

**Bridgewater  
Housing  
Association Ltd  
Policy**

**Approved by  
committee on**

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Guidance & Legislation

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Coronavirus Rent Arrears Policy

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## 1.0. PURPOSE

- 1.1 The Coronavirus Rent Arrears Policy is intended to supplement the Income, Rent Arrears and Debt Management Policy, and outline the Association's approach to the management of arrears accrued during the Coronavirus pandemic.

## 2.0 CONTEXT

- 2.1 The Coronavirus (Scotland) Act 2020 introduced legislation which prevents some forms of action being taken against tenants as a result of rent arrears during the Pandemic.
- 2.2 This Legislation means that notice periods on Notices of Possession for Rent Arrears (served after 7<sup>th</sup> April 2020) have increased from a minimum of 4 weeks, to a minimum of 6 months. This is set to continue until 30<sup>th</sup> September 2021.
- 2.3 The legislation has also introduced a ban on evictions under Ground 1 (Rent Arrears) in the higher tier areas (Tier 3 & 4) until 30<sup>th</sup> September 2021.
- 2.4 At the start of the pandemic, a letter was issued to all tenants from the Chairperson and the CEO to reassure tenants their homes were safe and no one would be evicted, however, the expectation was that tenants continue to pay their rent.

## 3.0 PRINCIPLES

- 3.1 The Association will adopt the same principles as those contained in the Income, Rent Arrears and Debt Management Policy:

**Prevention:** We want to prevent arrears arising in the first place. Rent debt puts a tenancy at risk, impacts on the organisation's financial health and consumes resources in managing debt.

**Focus on tenancy sustainment:** We want tenants to sustain their tenancies and to do this they have to pay their rent. We will support tenants to understand this core tenancy obligation and to access help to meet this.

**Legal, clear about responsibilities, fair and responsive:** Our processes will comply with our legal obligations as a landlord. We will be clear with tenants that there is a requirement to pay rent and that this is due in advance. We will be fair and responsive to individual circumstances and in debt case management while ensuring tenants understand that rent must be paid.

## 4.0 OBJECTIVES

#### 4.1 The objectives of this policy are:

- To provide clear guidance for staff and tenants on the way in which we will deal with rent arrears as a result of the Coronavirus Pandemic.
- To ensure all possible advice, assistance and sympathetic consideration is given to any special circumstances causing financial difficulties for tenants, and to ensure a system is in place to make referrals to external advice agencies where appropriate.
- To ensure tenants are assisted in the take up of benefits, provided with debt and budgeting advice, and encouraged to make repayment agreements which are realistic and affordable to the individual.
- To ensure the Board is adequately informed of the level of arrears in order to monitor performance and ensure effectiveness of the policy.

#### 4.2 The Scottish Social Housing Charter standards and outcomes describe the results that tenants and others who use their services can expect from social landlords. Those of most relevance to the Coronavirus Rent Arrears Policy are:

##### **Charter ref no 1: Equalities**

Social landlords perform all aspects of their housing services so that:

*Every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.*

##### **Charter ref no 3: Participation**

Social landlords manage their businesses so that:

*Tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with.*

##### **Charter ref no 11: Tenancy sustainment**

Social landlords make sure that:

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

##### **Charter ref no 13: Value for money**

Social landlords manage all aspects of their businesses so that:

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

## 5.0 APPROACH AND METHOD

### 5.1 Communication

5.1.1 It is recognised that during the Pandemic communication methods will be different to normal as a result of staff working from home and social distancing guidelines.

5.1.2 The Association already uses a variety of communication methods including:

- letters
- home visits (subject to Covid guidance)
- phone
- text messaging
- email
- Social media

5.1.3 Home visits should be replaced by non- 'in person' communications as far as possible while social distancing guidelines remain in place.

5.1.4 The use of video calling Apps such as Whatsapp and Facetime, and meeting Apps such as Zoom are now recognised as appropriate means of communication and should be used, where available, to have face to face conversations. Meetings can and should be scheduled in advance and the tenant notified of this using another appropriate form of communication.

5.1.5 All communications and attempted communications must be clearly noted in the appropriate location in the Housing Management System (SDM), recording the method of communication used.

5.1.6 The Association recognises that when tenants find themselves in financial difficulties they may not respond easily to attempts to contact. Communications will therefore be varied and tailored to each individual in order to find the way which works best. This may mean phoning/texting/emailing, or using other means of communication several times per week. On occasion next of kin may be contacted if there are ongoing/welfare concerns, though no information will be disclosed as to the reason for the contact, it will be solely to encourage the tenant to get in touch.

### 5.2 Rent Due

5.2.1 The rent continues to be due on or before 29th of each month, in advance, as normal. The Association has adopted a non-aggressive approach to the management of Covid related arrears.

### 5.3 Payment Methods

5.3.1 The rent payment methods are:

- Direct Debit
- Bank Standing Order
- Credit or debit card by phone to Allpay direct.
- Online payment through the Associations website; [www.bridgewaterha.org.uk](http://www.bridgewaterha.org.uk)
- Pay point with their unique payment card
- Cheque

5.3.2 Credit or debit card payments using the payment terminal in the Association's office will not be possible while the office remains closed.

5.3.3 All payments received will continue to be processed and allocated to the rent accounts the next working day to ensure that balances are accurate and up to date for arrears monitoring.

### 5.4 Definition of Arrears

5.4.1 The Association recognises that there are two types of arrears:

- Technical Arrears – These are arrears arising as a result of delays in receiving housing benefit payments from the Local Authority, or directly from Universal Credit.
- Non-Technical Arrears – unpaid rent or service charge due by tenants.

### 5.5 Prevention

5.5.1 It is the Association's view that tenants do not deliberately fall into rent arrears, but it appreciates that for those with limited income, rent is one of a number of outgoings an individual may be struggling to pay.

5.5.2 During this time it is recognised that those on furlough or who have been made redundant, will be at particular risk of financial hardship and may struggle to make the required payments for their household bills.

5.5.3 We will aim to take early intervention in order to prevent arrears accruing or increasing. A commitment to good customer relations and appropriate communication will continue to be employed to minimise the risk of arrears, and accordingly, the Association will continue to provide information on rent and arrears in the following ways:

- Pre-tenancy communications and visits (mainly virtual)
- Tenancy Agreement & sign-up appointment

- New-tenant settling-in visit, and any follow-up support visits (virtual)
- Information Leaflets
- Website
- Newsletter
- Social Media
- Letters
- Phone calls
- Texts
- Emails

Home visits will be replaced by Virtual meetings/video calls as far as possible.

5.4.4 Specifically, the Association will ensure that:

- Staff inform applicants of rent, service charges and payment of rent in advance, at the time of the lettings interview (home visit), if not before. It is important that it is made clear at that time that the first month's rent is due at the time of sign-up and arrangements for payment and any support required are established prior to sign-up. If a prospective tenant is claiming or intends to claim Universal Credit appropriate advice is given;
- Staff will assist with the completion of Housing Benefit or Change of Circumstances applications on tenant's behalf where applicable, and ensure these are passed to the local authority with appropriate supporting information.
- Staff will contact new tenants within the first 6 weeks of the start of a new tenancy, and where required will discuss any difficulties an individual may have in making rent payments, and arrange for any further support.
- With tenant's consent, staff will make referrals to agencies for welfare or debt management advice.
- Staff will liaise with the local authority Housing Benefit Section to ensure that payments are prompt and accurate.
- Tenants will be notified and consulted at least 4 weeks in advance of any alterations to rent and service charges.
- Where a tenant falls into arrears, initial contact will be made promptly and by the most appropriate means for the individual and the current Coronavirus Guidelines.

## 5.6 Arrears Recovery

- 5.6.1 Effective monitoring of rent accounts, and early implementation of procedures continue to be the key to controlling rent arrears.
- 5.6.2 There will be a focus on completing income/expenditure forms with tenants in arrears to establish the financial position, in order to make appropriate arrangements for repayment of arrears. Those affected by reduced income as a result of Coronavirus will be supported to make affordable arrangements, or a plan to repay the debt.
- 5.6.3 Any tenant in arrears who has not seen their income reduce as a result of the Pandemic will be supported to make an affordable and realistic arrangement in the normal manner.
- 5.6.4 Arrears cases are being monitored on the basis of a traffic light system as defined below:
  - Green –Arrangement to pay arrears is in place and being maintained
  - Amber – payments are being made, however, not enough to cover full rent and/ or sporadic
  - Red – failure to engage and/ or keep to a payment arrangement
- 5.6.5 It will be made clear that should tenants move to the Red category then legal action will be considered as all other avenues have been exhausted and all efforts to work with the tenant have proved unsuccessful. However, given the long timescales involved with the current legislation, Pre-Action Requirements should be carried out within a quick, but reasonable time frame, and escalated quickly to Notice where the tenant fails to engage, or maintain an arrangement.
- 5.6.6 Tenants who have been issued with a Notice of Proceedings for Recovery of Possession (NPRP), with the tenant’s consent, will be referred to any relevant agencies prior to a court date being arranged.
- 5.6.7 Efforts will continue to be made to reach an arrangement with the tenant throughout the course of the Notice period.
- 5.6.8 All communications and attempted communications will be recorded in the usual manner in SDM.

## **5.7 Universal Credit Alternative Payment Arrangements**

- 5.7.1 As far as is reasonably possible, and taking account of individual circumstances, tenants will be encouraged to request Universal Credit Housing cost payments be made to the Association.

5.7.2 Payment of arrears can also be requested from a tenant’s Universal Credit claim when arrears reach 8 weeks of rent, and attempts will be made to discuss this with the tenant as far as possible to come to an arrangement which is most affordable.

## 5.8 Legal Action – Rent Arrears

5.8.1 Where a Notice is ‘Live’ and no arrangement is in place, or it has been broken without a satisfactory discussion, the case should be passed to court.

5.8.2 Cases which call in court will currently be Sisted or Decree granted, there are no continuations at present.

5.8.3 Where a case has been passed to court, reasonable attempts will still be made to contact the tenant where they fail to engage. The instruction for any particular court hearing will take into consideration the level of arrears and communication with the tenant prior to court, including any arrangement which may be in place.

5.8.4 Tenants will be responsible for the payment of awarded court costs at the end of the action, on receipt of a Decree for payment of expenses. This will be dealt with as a ‘re-charge’.

## 5.9 Recharges

5.9.1 Recharges include both, court expenses awarded through Decree at court, and repairs which the tenant is required to pay themselves.

5.9.2 The Association will outline the repairs that are rechargeable in its Rechargeable Repairs Policy.

## 6.0 DELEGATED AUTHORITY

6.1 The following staff members and the Board will have delegated authority to carry out specific actions within the policy:

NPRP	Housing and Customer Service Manager/Housing Officer
Court Proceedings	Housing and Customer Service Manager/Housing Officer
Eviction	The Board
Bad Debt/Write Offs	As detailed in the Write Off Policy

## **7.0 MONITORING AND PERFORMANCE REPORTING**

**7.1** This will be as per the Income, Rent Arrears and Debt Management Policy.

## **8.0 COMPLAINTS**

**8.1** We welcome complaints and other feedback and use this in order to improve our service to tenants. Our complaint handling policy and procedure are compliant with the Model complaint handling procedure developed by the Scottish Public Services Ombudsman.

**8.2** In line with housing law, we provide all tenants with detailed information about our complaint policy when they become tenants. We also advise all service users about their right to complain and how to complain.

## **9.0 POLICY AVAILABILITY**

**9.1** This policy is available on our website and on request free of charge from our office. A summary of this policy can be made available in a number of other languages and other formats on request.

## **10.0 REVIEW**

**10.1** The Association will review this policy as Coronavirus guidance and legislation is updated.