

EAST RENFREWSHIRE COUNCIL

CABINET

26 January 2017

Report by Director of Environment

RENT ARREARS AND FORMER ARREARS WRITE OFF POLICY

**PURPOSE OF REPORT**

1. The purpose of this report is to advise the Cabinet of proposals for an updated Rent Arrears policy (Appendix 1), including ensuring that former arrears are kept at a realistic and manageable level. The main purpose of the policy is to help avoid the occurrence of rent arrears.

**RECOMMENDATION**

2. The Cabinet is asked to approve the Rent Arrears policy.

**BACKGROUND**

3. The transfer of rent collection and arrears to Housing Services provided an opportunity to comprehensively examine the existing processes and procedures and consider areas for improvement.

4. The objective of the Rent Arrears policy is to prevent rent arrears where possible by providing appropriate support and assistance at the earliest stage. Where this is not possible, the Rents Team will attempt to establish and maintain engagement with tenants with current or former arrears.

5. In cases where, despite repeated efforts, Housing Services are unable to establish a regular and appropriate payment pattern, court action will then be taken to recover the debt, which may include action up to eviction. Whilst such action is a last resort, this might ultimately be necessary in view of the Council's responsibility to manage its income, and in the face of income pressures arising from matters including Welfare Reform. In all cases where children are involved, consideration will be given to the Council's role as a Corporate Parent, and liaison will take place as necessary with colleagues from within the Health and Social Care Partnership (HSCP).

**REPORT**

**Current Rent Arrears**

6. The improved performance in rent arrears is shown in the table below and is significant, particularly given the increase in rent arrears arising as a direct result of the increasing number of tenants subject to the Universal Credit arrangements. Some of this improved performance is as a result of bad debt write off in the previous year which will continue to be kept under review.

	2013/14	2014/15	2015/16	As at 30 September 2016
Gross Rent Arrears (current & former arrears)	9.4%	9.9%	7.3%	6.4%

7. As well as debt write off another important factor is the use of early intervention to prevent arrears arising wherever possible. A liaison and referral arrangement has been established with close links now in place between the Housing Services and the Council's Money Advice and Rights Team (MART). The resulting financial assessments help to ensure that tenant circumstances are considered on an individual basis, that income is maximised, and that financial difficulties are prevented wherever possible.

8. Joint working practices have also been reviewed with Customer First, Revenues (Housing Benefit) and with East Renfrewshire Citizens Advice Bureau as these relationships are vital to ensure arrears are prevented from arising, or addressed quickly once they do occur.

9. A service level agreement was agreed prior to the transfer of the rent collection and arrears service with East Renfrewshire Credit Union (ERCU) which allows tenants' access to credit union accounts suitable for receiving Universal Credit payments and making rent payments direct to the Council from those accounts. This is being reviewed to assess whether further improvements could be made to that initiative.

10. In addition, the co-location of Housing Officers and the Rents Team allows for close liaison and makes good use of local knowledge. This allows for early indicators of tenants in difficulty to be addressed at the earliest possible stage.

11. Additional functionality has been identified and deployed by the Council's software supplier and this allows staff to closely monitor rent accounts more efficiently and on a continual basis, thus reducing paper based duplication and ensuring resources are targeted at those most in need, at the earliest stage.

12. Tenants who are placed on Universal Credit are offered full support during the initial stages of their claim. Officers will ensure that once payments have been made that rent payments are appropriate to address the accrued arrears and the rent charge.

### **Former Tenant Arrears**

13. In order to improve performance in former tenant arrears, information has been gathered and analysed from a range of Scottish Local Authorities to identify examples of good practice. The results of these have been used to form recommendations relating to former tenant arrears.

14. Investigation of the procedures employed elsewhere highlights significant differences in methods used to decide when former tenant arrears are written off.

15. A common practice is to allow greater discretion for officers to analyse former tenant arrears (including the likelihood of recovery) on a case by case basis. This closer monitoring is reflected in more frequent reporting and write-offs of former tenant arrears (twice yearly being common practice). The changes proposed to our policy and practice would be subject to oversight by senior officers and would allow more targeted deployment of staff resources.

16. The key changes proposed include:

- Debts over 2 years considered for write off (currently 5 years)
- Debts assessed twice yearly (currently assessed once a year)
- Small balances under £75 written off (currently £20)

### **Future Improvement Actions**

17. During 2017, further work will be undertaken to improve the service with a particular emphasis on customer engagement and utilising digital technology. This includes:

- Customer engagement to assess tenant's experience of the service. This will ensure the service is further improved around customer needs and expectations.
- New software is being investigated as part of the Environment Department's Change programme. The software is designed to use data on rent collection to predict tenants at the greatest risk of arrears, allow for resources to be targeted and deliver a significant reduction in future arrears.
- Increased use of online services as part of the Environment Department's Change programme.

### **FINANCE AND EFFICIENCY**

18. The proposals contained within this report will provide an initial reduction in arrears and improve performance thereafter.

### **CONSULTATION**

19. This policy has been discussed with Registered Tenant Organisations, and with the wider tenant body.

20. In addition, consultation has taken place with internal partners such as Revenues and Benefits and HSCP. Consultation has also taken place with the East Renfrewshire Citizens Advice Bureau (ERCAB).

### **PARTNERSHIP WORKING**

21. This policy will be implemented in full partnership with:

- Health & Social Care Partnership
- East Renfrewshire Citizens Advice Bureau
- Revenues & Benefits
- Money Advice & Rights Team

## **IMPLICATIONS OF THE PROPOSALS**

22. The Rent Arrears policy is intended to target the impact of welfare reform and deliver on-going continuous improvement.

23. The change to the write off arrangements will help maintain former arrears at a manageable level.

24. This report does not have any implications in terms of property, staffing, equalities, or sustainability.

25. An equality impact assessment has been undertaken. The policy applies equally to all tenants and service users. There is negligible adverse impact.

26. The policy has been reviewed to ensure that the Single Outcome Agreement is ensured for all East Renfrewshire Council tenants.

- SOA4. "East Renfrewshire residents are safe and supported in their communities and homes".

## **CONCLUSIONS**

27. The policy ensures effective early intervention to prevent arrears from occurring and where they do occur support and advice mechanisms are provided to ensure tenancy sustainment where possible. The policy also ensures effective recovery procedures are in place and the efficient management of recoverable debt.

## **RECOMMENDATION**

28. The Cabinet is asked to approve the Rent Arrears policy.

Director of Environment

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January 2017

**East Renfrewshire Council  
Housing Services  
Rent Arrears Policy**

**1. Scope of the Policy**

- 1.1 This policy describes the activities and responsibilities involved where tenant rent accounts of both current and former tenants are in arrears. The term "rent arrears" applies to both rent and service charges.
- 1.2 The Rent Arrears Policy applies to all rented property owned or managed by Housing Services.
- 1.3 The Rent Arrears Policy complies with and supplements East Renfrewshire Council's financial regulations.
- 1.4 East Renfrewshire Council will ensure the promotion of equal opportunities by publishing information and documentation in different languages and other formats such as large print, tape and braille, as required.
- 1.5 East Renfrewshire Council will ensure that no individual is discriminated against on grounds of sex or marital status, on racial grounds, or on grounds of disability, age, sexual orientation, language or social origin, or other personal attributes, including beliefs, or opinions, such as religious beliefs or political opinions.

**2. Local Housing Strategy/Corporate Plan & Statement/Service Plan**

- 2.1 The Rent Arrears Policy will assist the Council to meet its Corporate Plan, Local Housing Strategy, Homelessness Strategy, and Service Plan aims and priorities. In particular it will assist the Council achieve its Corporate Statement, "Your Council, Your future" in the use of its resources.
- 2.2 Detailed procedures have also been developed to guide staff on the key processes involved.

**3. Objectives and Principles of the Policy**

- 3.1 The overall aim of the Rent Arrears Policy is to prevent rent arrears accruing and to minimise the level of any arrears in a sensitive but effective manner.

3.2 Services to tenants are funded wholly from rents, including:

- The management of the Council's housing stock and its wider environment;
- The housing repairs service
- The maintenance and improvement of homes and surrounding environment through the capital and planned maintenance programmes

3.3 Failure to pay rent involves other tenants paying for the services provided to defaulting tenants. Meeting the obligation to pay rent is not only a contractual obligation; it is part of the commitment each tenant makes to the whole tenant population.

3.4 The specific objectives of the Rent Arrears Policy are:

- To assist with the prevention of homelessness and ensure that other corporate obligations such as Child or Adult Protection are recognised within the operation of the policy by attempting to support tenants in staying in their homes.;
- To ensure that all legal requirements have been met before taking any legal action, including pre-action requirement conditions;
- To offer early appropriate professional support and guidance to tenants to minimise rent arrears in response to their specific needs and circumstances;
- To work with other Council services and agencies to ensure that appropriate support and assistance is delivered to tenants and their families, that risks are identified and agreed outcomes met;
- To monitor levels of rent arrears and have early intervention mechanisms in place which prevent rent arrears arising;
- To ensure that tenants are given relevant information about entitlement to welfare benefits/income maximisation services and to encourage optimum take up from tenants; and
- To maintain contact with tenants to ensure effective communications and ensure tenants meet their statutory responsibilities for the payment of rent.

3.5 The above objectives will be achieved by implementing the following principles:

- The Council's rent arrears management service is fair, open and transparent;
- The Council promotes joint working where necessary with other Council Departments and external agencies with appropriate agreements;
- Detailed procedures and agreed practices are applied uniformly and across the service;
- Staff training is provided to ensure that staff are equipped to carry out the roles expected of them in a consistent way;
- All communication with tenants and service users is in “plain language”, will be clear, concise, simple to understand and free of jargon and will make clear who the appropriate officer is to contact in the case of queries;
- That tenants are supported where appropriate to meet their tenancy responsibilities to pay their rent; and
- The Council will research and prepare for any changes in legislation which may affect tenants’ abilities to pay their rent and ensure that appropriate responses are considered by elected members. For example, developing responses to Welfare Reform.

#### **4. Legal Framework**

4.1 The Council will ensure that the Rent Arrears Policy meets with legislative and good practice requirements in minimising rent arrears. In approving and implementing the Rent Arrears Policy and associated procedures the Council aims to comply with the following legislation:

- The Equality Act 2010
- Adult Support and Protection Act 2007
- Children (Scotland) Act 1995
- Housing Benefit Regulations 2006
- Homelessness (Scotland) Act 2003

- Debt Arrangement and Attachment (Scotland) Act 2002
- Housing (Scotland) Act 2001
- Housing (Scotland) Act 2010
- Data Protection Act 1998
- Freedom of Information Act (Scotland) 2002
- Matrimonial Homes (Family Protection) (Scotland) Act 1981
- Disability Discrimination Act 1995

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

4.3 The Council will also draw upon recognised professional good practice and appropriate guidance, for example, research issued by the Chartered Institute of Housing or the Scottish Housing Regulator.

## **5. Tenants' Responsibilities**

5.1 The term 'tenant' includes sole and any joint tenants.

5.2 If two or more people have signed the Tenancy Agreement, they are jointly and severally liable for the payment of rent. This means that each person is fully responsible for the payment of rent and any arrears of rent.

5.3 Tenants have an obligation under the Terms and Conditions of their Tenancy Agreement to pay rent due every week, in advance on or before the first day of each rental period.

5.4 Tenants have a responsibility to notify the Council of any change in their circumstances that may affect their ability to pay their rent.

5.5 Tenants can choose to pay their rent from one of the following methods: -

- Cash or cheque ( in person or post)
- Post office
- Standing Order
- Direct Debit
- Credit or Debit Card via the Council's Customer Contact Centre or
- 24hr automated payment line
- Online



## 6. Prevention of Rent Arrears

- 6.1 The Council will use preventative measures and practices, which aim to avoid debts mounting up, including providing regular advice and information to tenants on the amount of rent and the dates by which it is due.
- 6.2 Prior to the start of a tenancy, the Council will make every effort to ensure that the tenant is informed of all the costs and payment responsibilities associated with their tenancy including the offer of a “rent check” where entitlement to Housing Benefit can be established.
- 6.3 When signing up a new tenancy, the Council will ensure that those eligible for Housing Benefit complete claims complete an application form. Where a tenant is responsible for paying some or all of their rent that the rent is paid at the tenancy sign up.
- 6.4 In addition to the above, the Council will provide all new tenants with information on pending changes from ‘Welfare Reform’ measures (effective in area from February 2016). The three principal changes that impact on housing include:
- Introduction of direct payments as part of the move to ‘Universal Credit’ – requiring those in receipt of welfare benefit to take responsibility and make arrangements to pay their rent to the Council from their own bank accounts or other chosen payment methods.
  - A limit on the total welfare benefit that households can receive, termed the ‘Benefits Cap’ (leading to reductions in the amount payable for housing benefit if household income from benefits is over specific limits); and
  - An ‘Under-Occupancy Charge’ leading to a reduction in the amount paid towards housing benefit by 14% for a spare bedroom and a 25% reduction for two or more spare bedrooms.
- 6.5 At the housing offer and tenancy sign up stage, the Council will advise all new tenants of these changes, whether in receipt of welfare benefits or not.
- 6.6 The establishment of a good relationship between tenant and landlord at this early stage cannot be stressed too strongly. Preventative

measures to be taken will include:

- A pre-tenancy interview with each new tenant;
- Telephone contact will be made with all new tenants within 7 days of the start of their tenancy;
- Wherever possible, and particularly where tenants are considered vulnerable or at risk of arrears, follow up contact will be made within 2 weeks of the start of their tenancy;
- Support provided by appropriate staff and services where this is merited, for example, by Housing Advice, Tenancy Support, Rents staff and Housing Officers .
- Personal contact by officers by phone, home visits and letters to encourage tenants to contact the Council at the earliest opportunity should they experience a change in their circumstances or face difficulties paying their rent;
- All correspondence regarding arrears will be written in plain language and will draw attention to the availability of advice and housing benefit;
- Citizens Advice Bureau / money advice referrals and income maximisation checks; and
- Signposting to debt counselling agencies and local Credit Unions where applicable.

- 6.7 The Council will promote a positive payment culture by including information in the tenants' handbook, discussing rent payment at viewings, sign-ups, settling in visits and regularly publish articles in the Housing News newsletter reminding tenants of the importance of paying their rent.
- 6.8 Under Universal Credit, working-age tenants will receive a single monthly payment directly from the Department of Work and Pensions (DWP). This will include support for housing costs.
- 6.9 Wherever possible, the Council will make the use of "Alternative Payment Arrangements" payments for tenants in arrears or who are vulnerable.
- 6.10 The Council will agree appropriate arrangements for the direct payment of benefits where tenants fall into arrears following agreement of appropriate protocols with the Department of Work and Pensions and the Council.
- 6.11 The Council will consult with tenants regarding any change to the rent payable and will give tenants 28 days written notice of any increase in rent.

## 7. Early Intervention

- 7.1 The Council will ensure that there is early intervention in all cases of arrears before a debt becomes unmanageable.
- 7.2 Officers will monitor all rent accounts in arrears on a weekly basis.
- 7.3 Once arrears have arisen, prompt action will be taken to ensure that the arrears do not increase. The Council will make sure that current rent is paid first, then ensure that the rent arrears are recovered before any other debt such as a legal expense or former tenant rent arrears.
- 7.4 The Council will maintain a comprehensive record of all action taken and all contact with tenants in arrears.
- 7.5 Detailed procedures for rent control and arrears action ensure that each case is regularly monitored and the necessary checks made at each stage of the control and recovery action. Tenants who regularly go into arrears will be contacted and a financial assessment will be offered to ensure that regular payments are sustained.
- 7.6 The Council will provide tenants in arrears with clearly written arrears letters which detail the current balance on an account, what action they need to take with appropriate phone numbers to get assistance.
- 7.7 The Council will offer tenants in arrears with a financial assessment of their circumstances with a view to making realistic and sustainable arrangements to pay off the arrears.
- 7.8 The Council will: -
- Give priority to establishing personal contact with tenants and members of their family over 16 years of age throughout the debt recovery process;
  - Enable an appropriate assessment of their needs and circumstances to inform the delivery of support if required;
  - Ensure that relevant departments and agencies are alerted where appropriate to deliver support and respond to identified concerns, for example, through Health and Social Care Partnership and Money Advice and Rights Team
  - Enable money management advice and assistance;
  - Provide effective controls on the recovery of debts, with legal action being taken only when all other means of recovery of rent arrears have been exhausted;

- Encourage tenants to advise the Council of a change in their circumstances that may affect their ability to pay rent; and
- Check progress of agreed specific outcomes with tenants at regular intervals to make sure rent arrears are minimised.

## **8. Assessment, Support and Liaison with Other Agencies**

8.1 The Council will offer a detailed assessment (financial assessment) to all tenants when it is identified that their rent account is in arrears in order to assist in the management of his/her tenancy and ensure that rent is paid.

8.2 During the assessment, the tenant in arrears, in consultation with the Arrears Officer/Senior Clerical Assistant will be asked to identify possible sources of support. These may include: -

- Family/household members;
- Social Work: Adult Services, Children Services
- Trading Standards Section;
- Housing Benefit;
- Welfare Benefits;
- Homelessness Services;
- Shelter;
- Dept of Work and Pensions;
- Citizens Advice Bureau; and
- Any other appropriate voluntary agency.

## **9. Rent Arrears Recovery**

9.1 Rent arrears recovery will be based on a staged escalation process, up to and including repossession for non-payment of rent.

9.2 The process will be based on a preventative approach that seeks to maximise tenants' entitlement to benefits and secure regular payments.

9.3 Emphasis will be placed on personal contact by the Arrears Officer/Senior Clerical Assistant at all stages in the process, particularly in the early stages, in order to prevent escalation of arrears. During this contact, staff will encourage tenants in arrears to seek independent advice and information from appropriate organisations to ensure they are receiving all their entitlement to housing and other welfare benefits.

9.4 A checklist will be used to ensure all pre-action requirements have

been met before taking legal action.

- 9.5 The Council will only consider legal action to recover rent arrears where management actions have proved ineffective.

## **10. Welfare Reform**

- 10.1 It is a tenant's responsibility to pay any shortfall in the rent as a result of any changes to their benefit entitlements in order to avoid rent arrears.
- 10.2 In all cases, the Council will seek to ensure that tenants understand their ongoing responsibilities to meet changes to their benefit entitlement such as the under occupancy charge payment on their tenancy. In pursuing the payment of under occupancy charges, the Council will, however be mindful of the individual circumstances of such households.
- 10.3 Where the Council is satisfied that tenants who are subject to a reduction in benefit through under occupancy are doing all they reasonably can to avoid falling into arrears, the Council will use all legitimate means to collect rent arrears.
- 10.4 The Council will maintain appropriate records to assist 'client profiling' to identify and target support to vulnerable tenants or those at risk of arrears quickly escalating. All data gathered will be managed to comply with data protection legislation.

## **11. Serious/Persistent Arrears Action**

- 11.1 Serious arrears action will commence when arrears continue to rise, or direct contact with the tenant has failed. This may include initial stages of raising legal proceedings against the tenancy.
- 11.2 The Council will write and inform the tenant that if the payment of rent and arrears are not made on a regular basis, that a Notice of Proceedings for Recovery of Possession will be served and that legal action may be taken.
- 11.3 Emphasis will continue on personal contact and ensuring that family members where appropriate are involved.
- 11.4 At each stage of the process, the tenant will be reminded of their

responsibility to pay their rent and offered support where this is needed.

## **12. Repayment Arrangements**

- 12.1 In cases where the tenant cannot clear the arrears in a single payment, the Council will agree an affordable payment to reduce the arrears in realistic and sustained instalments over a specific period of time. Any repayment agreement will be based upon a detailed assessment of the tenant's finances and ability to pay.
- 12.2 A written agreement will be made with the tenant, where possible, on how to manage and reduce their rent arrears. This agreement should include the level of current arrears, the tenant's ability to pay, the size and frequency of arrears repayments, the repayment dates and the method of making future rent payments.
- 12.3 Arrangements will be regularly monitored and if broken contact will be made with the tenant to find out why and a new arrangement will be agreed. If arrangements are continually broken, and as a result the arrears are not being reduced, further action will be taken.

## **13. Legal Action**

- 13.1 Legal action is the last stage in the rent arrears process. Tenants will be kept informed of and fully involved in the legal process at all stages of legal action. Legal action may include a payment decree or ejection decree. In all cases, the Council will seek recovery of expenses. Expenses may be awarded where the arrears have been repaid. Where appropriate, the Council will refer the tenant to suitable agencies to provide advice or assist in representation at court hearings.
- 13.2 The decision to request that an action for recovery of possession of the property and payment of arrears of rent be raised will only be taken when all other means of recovery of rent arrears have been exhausted.
- 13.3 The Council must serve the tenant with a Notice of Proceedings for Recovery of Possession at least 28 days before court proceedings will commence. Before serving a Notice of Proceedings for Recovery of Possession the Council will make reasonable inquiries to establish, so far as is reasonably practical, whether there are any qualifying occupiers in the house. The Notice of Proceedings for Recovery of

Possession must also be served on all qualifying occupiers of the house. A qualifying occupier is a person who occupies the house as his/her only or principal home and who is:

- a member of the tenant's family aged at least 16; or
- a person to whom the tenant has, with the landlord's consent, assigned, sublet or otherwise given up possession of the house; or
- a person who is a lodger and the landlord has given consent.

- 13.4 Tenants in rent arrears will be informed that any qualifying occupiers will be notified of the rent arrears and may at the tenant's discretion be invited to contribute to the financial risk assessment process. Tenants will be encouraged to seek the wider support of family members within their household where this is appropriate. Ultimately however, this will be the tenant's decision.
- 13.5 Where the court orders the repayment of arrears, it may order an open decree for repayment, which the Council can enforce for full payment of the debt, or it may make an instalment decree requiring the tenant to clear the arrears at an agreed rate.
- 13.6 In the event that a tenant has made an application for a Debt Payment Programme under the Debt Arrangement Scheme the Council will continue to raise proceedings. However, the Council will not commence "diligence" to enforce the payment of rent arrears.
- 13.7 Separate and complementary procedures have been developed to guide staff where evictions are approved. Evictions will only be considered as a last resort where all other alternatives have failed.
- 13.8 The Housing (Scotland) Act 2010 addresses the termination of a tenancy where an order for eviction (decree) has been granted on the grounds of rent arrears. The decree no longer terminates the tenancy at the date on which it becomes effective. Instead, the tenancy will only be terminated when the Council recovers possession. This aims to resolve the uncertainty where a tenant is allowed to remain in a property if suitable payments are being made following the grant of decree. The Scottish Secure Tenancies (Repossession Orders) (Maximum Period) Order 2012, sets a maximum period of six months for which an eviction decree based on arrears is effective. Decisions in relation to decrees will be made within six months but not more and will comply with the Council's Evictions Policy.
- 13.9 Officers will encourage tenants, through personal contact, specific

letters and telephone, to contact the Council at the earliest opportunity should they experience a change in their circumstances or face difficulties paying their rent.

#### **14. Former Tenant Arrears (House, Garage and Site Rental)**

- 14.1 Former tenants are tenants who have terminated a tenancy and have outstanding rent arrears related to the property vacated.
- 14.2 All tenants, when terminating their tenancy, are encouraged to pay any outstanding arrears of rent and will be advised of the implications involved if rent arrears are not paid in full.
- 14.3 Arrears control and recovery action will be activated when the status of the tenancy changes to former tenant. Recovery is based on a staged escalation process.
- 14.4 Former tenants in arrears will be encouraged to agree a repayment plan that is affordable and sustainable.
- 14.5 Detailed procedures for arrears recovery ensure that each case will be regularly monitored and appropriate action taken.
- 14.6 Where attempts to recover arrears by letter have failed, or the former tenant's whereabouts are unknown, the debt will be referred to the Debt Collection Agency used by the Council.
- 14.7 Legal action to recover the arrears will be taken in cases where, an assessment of the former tenant's financial circumstances, indicate that such action would be appropriate.
- 14.8 Where the arrears are in respect of a deceased tenant action will be limited to contacting the next of kin or executor to claim against the estate.
- 14.9 Where a debt is uneconomic to pursue or there is no prospect of recovery, the debt will be written off in a manner consistent with the Council's policy on irrecoverable debt (and as detailed at 18.1 below)

#### **15. Lock-up/Garage Site Rent Arrears**

- 15.1 The collection of any arrears of rent for a lock-up garage will be based on a staged escalation process.



15.2 In the event that attempts to recover rent arrears fail, the Council will take action to terminate the lease and recover the lock-up garage or garage site with assistance from Legal Services..

## **16. Complaints and Review Process**

16.1 The Council operates a Complaints Procedure that is available to any tenant who is not satisfied with the way in which their case has been dealt with. Details of the Complaints Procedure can be obtained from any Council Website or Customer Service Centres.

16.2 Separate from the Complaints Procedure, a Review Process exists for tenants who dispute the amount of rent arrears or any repayment programme. In the first instance, tenants can ask for an explanation from their Arrears Officer/Senior Clerical Assistant. If the tenant is not satisfied with the explanation, they can ask for an appointment with their Housing Management Officer. He/she will review the case and in the event of any dispute will refer the case to the Housing Services Manager.

## **17. Performance Monitoring**

17.1 The Council will monitor performance on rent arrears using both statutory and local performance indicators as follows:

### **Statutory Performance Indicators**

- Rent collected as a percentage of total rent due
- Gross rent arrears as at 31 March each year as a percentage of rent due
- Current and Former tenant arrears as a percentage of the net rent due in the financial year

### **Local Indicators**

- The total amount of current tenant arrears
- Current tenant arrears by band showing number of accounts and total arrears due for each band
- Total former tenant arrears due
- Number of tenants evicted due to rent arrears

17.2 The Cabinet of the Council will annually agree targets for current tenant arrears as a percentage of the net rent due in the financial year.

## **Other Issues**

- 17.3 The performance indicators detailed in paragraph 17.1 will be reported bi-annually to the Cabinet
- 17.4 The Council will review the Rent Arrears Policy in 2018. Amendments will be made as required after consultation with service users and other agencies.

## **18. Former Tenant Rent Arrears (including write-off policy)**

18.1 In all cases, where a tenant notifies an intention to terminate their property, attempts will be made to ensure that all arrears are fully paid at the date of termination. Where this is not possible, an arrangement will be made with the tenant to repay any outstanding arrears. Repayment of any arrears will be monitored by staff from the Council's Rents Team.

18.2 A letter will be sent to the former tenant where an address is available confirming the arrangement set up between the former tenant and the Council. If the Council cannot make contact with the former resident, the account will be subject to tracing using approved methods. This may include use of Sheriff Officers or a debt recovery agency. Use of these methods will also depend on viability based on the amount owed. Arrears under £75 (£20) will be considered for immediate write off should East Renfrewshire Council not be able to make contact with the former tenant. In this instance, pursuance of these amounts may not be passed to external agencies as it would not be in the Council's financial interest. These smaller debts will be written off with approval from the Council twice a year in September and March. Use of external agencies for tracing will be subject to regular value for money reviews.

18.3 Where a former tenant is deceased, the Council will seek to recover the debt from the estate. If there is no money available in the estate, the debt will be written off with approval from Council twice a year in September and March.

18.4 Debts proven to be irrecoverable by Sheriff Officers or based on assessment by Rents Team staff as unlikely to be recovered will be written off. These debts will remain as repayable should the whereabouts of the tenant become known within the next five years. Write offs for these debts require approval and will be provided to Cabinet in September and March.

18.5 Records of written off debts are maintained by the Council so that future recovery action is still possible if the former tenant reapplies for housing at a later date.

## **19. Write Off Policy**

19.1 The Council is aware that in the case of a small number of debts, all viable means of collection can be exhausted with either no payment or only partial payment being received. Therefore the Council will consider writing off debts which are considered irrecoverable twice yearly. Former Arrears older than 2 years will be assessed in addition to:

- Former Tenant is deceased and has left no estate
- Former Tenant is no longer resident at the address where the debt occurred, and all available tracing options have been exhausted
- Debtor has been sequestered
- Sheriff Officer or Rents Team staff assess low probability of debt recovery
- Small balance outstanding under £75
- In instances where a tenant becomes a full-time nursing home resident
- Where a customer becomes terminally ill and has no assets.

In cases other than where the former tenant is deceased or has been sequestered, records of written off debts are maintained by the Council. This allows for the possibility of future recovery action, where appropriate, if the whereabouts of a former tenant becomes known at a later date.