

KINGDOM HOUSING ASSOCIATION LIMITED

ARREARS POLICY

1. Statement of Intent

- 1.1 Kingdom is committed to the principles of good corporate governance and sustainability and will endeavour to develop fair and consistent policies, procedures and practices.
- 1.2 In line with Kingdom's commitment to equality and diversity, this policy can be made available in a variety of formats, including large print, translated into another language or on audio tape. Reasonable adjustments will also be made to assist individuals who have particular needs.

2. General Principles

- 2.1 As rent is our main source of income we recognise the importance of ensuring arrears are kept to a minimum and, where arrears do arise, we take early and effective action to control them.
- 2.2 We will offer all residents advice and assistance to try and prevent them losing their home for non payment of their monthly charges.
- 2.3 This policy and the accompanying procedures are designed to ensure that we are able to achieve this task and will apply to all our tenure types.
- 2.4 As part of our overall business, we have adopted a Sustainability Policy. The principles of that policy will be applied to the implementation of this policy.

3. Methods of Payment

- 3.1 We will offer our residents as many convenient payment methods as we can, providing they are cost affective for us to administer.

4. The Prevention of Arrears

- 4.1 All new residents will be reminded when they sign their tenancy or occupancy agreement of their responsibility to make regular payments. They will also be advised at this time of what they should do if they are unable to make a payment.
- 4.2 We will discuss the various methods of making their monthly payments and help them select a method that suits their particular circumstances.
- 4.3 We will carry out a benefit assessment for all applicants at the viewing stage if they are unsure of their benefit entitlement.
- 4.4 We will issue all residents with a statement of their rent/occupancy account when they receive their annual review notice. Additional statements will also be available on request.

- 4.5 We will assist all residents who are eligible for Housing Benefit to complete their claim at the sign up stage and will send all completed claims to the relevant Local Authority on their behalf.
- 4.6 We will encourage all residents who receive Housing Benefit to have this paid directly to us.
- 4.7 We will arrange to visit all new residents within six weeks of them moving in to their property if they have:
- not submitted their Housing Benefit claim or any of the supporting information.
 - Failed to make any payments since they moved in.
- 4.8 We will try to promote a positive payment culture by publishing articles on our website and in our six monthly newsletters.
- 4.9 We will check all credit balances on a two monthly basis and any genuine credit balances will be returned to the resident if appropriate. A credit balance on a resident's rent account may be used by us to off-set against any other tenancy related debts owed by the resident to us.

5. Managing Arrears

- 5.1 All payments are due on the first day of each month and should be paid on or before this date. There are no rent free periods during the year.
- 5.2 All rent/occupancy accounts will be monitored by Customer Accounts staff on a weekly basis and any resident who has an arrear on their account will be contacted by them and encouraged to discuss the arrear.
- 5.3 If any resident is experiencing debt problems, we will signpost them to the Money Advice section of the relevant Local Authority or any other appropriate agency that we are aware of.
- 5.4 We will use a variety of methods to contact residents including letter, telephone, text, visits and email.
- 5.5 We will liaise closely with Housing Benefit sections to ensure claims are up to date for all our residents. We will normally not raise legal action taken against a resident whilst they are actively working and co-operating with us and the Housing Benefit Department to have and Housing Benefit claim assessed. However we reserve the right to take whatever legal action we deem necessary against any resident as circumstances dictate.
- 5.6 All contact with residents will be recorded in the notes pages of the resident's account.
- 5.7 If a resident fails to make a repayment arrangement or breaks their agreement on more than two occasions without good cause, we will issue a Notice of Proceedings for Recovery of Possession.

- 5.8 We will only issue a Notice of Proceedings for Recovery of Possession if we intend to take legal action for arrears. We will not use such notices to try and force residents to engage with us.
- 5.9 When we have issued a Notice of Proceedings for Recovery of Possession, we will contact the resident on a regular basis in line with our arrears procedure in an effort to get them to make an arrangement to clear the debt. We will do this for four weeks after we issue the Notice. We will normally only accept a post-Notice agreement after we have had a face to face meeting with the resident.
- 5.10 The Customer Accounts Team Leader is authorised to initiate legal action against any resident in terms of this policy and the accompanying procedures.

6. Legal Action

- 6.1 Once legal action has started, we will not normally accept any further agreements until the case calls in Court. Any exceptions to this rule must be approved by a Senior Customer Accounts Advisor.
- 6.2 We will discharge our obligations in terms of section 11 of the Homelessness etc (Scotland) Act 2003 by instructing our solicitor to inform the relevant person in the Local Authority on each occasion we are taking repossession action.
- 6.3 In the case of Sharing Owners, we will use the procedures set out in the Co-operation agreement between their lender and ourselves once the amount outstanding is the equivalent of two months payment. If there is no private lender then we will pursue the matter through a Division and Sale Process.

7. Decree of Eviction Granted

- 7.1 When we obtain a Decree for Eviction, a report will be prepared for the Chief Executive or the Director of Housing and Support Services and only these two members of staff will have the authority to make the decision to enforce the Decree.
- 7.2 At this stage the recovery of a property will normally only be halted if the resident concerned clears 100% of the rent arrears and any other debt due by them to us, including legal expenses. Exceptions to this rule can only be approved by the Chief Executive or the Director of Housing and Support and Care.
- 7.3 If we do not enforce the Decree we must create a new tenancy and the outstanding debt will be classified as former tenant arrears.
- 7.4 If we take the decision to enforce a Decree for Eviction, we will advise the appropriate person in the Local Authority of our decision.
- 7.5 Where we take the decision to enforce a Decree of Eviction, any payments made to Kingdom by a resident after the Decree has been granted by the Court and prior to the eviction being carried out, will be accepted as payment towards the arrears only. No payments will be accepted during this period as being payments of "rent" and we will not create a new tenancy agreement by accepting such payments towards the arrears.

8. Sub Accounts and Owner Occupier Accounts

- 8.1 All sub accounts and owner occupier accounts will be monitored on a monthly basis and appropriate action will be taken for all accounts with a debit balance.

9. Transfers and Exchanges

- 9.1 We will not normally approve any transfers or mutual exchanges for residents who have arrears exceeding one month's rent or occupancy payment, unless they have an agreement in place and they have kept to the terms of this agreement for a minimum of three months. Any exception to this must be approved by the Area Manager, Housing Manager or Director of Housing and Support Services.

10. Assignations and Applications for a Joint tenancy

- 10.1 We will consider applications to assign a tenancy or for a joint tenancy from a tenant who has rent arrears on the condition that the arrears are less than one month's rent or the person who is taking over the tenancy or being added to the tenancy clears the arrears prior to signing the Deed of Assignation or the new joint tenancy agreement.

11. Former Tenant Arrears

- 11.1 We will pursue former tenant/sharing owner debts using our own resources, debt collecting agencies, small claims and summary cause actions and earnings and bank arrestments. We will develop detailed procedures to ensure this objective of the policy is met.

- 11.2 The Customer Accounts Team Leader shall recommend the amount to be written off and request appropriate authorisation from:

Housing Manager	-	£1 to £3,000
Director of Housing and Support Services	-	£3,001 to £20,000
Chief Executive	-	balances over £20,000

- 11.3 We will report the level of former tenant arrears and write offs to the Committee of Management on a quarterly basis.

12. Monitoring

- 12.1 The Housing Manager will produce a monthly report for the Director of Housing and Support Services which will detail how we are performing against our targets and will highlight any areas of concern.

- 12.2 A quarterly report will be produced for the Committee of Management which will include performance against target for our gross and net arrears, the level of arrears exceeding 13 weeks, the level of former tenant arrears and details of the legal action that has been taken to recover arrears.

- 12.3 We are currently members of the Housing Quality Network and will benchmark our arrears performance against other members in the network. We will regularly review our benchmarking arrangements.

13. Review

- 13.1 This policy will be reviewed on a five yearly basis from the date of implementation, which will be the date the policy is approved by the Committee of Management, or earlier if deemed appropriate.

KINGDOM HOUSING ASSOCIATION LIMITED

ARREARS POLICY

This policy has been prepared in accordance with the Plain English principles and has been reviewed by a Plain English Champion in the reviewing Department.

Policy drawn up with reference to:

Disability Discrimination Act 1995
Human Rights Act 1998
Data Protection Act 1998
Housing (Scotland) Act 2001
Homelessness etc (Scotland) Act 2003

Reference made to the following sources and other guidance:

The Housing Regulator
Activity Standard AS1.8
Guiding Standards GS1.1, GS1.2, GS3.1, GS3.2 and GS3.4

Cross Reference to Performance Standards for social landlords and homelessness functions: Guiding Standards (insert references here)

Prepared by: Stephen Cairns

Reference to the current policy and date if one exists

Draft 1 Reviewed by (insert names of those who first reviewed) on (insert date here)

Draft 2 Reviewed by the Staff and Facilities Management Group on (insert date in here)

Draft 3 Reviewed by Solicitors 7th January 2010

Draft 4 Circulated to the JCG for consultation for one month from (insert date in here)

Sub Committee Review of Policy on 8th March 2010

Presented for approval to Committee of Management on 15th March 2010

Policy Approved: Yes

Next review date: No later than March 2015