

River Clyde Homes

Arrears Prevention and Recovery Policy

Approved on 12th December 2006

**Review date – 3 years from date of
transfer**

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یہ پالیسی مختلف زبانوں اور کئی وضع میں دستیاب ہے۔ براہ کرم River Clyde Homes سے 01475 712354 پر رابطہ کریں اور ہم بخوشی مدد کریں گے۔

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River Clyde Homes
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1.0 Statement of objectives

The objectives of this policy are to

- Minimise the level of current and former tenants arrears by adopting principles of prevention, early intervention, personal contact, applying clear and systematic procedures when default occurs and ensuring that a payment culture is widely promoted to ensure that recovery of service charges and all monies due for all accounts with River Clyde Homes are minimised using the same principles.
- Optimise tenancy sustainment and prevent homelessness by utilising advice and assistance for tenants from the start of their tenancy to maximise incomes, encourage housing benefit uptake and deal with debt in order to maintain tenancies. River Clyde Homes will work in partnership with other agencies to provide advice and counselling when debt occurs.
- To ensure that eviction is used only as a last resort for persistent defaulters when all stages of the recovery procedure have been exhausted
- To ensure that tenants are treated with respect at all times and that all communications are clear, customer friendly and encourage contact

- That the implications of rent arrears for the organisation are expressed to both tenants and staff in terms of the investment strategy and revenue expenditure profiles for River Clyde Homes.

2.0 Compliance with Legal Framework and Performance Standards

2.1 This policy complies with the Housing (Scotland) Act 2001 in terms of the Scottish Secure Tenancy

2.2 This policy takes account of a number of Performance Standards*, including the following:

- Activity Standard AS1.8: Arrears which states that "we act to prevent arrears of rent and service charges building up. We recover any arrears fairly and effectively."
- Activity Standards AS4.4 which states that "we help to prevent homelessness arising in the first place, and its recurrence when it has occurred."

*Performance Standards are measures agreed by Communities Scotland, COSLA and SFHA to ensure social landlords perform to the highest standards and exhibit continuous improvement.

2.3 Account has also been taken of other good practice in Raising Standards, Chapter 15 and the Good Practice guide from the Office of the Deputy Prime Minister (June 2005) on Improving the Effectiveness of Rent Arrears Management.

3.0 Expected Outcome

3.1 It is expected that arrears will be minimised as a result of this policy across all income areas for current and former tenants of River Clyde Homes.

4.0 Assumption On Former Tenants' Arrears

4.1 Raising Standards recommends that if an acquiring Registered Social Landlord decides to purchase the divesting landlords' arrears, then it is best practice to record the arrears as former tenants' arrears. This policy assumes that River Clyde Homes have followed this course of action and current tenants arrears are at zero value on day one of the transfer. Appropriate amendments will be made to this policy once the outcome of discussions on the treatment of arrears is known.

5.0 The pros and cons of generic and specialist approaches in Managing Rent Arrears

5.1 "Improving the effectiveness of Rent Arrears Management"-Office of the Deputy Prime Minister (June 2005) detailed the pros and cons for the best way to manage rent arrears. The report found overall that landlords who had moved towards specialisation for rent arrears generally reported that rent collection performance had improved and arrears had reduced.

5.2 Inverclyde Council has operated a policy of generic working for rent arrears recovery since 1997. The performance of current tenants rent arrears as a percentage of net rent due has been as shown in table 1.

Table 1-Current tenants rent arrears as a percentage of net rent due

Financial Year	Percentage of rent arrears
1997/98	8.3
1998/99	10.3
1999/00	10.2
2000/01	10.8
2001/02	9.7
2002/03	12.7
2003/04	14.8
2004/05	17.9
2005/06	18.9

Source: Housing and Social Work Performance Indicators, Audit Scotland and year end report on Rent Arrears to Environment and Regeneration Committee of Inverclyde Council on 16th May 2006.

- 5.3 Table 1 shows an increasingly problematic arrears situation with the existing policy of Inverclyde Council having being ineffective in reducing arrears.
- 5.4 The Audit of Best Value and Community Planning report by Audit Scotland (May 2005) on Inverclyde Council's performance affirmed this by highlighting that the performance of rent arrears had deteriorated considerably since 1998/99 and that current tenants' rent arrears as a percentage of the net amount of rent due in the year is in the fourth quartile of performance measured against other local authorities and has declined by more than 15% since 2001/02. In light of current performance by Inverclyde Council and recommendations of the research by the ODPM, it is proposed that a focussed approach to arrears recovery is necessary. River Clyde Homes will undertake its arrears recovery by a team of specialist staff. The Income Generation Team will operate a prevention and

escalation strategy throughout the rental period to optimise revenue income.

6.0 Minimising Arrears by Prevention Methods

6.1 Prevention of Arrears For New Tenants

6.1.1 One of the principal goals of River Clyde Homes' arrears policy is to prevent arrears occurring by providing information to prospective tenants at a pre-tenancy interview on their responsibilities for payment of rent and/ or other service charges relating to their new home. This interview will be undertaken within twenty four hours of a tenant accepting an offer of housing and will be a pre-cursor to the sign-on interview, which will follow immediately after the pre-tenancy interview. This will enforce a culture of payment at the outset of a tenancy.

6.1.2 The pre-tenancy interview will

- Detail charges due over a 48-week period and explain the contractual four week no-charge right ([REF RENT POLICY](#))
- provide information on methods of payment and locations of payment centres
- identify which method of payment is best suited to the new tenant and facilitate this, for example, by completing a standing order form and seek payment in advance as per section 1.5.1 of the [Scottish Secure Tenancy Agreement](#)
- clarify household composition information and employment details for qualifying occupiers
- explain joint and several responsibility for payment of charges to any joint tenants. This is where two or more people have signed a Tenancy Agreement and are all bound by the terms and conditions of the Agreement. "Joint and Several Liability" means that joint tenants are

responsible together or, if there are more than two joint tenants, as a group. It also means that one joint tenant is responsible for the actions and defaults of another joint tenant in keeping to all the terms of the Tenancy Agreement. All joint tenants or one individual tenant may be held responsible for payment of all the rent and associated charges.

- clarify the responsibility of tenants, including those receiving Housing Benefit, for ensuring that rent payments (or completion of benefit claims and reviews) are made punctually and regularly
- explain the arrears policy and that whilst every effort will be made to maintain tenancies and offer support, non-payment of rent is taken very seriously and will lead to action being taken
- explain what tenants' rent is spent on and the implications for arrears occurring on the spending ability of the organisation in terms of services and investment in the housing stock.

6.1.3 At the offer stage, the new tenant will also have been requested to bring with them proof of identity and income for all household members aged 16+ to enable the interviewing officer to complete an application for housing benefit, if applicable. The interviewing officer will be trained in the verification framework process to optimise completed claims being submitted to Inverclyde Council for processing.

6.1.4 It is proposed that a Service Level Agreement (SLA) be set up, for processing of complete claims for new tenants of River Clyde Homes, with Inverclyde Council to ensure prompt processing within a specific number of days. This SLA will also include notification to River Clyde Homes if the claim is incomplete and what further evidence is required ([REF DATA PROTECTION POLICY](#)). Arrears home liaison staff, Income Officers, will then contact new tenants promptly by telephone or home visit, to obtain and verify the necessary additional evidence required or facilitate this by contacting, for example, the Benefits Agency.

6.1.5 Where benefit is applied for, once this is processed, a letter will be sent to the new tenant confirming the amount of rent to be paid, including any HB entitlement.

6.1.6 The pre-tenancy interview should highlight any issues of concern that could threaten a new tenant's ability to pay rent on time. Where debt problems are found, information on Welfare Benefit, Debt Counselling and Money Advice Services can be discussed and a referral to River Clyde Homes' Welfare Benefits Advisor or an appropriate external support organisation will be made immediately.

6.1.7 The basis for advice is

- Welfare benefits advice is mainly concerned with ensuring that tenants get the range of state benefits to which they are entitled
- Debt counselling aims to deal with tenant's debts
- Money advice is an holistic service, which aims to look at both the sources of income and out-comings

6.1.8 Other issues of concern which could be flagged up at the pre-tenancy interview are where specific support requirements are necessary, for example, where a disability is identified and specialist assistance is required or where a tenant will require assistance with form filling during the period of their tenancy.

6.1.9 A checklist for the pre-tenancy interview will be followed to ensure the prevention approach is methodical and fairly applied.

6.1.10 Where a new tenant has a previous history of rent arrears, including tenants who are moved as a result of clearance for demolition, their arrear will be discussed with them in order to

- flag up our knowledge of the debt
- set up repayment of debt to River Clyde Homes, if applicable
- identify why difficulties arose previously
- set up any additional support to prevent recurrence of the debt situation, for example, weekly call/text to tenant when rent due or visit when review due to assist tenant with completing forms. The tenant would sign agreeing to these actions.

6.1.11 A settling-in visit within four weeks of the commencement of the tenancy will provide a further opportunity for new tenants to obtain information and advice on rent payments and housing benefit. A status check will be undertaken by the Settling-In Officer to ascertain whether a regular payment cycle has been established, whether housing benefit is in payment and whether the arrears recovery process has been initiated. Any queries with HB entitlement will be checked prior to the visit and steps taken to resolve any outstanding issues. For young people, tenancy failure is most likely to occur in the first six months. Therefore, in addition to a visit in the first four weeks, further visits will be scheduled if it is apparent that additional support is required or difficulties are being experienced in making payments due or in other tenancy matters. ([REF TENANCY SUSTAINMENT POLICY](#))

6.2 Housing Benefit Liaison

6.2.1 River Clyde Homes will work closely with Inverclyde Council, Housing Benefits Section to optimise benefit and assist in promoting the take-up of benefit for our tenants to minimise arrears.

This will be by

- All staff dealing in the management of rent arrears will be trained in the housing benefit verification framework to promote assistance in completing

housing benefit forms and submission of evidence to ensure speedy completion of claims.

- Encouraging tenants to advise timeously of change of circumstances to prevent overpayments of benefit occurring
- Requesting SLA for access to I: World, the IT software for Housing Benefit, for read only access to enhance tenant communication and promote action for non-return of reviews, cancellations, overpayments and evidence requirements. This is also a useful tool for checking the status of a claim and will reduce the level of enquiries to Inverclyde Council. If this is agreed with Inverclyde Council, River Clyde Homes will need to advise tenants individually of this from a data protection perspective, for example, at sign-up or when tenants are completing Housing Benefit forms.
- Requesting SLA for HB staff to deal with River Clyde Homes' claims, provide information and reports and deal with enquiries efficiently and promptly.
- Requesting SLA for HB staff to receipt claims for individual tenants and to River Clyde Homes, as landlord, if a tenant is assisted with completing their claim.
- Regular partnership liaison meetings with HB to improve working practices, discuss specific cases, explain and plan for changes in HB regulations and identify measures to promote effective strategies for preventing and reducing technical rent arrears by joint approaches with the two organisations, including joint training.

6.3 Prevention of Arrears for current tenants

6.3.1 Preventing arrears for existing tenants will be undertaken by communicating our policy to tenants via newsletters and leaflets and stressing the importance of early contact with Housing staff if a change of circumstances occurs which could result in arrears.

6.3.2 Direct dial freephone helplines are useful tools to address initial enquiries and will assist our tenants by giving first stage advice on dealing with an issue, which could result in rent arrears. This will be operated by staff with housing advice training.

6.3.4 Publicity on Ways to Pay and Where to Pay will be optimised through tenant communication and the media and viable expansion of existing methods of payment to broaden choice to our tenants will be offered. Existing methods of payment include: -

- cash or cheque payments at main local housing offices
- payment at any Allpay, PayZone or Post Office using rent swipe card
- payment by credit or debit card at all housing offices
- payment by telephone-automated 24/7 service or staffed office hours service
- standing order
- direct debit
- post-personal cheques or cash
- new payment methods, for example, using payment hand helds for out of office staff

6.3.5 Dependant on the accommodations strategy and office locations, staff from the Income Generation Team could set up roving prevention surgeries in locations accessible to tenants where arrears are historically high and offer the range of prevention services. Evening surgeries could also be an option.

6.4 ICT systems

6.4.1 Effective ICT systems are seen as critical to managing and preventing arrears. To avoid technical arrears, a Service Level Agreement with

Inverclyde Council will be set up to continue with the interfaces between the IT systems which impact on rent arrears including the Housing Management system, the cash receipting system and the housing benefit system (ref [IT Strategy](#)). Prompt and correct receipting of payments is critical for revenue income streams, identification of arrears balances and providing advice and information to tenants and stakeholders. Correct receipting will be assisted by separate colour coded payment cards being issued for each account held with River Clyde Homes.

6.4.2 Management information reports will be available from the system. Raising Standards recommends the following information be available to enable benchmarking with other Registered Social Landlords

- The overall recovery performance for current rent arrears (will include all accounts managed by River Clyde Homes and reflect performance targets)
- Recovery performance of arrears within specific bands
- levels of technical and non technical arrears identified by the IT system will be necessary for performance management reporting (see note 1)
- average time to process HB for River Clyde Homes' claims where assistance has been given
- number of legal actions raised and properties recovered as a percentage of cases
- number of tenants who abandon after decree for arrears has been obtained
- Additionally, performance on the Statutory Performance Indicators for arrears (indicators 1a and 1b) will be widely publicised within the organisation and to tenants

Note 1:

a) Non-technical arrears are any caused by ordinary non-payment of rent and should not include the following

- any outstanding Housing Benefit which has not yet been received by a landlord
 - outstanding payments from people who have an agreement to pay their rent slightly later than a Registered Social Landlord's regular rent cycle.
- b) Technical arrears are those caused by delays of housing benefit, for example, outstanding housing benefit which has not yet been received by a landlord.

6.4.3 The IT system will record payments made by type, record all actions made in respect of arrears recovery, record all account type history separately and assist staff in progressing cases through the rent arrears procedure to ensure fairness and equality of approach.

6.4.5 Customer information from the system must be clear and concise. The content of system automated arrears letters will be reviewed regularly to ensure clarity and appropriateness. Six-monthly comprehensive statements will be available for all accounts with River Clyde Homes to encourage tenants to make contact, if issues arise, and ensure tenants have a full record of transactions in their accounts. In addition, up to a further two free statements will be available to tenants per annum on request.

6.5 Incentive Scheme

6.5.1 A Tenants' Reward Scheme will be considered once River Clyde Homes is operational to ascertain whether this would benefit the organisation by optimising revenue and preventing or minimising arrears.

7.0 Arrears Recovery Process

7.1 Early Stages of Contact

- 7.1.1 All good practice identifies early intervention and personal contact with tenants who experience rent arrears as the best approach to dealing with the debt. Tenants will be contacted within one week of an arrear arising by way of a telephone call and/ or first reminder letter, which will flag up the amount outstanding. The letter will reflect the prevention principles of assistance, ways to pay and encourage tenants to contact the arrears helpline.
- 7.1.2 If a further week lapses without payment or contact to explain the reason behind the missed payments, telephone contact will again be made with the tenant to ascertain why the arrear is occurring and identify any assistance required from River Clyde Homes. If telephone contact cannot be established, a home visit will be undertaken by the arrears home liaison staff. Their role at this initial visit is very much reflective of that explained for the new tenancy officer. A suite of letters to reflect an escalation process as arrears increase, with no positive feedback from the tenant, will be detailed in the arrears procedures, which supplement this policy. Cases will be monitored weekly.
- 7.1.3 In order to reiterate personal contact as a principle of this policy, a standard letter will only be issued after an attempt at personal contact has been made and was unsuccessful. Contact can be by home visit or interview (by appointment), telephone, text or e-mail to tenants. Where follow up is required, for example further income details are required, staff will make an appointment with a tenant to collect or receive the required information and undertake verification of this. Any specific requirements identified via the pre-tenancy interview, for example, to address disability issues, must be acknowledged and contact tailored to the best method of approach, taking into account health and safety issues at all times. This could include visits outwith normal office hours or contacting a tenant's place of work. Only where a tenant fails to respond to an appointed home visit, will a

letter be issued making reference to the visit date asking for the tenant to make contact within seven days or the case will be escalated.

7.1.4 Tenants will be made aware that rent arrears can be paid off in instalments and arrangements for repayment will be based on an assessment of income and expenditure to reflect the tenant's capacity to pay. A pro-forma will be used for this to ensure continuity of approach. If a tenant refuses to provide the required details to complete the pro-forma this will be noted on the recovery file. Family composition details will be taken at all personal contact interventions. Arrangements to repay will be confirmed

- on the pro-forma sheet, which tenants will sign when personal contact is made
- in writing, within 3 working days to further enforce the schedule of payment expected from the tenant, inclusive of any on-going weekly rent, which is liable.

7.1.5 Tenants will be asked to pay what they can afford, taking account of their income and expenditure profile, as per the methodology agreed. Where tenants have a low income and can not afford to pay more, as a minimum, the current level of direct payment from benefit which is £2.90 (at 06/07 rates) will be paid to current tenants' rent arrears. Where the tenant is in receipt of qualifying benefits for "arrears direct" payments, this will be identified and progressed by River Clyde Homes, as appropriate.

7.1.6 Again, if it becomes clear during the course of an interview that a tenant is experiencing multiple debt issues, which are causing a difficulty with rent arrears, an appointment with River Clyde Homes' staff dealing with welfare benefit and debt advice will be made. This will be arranged in the context that rent is a primary debt and will stress the importance of maintaining the tenancy as per the Agreement and the implications for continuing default for the future of the tenancy.

7.1.7 If a payment arrangement is missed, the tenant must make up the payment over an agreed timescale. This will reinforce a regular pattern of payment.

7.1.8 Arrears letters will be clearly worded to detail

- the amount owed
- the action which the tenant should take to deal with this
- that contact with River Clyde Homes is crucial
- detail the implications for the tenant if no action is taken and
- offer options for legal advice, debt and money advice from River Clyde Homes and external sources

7.1.9 No more than three letters will be issued (following unsuccessful pre-emptive visits or attempts at personal contact). The last letter, issued on or around when six week's rent arrears have accrued, will act as a final warning that legal action will be pursued if default continues and the tenant has failed to co-operate in reducing the debt and/or claiming housing benefit. The final warning letter will include an appointment for an office interview, within seven days, to formalise contact with the tenant. This interview will seek to get a repayment plan in place and explain the implications of a Notice of Proceedings for Recovery of Possession, including issue to qualifying occupiers, if the arrears problem remains unresolved.

7.1.10 If within one week of the office interview, no response has been forthcoming or a repayment arrangement has not been established, legal remedies will be progressed by issuing a Notice of Proceedings for Recovery of Possession or by progressing an action through the Small Claims Court of the outstanding balance merits this.

7.2 Legal Remedies for Recovery

7.2.1 Notice of Proceedings for Recovery of Possession Stage

7.2.2 The first stage of legal action, a Notice of Proceedings for Recovery of Possession will be issued in accordance with Section 14(2) of the Housing (Scotland) Act 2001 when the final warning letter does not prompt a response from the tenant. Up-to-date family composition information will enable qualifying occupiers (anyone aged over 16 in residence) to be identified and Notice of Proceedings copied to them. Notice of Proceedings will be hand delivered by two officers and a pro-forma signed by the delivering officers to record service.

7.2.3 The Notice of Proceedings for Recovery of Possession will be in a prescribed format and specify the grounds for recovery, commonly being Ground 1, Schedule 2, Part 1: "Rent lawfully due from the tenant has not been paid, or any other obligation of the tenancy has been broken." The NOP will also specify a date no less than four weeks from the date of service, when the notice becomes "live" and can be acted on in Court.

7.2.4 The Notice of Proceedings will stipulate River Clyde Homes' intent with respect to the debt, being either of the following: -

- recovery of the property
- recovery of the debt only
- a conjoined action for both repossession of the house and recovery of the debt

7.2.5 Notice of Proceedings will only be issued when at least six weeks rent arrears have been accrued and no repayment arrangement has been established within one week of the final warning stage. Where an Housing Benefit claim remains unresolved, it will be established that the claim remains outstanding due to the tenant's failure to supply requested

information or the tenant is failing to pay agreed rent charges plus arrears repayment sums, before a Notice of Proceedings is issued.

- 7.2.6 If River Clyde Homes are aware that Housing benefit is pending for a tenant, the arrears will be highlighted on file as technical arrears and the Notice of Proceedings will not be issued. Once housing benefit is paid, the case will be checked to ensure that receipt of housing benefit has cleared the debt. If not, the tenant will be contacted and made aware of any residual debt and charges due. This will ensure that a repayment arrangement is set up quickly.
- 7.2.7 When a Notice of Proceedings is issued, support will again be reinforced. At this stage, a referral appointment will be made to our Welfare Benefits and Money Advice staff and additional sources of advice, for example, Legal Services Agency, Financial Fitness and Homeless Services will be publicised and contacted on the tenant's behalf, if necessary. Tenants will be encouraged to seek independent legal advice in respect of the Notice of Proceedings and the implications for any legal action which follows this.
- 7.2.8 If tenants participate in the advice support referral appointment and any subsequent follow up work which arises through this, no further legal action will be taken whilst appropriate repayment arrangements are agreed unless the tenant is no longer co-operating. This should reduce the need to progress to the next stage of the policy. The number of successful cases referred resulting in a positive response will be an important tool in monitoring performance in this eviction prevention procedure.
- 7.2.9 If a tenant has rent arrears equivalent to one month's charge (one twelfth of the amount payable) and where an arrangement to repay this amount has not been adhered to for a period of three months or where a Notice of Proceedings for Recovery of Possession for rent arrears is outstanding for our tenants and a repayment arrangement has not been maintained for a

period of three months, River Clyde Homes will suspend any housing application which the tenant (or joint tenants) have made.

7.3 Court Action

7.3.1 Following issue of a Notice of Proceedings, if a tenant has not contacted River Clyde Homes within one week, a further home visit will be undertaken to establish contact with the tenant and resolve the arrears situation. If unsuccessful and no response is obtained, again, within one week, a pre-court office interview will be arranged to discuss the implications of referring the case to our solicitor.

7.3.2 If no response to a pre-court interview has been received from a tenant or no repayment plan is in place, a solicitor will be instructed, following supervisor review of the case, to progress proceedings at the Sheriff Court under summary cause.

7.3.3 It is usual for a lengthy period of time to elapse between raising a Notice of Proceedings and obtaining a court date at the Sheriff Court. During this period, the process of negotiation with the tenant to seek repayment will continue. A visit will be undertaken to establish whether any change in circumstances has occurred which could have a fundamental bearing on the debt outstanding or the reasonableness of taking the case to court. This includes a check on occupancy. The importance of seeking independent legal advice will be reiterated and Legal Services Agency's contact leaflet will be issued to the tenant. Information on the implications of decree being awarded will be reinforced again including implications for homelessness and contact details for Inverclyde Council, Homeless Services, will be given out.

7.3.4 The reviewing supervisor will give consideration to the vulnerability of the household and ensure that Inverclyde Council, Social Work Services is

advised of the pending court date. Where families with children are involved, this will be flagged up, as will any pertinent facts to the case, for example, where the tenant failed to respond to Support Advice Referral.

7.3.5 The solicitor will be advised by the reviewing supervisor on the decree being sought and in the majority of cases, this will be a conjoined decree seeking payment and recovery of the tenancy.

7.3.5 All documentation necessary for a court case will be included within procedural guidance to provide the most up-to-date information to the attending solicitor regarding the level of arrears outstanding, any Housing Benefit considerations, repayment proposals and breaches of this, family composition and any pertinent factors which the Sheriff may wish to consider regarding reasonableness. This will assist in alleviating any unnecessary delays occurring. Staff will be trained in case writing to ensure a common approach to setting out information for a court case.

7.3.6 If the tenant or their legal agent lodges a defence, a proof hearing will be held to establish the facts of the case and whether the Sheriff considers it reasonable to proceed with the action.

7.3.7 If a defence is lodged on the day, for example, by the tenant appearing at court and stating that a live application for housing benefit has been made and is not yet processed, or an offer of payment by instalment is made, the Sheriff can continue the case to allow time for checks of Housing Benefit to be done or to monitor payments. A further court date will be set and if no payments by benefit or from the tenant are made, decree would normally be granted. Alternatively, a Sheriff can grant an instalment decree, which defaults to full payment of debt becoming due if the instalment amount agreed at court is not maintained. This could result in an earnings arrestment being served or an arrestment of bank account.

7.3.8 If regular payments have been forthcoming in a continued case, the Sheriff can sist the case. If a case is sisted, monitoring of payments will be undertaken and only on default, would the solicitor be requested to recall the case to court to request decree.

7.4 After receipt of Decree

7.4.1 Once decree for repossession is obtained the existing Scottish Secure Tenancy will end on the date appointed by the Court. On that date, River Clyde Homes has the right to recover possession of the house and any sums due will be transferred to a Former Tenant's account. If a tenant makes an approach to repay the debt, either in full or by instalments, consideration will be given by the manager as to whether a new tenancy may be granted which could be a Scottish Secure Tenancy or Short Scottish Secure Tenancy. Procedural guidelines will be issued to management for assistance in considering a new tenancy being set up. A new tenancy will only be granted where satisfactory arrangements are in place for payment of ongoing charges for the new tenancy as well as former tenant's arrears.

7.5 Eviction & who agrees

7.5.1 If no offer of payment is forthcoming post-decree, the manager will prepare an anonymised report to a sub-committee of the Board of River Clyde Homes recommending eviction. The actions taken by the Income Generation Team to liaise with the tenant and reduce the arrears will be detailed and steps specified at which the tenant failed to co-operate.

7.5.2 If the Board agree that eviction is appropriate, a date will be set in liaison with the Sheriff Officer, the tenant will be notified, Inverclyde Council, Homeless Services will be contacted by way of advising that a request for

temporary accommodation may be forthcoming and instructions for locks to be changed, skip hire and portorage, where necessary, will be issued.

- 7.5.3 Once the Board have agreed an eviction, this is binding unless the balance is paid in full and the Chief Executive considers cancellation appropriate. The cancellation will be reported to the next Board meeting.

8.0 Sequestration/Trust deeds

- 8.1 Where a tenant is sequestrated, the appointed trustee will deal with any arrears up to the date of sequestration. A claim against the estate may be lodged by the prescribed date. Any newly arising arrears after the date of sequestration will be pursued in terms of the recovery policy.

- 8.2 If a trust deed is set up, River Clyde Homes will agree to the terms of the deed being protected if current rental charges are met and whilst the tenant co-operates with their appointed trustees. This is preferable to sequestration being applied for. Action on arrears recovery will be held in abeyance when these conditions are being fulfilled. Only if a failure occurs or where a new debt arises after the date when the trust deed was signed, will recovery action resume.

9.0 Other Debts/Service Charges

- 9.1 The policy for preventing and recovering current tenants' rent arrears applies equally for all accounts held by tenants of River Clyde Homes. This includes

- Court expenses
- Heat with Rent charges
- Tenant's Household Effects Insurance Scheme

9.2 Detailed procedures will be drawn up to minimise debt on sub accounts with letters being directed at specific account types. Non-Payment of sub accounts, in particular, Heat with Rent and Contents Insurance will result in removal from the service, where technically possible. Income Generation staff will also be responsible for other debts owed as detailed above to provide an holistic approach to an individual tenant's debt to River Clyde Homes. This will include FTA and recoverable repair charges but exclude factoring arrears; in short, the Income Generation Team will deal with all aspects of debt for a current tenant.

10.0 Former Tenants' Arrears

10.1 The collection rate for Former Tenants' Arrears debt is low, specifically due to the problems with the lack of forwarding addresses and the limited sanctions, which can be imposed.

10.2 For new tenants of River Clyde Homes, where a previous tenancy debt exists, the procedure for dealing with this case was outlined at section 6.1.10 at the pre-tenancy interview. It should be noted that it is illegal, in terms of the Housing (Scotland) Act 2001 to suspend an applicant from the waiting list for housing solely due to Former Tenants' arrears being in existence. River Clyde Homes will admit an applicant to the list but operate a thirteen weeks repayment schedule before an offer of housing is made unless an applicant is homeless and in priority need as assessed by Inverclyde Council. It is important to ensure that Former Tenants' Arrears for a current tenant can be recognised as such. The total indebtedness facility on the Anite system should record any tenant's rent history.

10.3 The Income Generation Team will deal with all former tenants arrears including new cases arising where tenant dies, purchases house, moved home and address known or no forwarding address, been hospitalised or entered care, etc. Their procedures will include letters and one home visit,

as reflected above, but could involve more stringent methods to recover debt including looking at small claims court procedures, decrees for payment, earnings arrestment, using tracing agencies to find abandoning tenants, on site investigation by contacting neighbours, employers, relatives, etc. This team will have delegated authority to write off debt, when recovery methods are exhausted up to a specific value. Parameters for when best value does not preclude continuing pursuit will require to be set by the Board of River Clyde Homes which will include an affordability criteria for current tenants when their ability to pay an Former Tenants' Arrears debt could prejudice their ability to sustain their existing tenancy.

10.4 The assistance of debt counselling and welfare benefits advice (particularly applications for backdate of housing benefit) will continue to be offered to our former tenants.

10.5 It is proposed that the management of Former Tenants' Arrears recovery is reviewed in a shorter timescale than the main arrears policy in terms of a cost/ benefit analysis to establish whether intensive input has a positive effect on recovery levels. Performance measures in Raising Standards recommend the following provision for monitoring

- Levels of technical and non-technical arrears for Former Tenants arrears
- Rate of tenancy terminations and the percentage of tenants leaving with outstanding debts by geographical split or patch
- Percentage of Former Tenants' Arrears pursued by which method
- Number of repayment agreements reached and success of agreement
- Number of tenants successfully traced who did not give notice of forwarding address
- Comparison of performance, benchmarking
- Also, measure of write off levels

All to be measured on a quarterly basis.

11.0 Monitoring equality

11.1 Equality will be monitored by household type, gender, age, disability and ethnicity at the following key stages in the policy by a pro-forma questionnaire to be completed at various stages of contact being

- pre-tenancy interview
- settling in visit
- NOP stage
- Court action stage
- At any referral during the process for welfare benefits advice, independent legal or debt management advice by the counselling organisation.
- Eviction stage

12.0 Monitoring/performance management

12.1 To achieve continuous improvement, River Clyde Homes will monitor performance on arrears recovery across all account types on a regular basis. Performance monitoring will be set against targets to enable the Board to analyse the effectiveness of the recovery policy. A number of performance measures are highlighted throughout this policy. These criteria, detailed at 6.21 and 10.5 above, will form the basis of information to the board. Trends will be identified to the Board. Enhanced performance management will be available to the Board and staff as the policy rolls out to measure the effectiveness of each action in the recovery process.

13.0 Board Members with Arrears

13.1 The situation for Board Members who experience arrears is covered in the [Board Membership Policy](#)

14.0 Corporate Fit

14.1 This policy links to the Rent Policy and the Tenancy Sustainment Policy and River Clyde Homes' goal of being an effective and efficient organisation which is viable in the long term.

15.0 Review

15.1 This policy will be reviewed every three years from the date of transfer, in consultation with tenants, including tenants' organisations and stakeholders, as per Guiding Standard 2.2. This review is subject to an earlier date if legislative, regulatory or good practice guidance dictates this.