation. We understand that maximising our income and preventing arrears accruing at the earliest opportunity will not only ensure that our financial commitments are met, but will also ensure early intervention and positive outcomes for our tenants and other customers. In cases where arrears do accumulate, Fyne Homes understands the importance of taking early action so that they are kept to a minimum and reduced through a fair and collaborative but robust approach, and in line with our procedures.

## 2. Policy aims

2.1 We recognise that prevention and the recovery of arrears should be carried out on a just and impartial basis, and through this policy and the associated procedures, we aim to do this. (This policy applies to all tenures and factoring). Fyne Homes aims to:

- Ensure arrears are minimised by giving good quality advice and assistance at the beginning of a tenancy, with the priority being the prevention of arrears in the first instance.
- Ensure proper guidance is given to clients and other customers on their rights relating to arrears recovery and the options open to them so that their arrears are cleared without threat of legal action or eviction.
- Maintain clear, effective communication with tenants and other customers at the start and throughout their tenancy or agreement, ensuring that advice is tailored to individual needs, for example, the availability of information in other formats.
- Have a procedure that reflects policy guidelines, which has clear lines of responsibility, timescales, is easy to follow, understandable and accessible for both staff and tenants.

## 3. Objectives

- (i) To provide a high quality and responsive Housing Management service, delivered in an equitable and efficient manner with a tenant consultation and participation strategy underpinning the service.
- (ii) To prioritise tenancy sustainment, by communicating effectively with and supporting our tenants. This includes engaging with other agencies to widen the range of information and support we can provide. We will set targets for keeping arrears down and will hold to the view that “an eviction is a failure”.

## 4. Legal Framework

4.1 When implementing the Arrears Policy Fyne Homes must comply with the following legislation and legal documents

- Housing (Scotland) Act 2001
- Equal Opportunities – Human Rights Act 1998
- Equalities Act 2010
- Disability Discrimination Act 1995

- Race Relations Act 1976; Race Relations (Amendment) Act 2000
- Race Relations Act 1976 (Amendment Regulation 2003
- Sex Discrimination Acts 1976 & 1986
- Data Protection Act 2018
- Matrimonial Homes (Family Protection) (Scotland) Act 1981

## **5. Compliance with the Scottish Social Housing Charter**

5.1 As a registered social landlord, Fyne Homes recognises that it must comply with the Scottish Social Housing Charter outcomes as set out by the Scottish Government.

### **Outcome 11 Tenancy Sustainment**

Social landlords ensure that:

- Tenants get information they need on how to obtain support to remain in their home; and ensure suitable support is available, including services provided directly by the landlord and by other organisations.

This outcome covers how landlords on their own, or in partnership with others, can help tenants who may need support to maintain their tenancy. This includes tenants who may be at risk of falling into arrears with their rent, and tenants who may need their homes adapted to cope with age, disability, or caring responsibilities.

### **Outcome 13: Getting good value from rents and service charges**

Value for money Social landlords manages all aspects of their businesses so that:

- Tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

This standard covers the efficient and effective management of services. It includes minimising the time properties are empty; managing arrears and all resources effectively; controlling costs; getting value out of contracts; and giving better value for money by increasing the quality of services with minimum extra cost to tenants, owners and other customers

## **6. Equal Opportunities**

6.1 The Association will seek to provide this support to all eligible clients irrespective of age, disability, gender reassignment, marriage or civil partnership status, race, religion or belief, pregnancy and maternity, sex, or sexual orientation and in line with the Equalities Act 2010. We will actively seek to ensure that any barriers are removed in terms of how we deal with any tenants with rent arrears.

## **7. Arrears Prevention**

### **7.1 Rent**

Fyne Homes recognise that prevention is the key to arrears control and is committed to developing and promoting services that effectively minimise the accrual of arrears and enable our tenants and sharing owners to sustain their tenancies. Fyne Homes encourages

a payment culture by motivating tenants to pay their rent in advance by the first day of each month and offering a wide range of payment options. Obligations relating to timely rent payments shall be reinforced, when tenants sign their tenancy agreement and again when settling in visits are carried out. Where appropriate, tenants will be signposted to specialist services such as welfare advice, money/debt advice services etc. to ensure that their income is maximised by claiming their full entitlement to housing and other benefits.

## **7.2 Owners**

Fyne Homes raise factoring charges on a 6 monthly basis to cover periods 1<sup>st</sup> October - 31<sup>st</sup> March and 1<sup>st</sup> April - 30<sup>th</sup> September. Balances are due to be paid within 14 days; however where this is not possible we will negotiate affordable repayment plans. If major work is being carried out on the property, owners will be encouraged to make payments in advance when estimates have been received in order to eliminate large factoring arrears accruing and avoid additional costs associated with serving a Notice of Potential Liability for Costs against the property.

## **7.3 Homelessness Prevention & Support**

Fyne Homes will aim to prevent homelessness by supporting all tenants who have arrears. Tenants experiencing financial difficulties will have guidance offered from housing management staff, tenancy sustainment support staff and will be offered repayment agreements which we will ensure are affordable. Where necessary, staff will refer tenants on to appropriate specialist support agencies.

## **7.4 Arrears Recovery**

Fyne Homes are committed to the recovery of tenancy arrears and will pursue negotiations with tenants and other agencies e.g. Department of Work and Pensions (DWP) to ensure that all tenancy related debts owed are repaid in full. Tenants who are experiencing financial difficulties will have access to professional housing management advice with support and guidance offered to ensure repayment agreements are affordable. Account will be taken of situations where tenants are facing exceptional and genuine difficulties, for example, nonpayment of housing cost due to local authority/DWP error or failure to pay; the bereavement of an immediate family member; illness and divorce.

## **8. Recovery of Property**

8.1 Fyne Homes will only consider pursuing legal action against a tenant/sharing owner to repossess their property after all efforts have failed to motivate them to reduce their rent arrears, and all other reasonable options to recover the debt have been exhausted. Account will be taken of individual circumstances. We will do our best to prevent homelessness wherever possible by ensuring that eviction, as the result of rent arrears, is a last resort.

## **9. Recovery of Former Arrears**

9.1 Fyne Homes are committed to the recovery of all former tenancy related debts ensuring that all debts owed are paid in full by using all avenues available. This may include; small claims, wages arrestment or affordable repayment plan.

## 10. Training

10.1 In order to deliver the above in the most effective way, staff require to be trained and given adequate resources to let them carry out their duties.

10.2 We have an annual training budget and use this to identify any training needs to ensure staff are trained in line with current legislation. Team Meetings will be used to share information and ensure best working practices.

## 11. Monitoring & Reporting

11.1 Fyne Homes understand effective monitoring and reporting is inherent to be able to evaluate and review its performance.

11.2 The Income Team Leader will be responsible for giving guidance and support to staff when dealing with tenants who are in serious rent arrears and for those facing eviction. All serious rent arrears cases will be closely monitored and discussed with the Housing Services Director to ensure the fullest possible investigations and actions have been taken in order that tenancy related debts are repaid.

11.3 Quarterly reports will be submitted to the Management Committee detailing the the percentage of rent owed, current and former and combined arrears, in relation to the annual rent receivable. The report also contains the housing management team's performance against targets for recovery of rent arrears. This report will also be used to identify any underlying trends in dealing with rent arrears and potentially inform the need for policy or review.

## 12. Committee Member

12.1 A tenant cannot remain or be re-elected as a committee member on any of the committees if they are involved in any legal proceedings concerning their tenancy or involved in legal proceedings that raise a conflict of interest with the association.

## 13. Reviewing Process

13.1 This policy will be reviewed in line with the respective current Fyne Homes' policies, and/or where a change in legislation arises

13.2. If there is a procedural delay in the policy revision then the relative legislation in force at the time will prevail.

<b>Version number</b>	<b>Revision Date</b>	<b>Part of doc revised</b>	<b>Reason for revision</b>	<b>Approved by</b>
6	March 21		Three yearly review	Mgt Com
7	March 24		Three yearly review	Mgt Com