



Continuous Improvement Service

Customer Relations Management

RENT MANAGEMENT POLICY

Index	Page No
1. INTRODUCTION	3
2. LEGAL FRAMEWORK	4
3. DEFINITION AND DELGATIONS	4-5
4. TRAINING AND DEVELOPMENT	5
5. TENANT PARTICIPATION	5
6. PAYMENT METHODS	6
7. PREVENTION AND AWARENESS	6-9
8. PROMOTION OF HOUSING/COUNCIL TAX BENEFIT	9-10
9. RENT ARREARS MANAGEMENT – EARLY ACTION	10-13
10. FORMER TENANT ARREARS	14
11. UNCOLLECTABLE INCOME	14-15
12. CREDIT BALANCES ON ACCOUNTS	15
13. PERFORMANCE REPORTING	15-16
14. APPEALS AND COMPLAINTS	16
15. EQUALITIES AND DIVERSITY	16-17
16. RISK MANAGEMENT	17
17. CONFIDENTIALITY	17

1. Introduction

1.1 The aim of the Rent Management Policy is to :

- Ensure that the services provided by the Council are preserved through maximisation of rental income.
- To clearly define the respective duties and responsibilities of the Council.
- Adopt a firm but fair and proactive approach to Rent Management.
- To offer appropriate support and guidance to tenants to maximise their ability to pay, to manage debt and to reduce rent arrears.
- To have early intervention mechanisms in place to prevent rent arrears arising or increasing.
- To make and continue to make early ongoing contact with tenants when rent arrears arise.
- To take appropriate and consistent action in accordance with the level of rent arrears.
- To prevent homelessness arising by making use of all available remedies to collect rent due using eviction only as a last resort.
- To provide clear and accessible information and advice to tenants in order to prevent rent arrears and legal action occurring.
- To liaise with other appropriate organisations and agencies towards reducing rent arrears and obtaining support and assistance to tenants.
- To regularly monitor and evaluate all aspects of the Rent Management Policy and review and revise the policies and procedures as required.

2. Legal Framework

2.1 In approving and implementing the Rent Management Policy and associated procedures the Council aims to comply with the following legislation:

- Prescriptions and Limitations Act 1973
- Race Relations Act 1976
- Debtors (Scotland) Act 1987
- Disability Discrimination Act 1995
- Data Protection Act 1998
- Human Rights Act 1998
- Race Relations(Amendment) Act 2000
- Housing (Scotland) Act 2001
- Debt Arrangement and Attachment (Scotland) Act 2002
- Homelessness (Scotland) Act 2003
- Housing Benefit Regulations 2006

2.2 The Council will take account of any alterations and amendments to the legislative framework and review this policy accordingly.

2.3 The Council acts to prevent arrears of rent and service charges building up and recover any arrears fairly and effectively.

3. Definition and Delegation

This policy covers current secure, non-secure and former tenancy arrears of rent.

3.1 Overall accountability for Rent Management rests with the Corporate Director of Continuous Improvement.

3.2 The Head of Service - Customer Relations Management has overall operational responsibility for approving this policy and subsequent yearly review in conjunction with Housing. The Head of Service will monitor and review the implementation and further ongoing development of this policy.

3.3 Delegated Officers to approve eviction in conjunction with Housing Services:

- Head of Service - Customer Relations Management

- Corporate Debt/Income Manager
- Senior Arrears Officer

- 3.4 The Delegated Officer has authority to suspend eviction where a change of circumstances requires a review of the original decision to evict or for other reasons deemed appropriate.
- 3.5 The Head of Service, Customer Relations Management and his staff will have delegated authority to progress all rent arrears cases to eviction decree stage, whereupon authorisation of a delegated officer is required to proceed with eviction.

4. Training and Development

- 4.1 The Council recognises that it is extremely important to prevent rent arrears, that the resourcing and training of staff is adequate to meet the needs of its tenants.
- 4.2 The Council is committed to making available to staff access to relevant training relating to effective prevention and control of rent arrears.
- 4.3 Staff dealing with rent arrears will have training appropriate to their needs and to the needs of the Council, identified in their Personal Development Plans to meet the requirements of this policy and its associated procedures.
- 4.4 Staff should have a good working knowledge of the Housing and Council Tax Benefit system and be able to advise when and how to claim the appropriate benefit. Staff will be encouraged to develop a working knowledge of Housing and Council Tax Benefit.
- 4.5 All staff are appraised in accordance with Council's Corporate Appraisal policy.
- 4.6 Staff will be encouraged to obtain Institute of Housing or Institute of Revenues, Rating and Valuation qualifications.

5. Tenant Participation

- 5.1 The Council will consult with Tenant Groups on the Rent Management Policy as part of its Tenant Participation Strategy and account will be taken of representations made.
- 5.2 The Council will seek feedback from tenants through customer satisfaction surveys and other tenant consultation processes, on the effectiveness of different approaches and on any suggested changes.

6. Payment Methods

6.1 A variety of payment methods are available to tenants on a weekly, fortnightly or monthly basis. These include:-

- Direct Debit - this is the preferred method of payment which is promoted to tenants
- Debit / Credit Card via Aberdeen City Council website or 24 hour telephone number
- Cash/Cheque
- Post Office and Paypoint outlets
- Standing Order

6.2 We will actively seek to introduce other methods of paying for our customers.

7. Prevention and Awareness

We aim for the maximisation of collectable rental income and the minimisation of rental loss. In order to achieve this aim, we will take early pro-active action on tenants falling into rent arrears.

It is recognised that prevention of debt is a very important aim and tenants are therefore contacted at various stages of the escalation process to make them aware of the debt, take payment and make arrangements where necessary.

This can be done at any stage of the escalation policy but is especially effective for pre-court cases in order to avoid Court action and prevent additional costs to tenants.

In order to achieve this aim the following methods are currently in operation:-

7.1 Assistance and Advice

- Provide a range of convenient and accessible rent payment methods.
- Ensure that information is available on how to access Housing Benefit and Council Tax and other welfare benefits.
- Ensure that robust procedures are in place to track, address and monitor rent arrears situations after one missed payment of rent due.
- Respond quickly to specific enquiries from tenants about their rent accounts.

- Provide advice and support throughout the tenancy via settling in visits, tenants' meetings and newsletters.
- Provide information and documentation in other languages.
- Make Benefits Advice available at local offices and also provide home visits.
- Ensure leaflets and advice on other internal and external agencies who provide support and advice are publicised by issuing the 'Payment Difficulties' leaflet, etc.
- Provide tenants with a rent statement on a yearly basis or on an ad hoc basis as requested.
- Make Rent Management and Benefit Advice staff available to attend Tenant Open days.
- Publicity to promote the importance of paying rent, Housing and Council Tax Benefits take-up campaigns are undertaken.
- Where ever possible forms and leaflets would be designed to Plain English Standard eg. Housing and Council Tax Benefit claim form has the 'Crystal Mark' approved by Plain English Campaign.

7.2 Lease Signing and commencement of tenancy

When the tenant presents themselves for signing their lease, the importance of rent payment shall be made clear and the following will be explained or provided :-

- The weekly rent charge (including service charges, if any).
- The Council's Rent Management Policy and Procedures will be explained to tenants, to emphasise the importance and necessity of regular payments in advance.
- The need to maintain regular payments to prevent rent arrears from arising or increasing will be emphasised to the tenant.
- The need to advise the Housing Assistant and the Council Tax and Benefits Service of any change of circumstances.
- Payment methods available.
- Opportunity to complete a Direct Debit instruction.

- If the tenancy is Sheltered Housing, a financial assessment form is completed, signed and sent to Supporting People co-ordinator, Strategic Services.
- Opportunity to complete a Housing and Council Tax Benefit application form.
- Opportunity to speak to a member of the Benefits Advice team who will provide advice or assistance in completing forms and maximising income.
- The tenant will also be advised that a Council Tax bill will be issued and the importance of keeping up payment will be stressed.
- The tenant will also be given information on the Councils Home Contents Insurance scheme and invited to apply. Payment should be made along with their weekly rent.

7.3 During and throughout the tenancy

- Tenants are encouraged to make contact with Rent Management in respect to any issues regarding rent payment or rent arrears.
- Information provision will be sustained throughout the duration of the tenancy via the initial settling in visits for all new tenants - which is carried out within the first four weeks of the tenancy by the appropriate Housing Assistant.
- Tenants meetings, newsletters and information leaflets are contained in all Rent Management documentation e.g. Payment Difficulty leaflet which includes details of all bodies providing help.
- Particular emphasis is paid to promoting the agencies which provide advice on maximisation of tenant income.
- Housing and Council Tax Benefit is promoted at every opportunity.
- Where tenants who are in receipt of Income Support, Jobseekers Allowance (Income based) or Employment and Support Allowance (Income Related) and have rent arrears, applications are made directly to the Department of Work and Pensions for Rent Direct.

7.4 Rent Increase

Council rents are reviewed on an annual basis and where there is a change in the rent charged the following information shall be given to tenants at least one month in advance.

- The new annual and weekly rent and service charge plus any insurance charge they may have.
- Details of the due date on which the new rent will take effect.
- The Council will provide written notification to the Housing and Council Tax Benefit Service of all new rent charges, to whom they apply and the effective date of commencement in order that any Housing Benefit can be automatically reassessed.
- Promote Housing and Council Tax Benefit with issue of new rent charges.
- Advise those with a payment agreement of the new weekly payment required.

8. Promotion of Housing and Council Tax Benefit

- 8.1 The Council will provide information about Housing and Council Tax Benefit to new and existing tenants and will assist, wherever possible, in the completion of claim forms for these benefits. These forms will then be forwarded on to the Council Tax and Benefit Service on the tenant's behalf.
- 8.2 Tenants have an obligation to pay their rent and should claim any entitlement to Benefits and in so doing, provide the relevant information to enable a claim to be processed.
- 8.3 Tenants are reminded to inform the Council Tax and Housing Benefit Service of any changes to their circumstances that may affect their entitlement.
- 8.4 Normally overpayment of Housing Benefit will be recovered from the tenant. If the tenant has an ongoing Housing Benefit claim any overpayment will be recovered by a standard weekly amount from the current Housing Benefit award. The tenant is then required to pay this amount to their rent account. Failure to pay this amount will result in the case proceeding through escalation.
- 8.5 Alternative arrangements can be entered into for recovery of Housing Benefit overpayment on completion of an Income and Expenditure form and agreement of a mutually acceptable payment arrangement.
- 8.6 Tenants who are in receipt of Income Support, Jobseekers Allowance (Income based) or Employment and Support Allowance (Income Related) and have rent arrears, applications are made directly to the Department of Works and Pensions for Rent Direct.
- 8.7 Arranging home visits by Benefits Advice staff.

- 8.8 Benefits Advice staff undertake campaigns to maximise income by identifying cases where there maybe entitlement to underlying benefits, eg attendance allowance, disability allowance, carers allowance, etc.
- 8.9 Benefits Advice, Housing and Council Tax Benefit Services are located and available to see claimants at principal area Housing Offices.
- 8.10 A Housing and Council Tax Benefit Advisor will attend Court to provide assistance and advice.
- 8.11 Housing and Council Tax Benefits take-up campaigns are undertaken.
- 8.12 Housing and Council Tax Benefit claim form has the 'Crystal Mark' approved by Plain English Campaign.

9. Rent Arrears Management – Early Action

- 9.1 When arrears arise:

The Council recognises the need for prompt action:-

- Where new tenants fall into arrears, they are contacted if they have missed one week's payments. A reminder is issued thereafter as soon as practical.
- A second reminder is issued to the tenant if no payment or arrangement has been made. This letter is also issued to each tenant in the property.
- A Notice of Proceedings is then issued if no payment or arrangement has been made and the balance is over £100.
- Where the balance is under £100, tenants are cold called by telephone and or small balance letters are issued each week.
- Where tenants are experiencing multiple debts and, subject to Data Protection legislation and where tenants have given permission to discuss their case; details will be given to internal and external agencies who may be able to offer further advice and support. Where appropriate, referrals are made to Citizens Advice Bureau.
- To ensure maximisation of income, referrals are also made where appropriate to the locally based Benefit Advice/Housing and Council Tax Benefit staff.
- Where Housing and Council Tax Benefit has been reassessed a letter is issued indicating new rent charge and a Council Tax bill is also issued.

- The Homelessness section are notified when legal action has been raised against a tenant.
- The Council will seek to verify with the tenant each time contact is made, the current details of all qualifying adults in the household and advise that should legal action be required all qualifying adults will be notified.

9.2 Early Contact

- When the tenant is contacted, the member of staff will ask certain identification questions to ensure that they are in fact talking to the tenant.
- It is essential that all relevant information is gained from the tenant during the phone call.
- It is imperative during the conversation for the staff member to ascertain the cause of the rent arrears, assess whether or not the tenant is receiving their full Housing and Council Tax Benefit and Welfare Benefits entitlement.
- Discuss with the tenant alternative payment methods more suited to their circumstances.
- Ascertain from the tenant whether there are any other changes to their circumstances, particularly if any qualifying occupiers have moved in or out.
- During the contact, the member of staff will also try to establish whether or not the tenant is vulnerable or has any particular additional needs.
- House visits are carried out by visiting officers and neighbourhood staff.

9.3 The arrangement – Agreed payment arrangement

- It is essential that an arrangement is agreed with the tenant to clear the debt and that it is recorded.
- A letter will be issued confirming the payment arrangement agreed including details if the arrangement is not maintained.
- Any arrangement made must be realistic and reflect the tenant's capacity to pay.

- The arrangement should be made on the basis of knowledge of the tenant's income/expenditure/ their previous rent payment history, and any other relevant personal circumstances.
- Where appropriate, an Income and expenditure form should be completed with the tenant.
- The minimum arrangement will usually be the tenants “**weekly rent liability plus a payment towards the arrears**”.

It should be stressed to the tenant that any change of circumstances must be notified to the Council immediately so that a new arrangement can be discussed.

- The consequences of not keeping to the agreed arrangement will be made clear to the tenant. The tenant will be made aware that broken arrangements will result in immediate further recovery action.
- The Council will normally only enter into a maximum of two payment agreements.

9.4 Rent Direct

Tenants who are in receipt of Income Support, Jobseekers Allowance (Income based) or Employment and Support Allowance (Income Related) and have rent arrears, applications are made directly to the Department of Works and Pensions for Rent Direct.

9.5 Further action - Non Legal and Legal

The Council has a clearly defined set of procedures that deal with the pursuance of rent arrears. Throughout the process we aim to help tenants make, and keep to, reasonable payment agreements to clear the outstanding debt.

- In cases of persistent, ongoing rent arrears or default on agreements made, the Council will commence legal action. We have a responsibility to existing and future tenants to collect rent due, and whilst legal action is deemed a solution of last resort it will be pursued.
- In cases where the tenant cannot clear their rent arrears in a single payment, the Council will agree an affordable payment arrangement to reduce the arrears in by realistic and sustained instalments over a specific period of time. Any repayment agreement will be based on a detailed assessment of the tenant's ability to pay.
- Where the tenant is unwilling or unable to make or keep such an arrangement, the Council will continue to progress the case through

the escalation policy and take Court action where eviction will be considered as a last resort.

- Qualifying Occupiers in terms of the Housing (Scotland) Act 2001 Part 2, Section 14 will be notified of legal proceedings. A qualifying occupier means a person who occupies the house as that person's only principal home and who is :-
 - A member of the tenant's family aged at least 16 years.
 - A person to whom the tenant has, with the landlords consent assigned, sublet or otherwise given up possession of the house or any part of it.
 - A person whom the tenant has, with such consent, taken in as a lodger.
- Once legal proceedings have been initiated, the council will continue its efforts to recover rent arrears and avoid the need for court action.
- The action may be dismissed with an award for expenses only where the rent arrears are cleared in full.
- Tenants will continue to receive information about their rights and sources of advice and support throughout.
- They will be encouraged to seek independent advice from a solicitor or other agencies e.g. Citizen Advice, In Court Adviser or Solicitor and to be heard or represented at court when their case is called.
- The Council will arrange for a Housing Benefit and Council Tax Benefit Adviser to be present at Court days to provide advice.
- In the case of current tenant arrears, a conjoined action for the recovery of the property, the debt and recovery of legal expenses will be used. This means that once the tenancy is ended, the Decree can still be used to recover debt from a Former tenant.
- Between receiving the Decree and the eviction date, we will ensure that the tenant is aware of the consequences and seek payment of debt due.
- Eviction procedures will be managed carefully and sensitively, with continued support and advice offered.
- The Rent Management Team will notify Estates, Homelessness teams and Social Workers where a tenant is due to be evicted.
- **Evictions will be authorised by delegated officers on submission of a report to them including confirmation from Estate**

Management, Social Work, Homelessness, that there is no reason for the eviction to not proceed. Risk Assessment

10. Former Tenant Arrears

- 10.1 The Council will seek to and recover any outstanding debt following the termination of a tenancy.
- 10.2 The Council will undertake arrestment of bank accounts, arrestment of earnings or take action through the Small claims court to recover outstanding former rent arrears.
- 10.3 In cases where a former tenant has died, any communication with the next of kin will be sensitive to the situation and will follow existing procedures for dealing with deceased cases and seek any outstanding sums due from the deceased estate.
- 10.4 If the former tenant fails to respond to two requests to enter into a repayment arrangement or cannot be traced the debt will be passed to Debt Collection Agents for trace and collect.
- 10.5 After 12 months, where a former tenant debt (a certain sum of money set by Head of Service –Customer Relations Management in conjunction with the City Chamberlain) has had at least two letters issued and all checks have been carried out, the debt is declared uncollectable.

11. Uncollectable Income

- 11.1 In accordance with the Council's Financial Regulations, all debts will be actively pursued using every means available. Procedures for staff will emphasise the need to treat debt as uncollectable when all other avenues have been exhausted. In order to achieve this, debts will be treated as uncollectable in the following circumstances:-
 - Balances less than £50 where there is no response to a letter and/or phone call.
 - Deceased cases where there is no estate or insufficient monies.
 - Sequestration cases.
 - In care and no recoverable funds.
 - Prescribed debt over 5 years old and no acknowledgement.
 - No trace of debtor and debt less than £500.

- 11.2 We will present reports, on an annual basis to the Resources Management Committee for those debts which are longstanding, cannot be traced and where there is no prospect of recovery.
- 11.3 Where there is no prospect of recovery of the debt and a figure deemed by the Head of Service in conjunction with the City Chamberlain, the Rent Management Co-ordinator will have delegated authority to classify the debt as uncollectable.
- 11.4 Where any debt has been classified as uncollectable, this information will be retained on the tenants account in order that it can be reinstated again should any change of circumstance occur or relevant information be obtained.

12. Credit balances on accounts

- 12.1 Accounts with credit balances are reviewed regularly.
- 12.2 Where a credit exists on an Rent account, this will be transferred to clear any outstanding balances on other Council debts and the tenant advised.
- 12.3 A letter will be issued advising the tenant of their current account balance.
- 12.4 Where a previous tenant is outwith Aberdeen City they will be refunded accordingly.

13. Performance Reporting

- 13.1 The Head of Service Customer Relations Management has responsibility for ensuring operational delivery of this policy and supporting staff.
- 13.2 Targets are set and matching for each aspect of the Key Performance Indicators are approved by Continuous Improvement. Key Performance is also reported to Area Committees.
- 13.3 Performance Management Information is also provided to the Strategic Leadership Housing Team for assessment of wider policy implications.
- 13.4 Performance is monitored and reviewed by Continuous Improvement Service Management Team and by the Customer Relations Management Team.
- 13.5 Performance will be regularly benchmarked against other comparable authorities.

- 13.6 Additional operational management information will be provided to support specific initiatives, and to support the evidence to show that we are achieving our Rent Management Policy objectives.
- 13.7 Staff will receive regular performance information at an area and city wide level.

14. Appeals and Complaints

- 14.1 Any tenant who is dissatisfied with a decision should first speak to, or write to the Head of Service, Customer Relations Management, Continuous Improvement who will endeavour to resolve the issue and respond within 14 days.
- 14.2 If the tenant is not satisfied with the response received, the Corporate Complaints Procedure should then be followed. A copy of this procedure can be found on the Aberdeen City Council website.
- 14.3 This appeals procedure is intended to clarify points of interpretation of the policy and to allow tenants to put forward information that may not have been apparent or available during the original decision making process.
- 14.4 The appeals procedure will not be allowed to delay any Legal Action cases as the actual legal process will also act as an appeal in itself.**
- 14.5 Tenants can obtain advice and information about their rights from the local Citizens Advice Bureau or a Solicitor, or another representative.
- 14.6 If for any reason of disability or impairment a tenant is unable to complain or appeal to the Council formally then he/she may authorise a representative to write on their behalf.
- 14.7 Tenants may also have a complaint referred to the Public Services Ombudsman if they complete the Council's published complaints procedure and are still dissatisfied.

15. Equalities and Diversity

- 15.1 The Council will ensure that in implementing this Policy it will not unfairly discriminate against any individual, household or group on the grounds of sex or marital status, on race grounds, on the grounds of disability, age, sexual orientation, language or social origin, other personal attributes, including beliefs or opinions such as religious beliefs or political opinions.
- 15.2 Provide information in other languages.

16. Risk Management

16.1 Non compliance with the Rent Management policy represents risk to the Council in that:-

- Income required to meet the cost of services is not collected.
- Legal and other costs increase in taking action against high balances where an early intervention has not been carried out.
- Tenancies are not sustained as higher rent arrears result in more evictions.
- Tenants lose their homes through legal action instigated using inaccurate or out of date information.

16.2 Given the importance of these risks the effective management and review of this policy and associated procedures is vital.

17. Confidentiality

To maintain confidentiality, tenants arrears will not be discussed with third parties except:-

- With the written permission of the tenant.
- With the written permission of the tenant's Solicitor.
- With the written permission of the Council's Solicitor.

This policy was approved in October 2008 and will be reviewed annually.

31 October 2008