

## Rental Income Management Policy

### Rental Income Management Policy

**AS WITH ALL OF THE ASSOCIATION'S POLICIES and PROCEDURES, THIS GUIDE, IN FULL AND IN PART, CAN BE MADE AVAILABLE IN SUMMARY, ON TAPE, IN BRAILLE, AND IN TRANSLATION INTO MOST OTHER LANGUAGES –**

**PLEASE ASK A MEMBER OF STAFF IF YOU WOULD LIKE  
A VERSION IN A DIFFERENT FORMAT**



Relevant legislation and Regulatory Standard(s)	Housing (Scotland) Act 2001 Equality Act 2010 Housing (Scotland) Act 2010 Housing (Scotland) Act 2014 Human Rights Act 1998 Data Protection Act 2018 Welfare Reform Act 2012 Money Laundering Regulations 2017
Approved By	Committee of Management at the meeting on
Reviewed	<b>September 2024</b>
Approved By	Committee of Management at the meeting on 27 <sup>th</sup> November 2024
Date Next Review Due	<b>November 2029</b>



## Rental Income Management Policy

Date Reviewed	Reviewed By	Summary of Updates
August - October 2024	Director of Housing and Community Services	Full review taking account of changes to the Housing and Community Services team, good practice and recent legislative changes, tenant views.



## Rental Income Management Policy

### 1. Introduction

- 1.1. The rent paid to the Association is critical in enabling the modernisation and maintenance of its homes, the continued provision of services, repayment of any loans and the funding of any future development or acquisitions. This policy lays out the framework for the ways in which WSHA will maximise the income due through rental payment and how it responds to arrears.
- 1.2. Well managed rental income provides all tenants with better value for money.
- 1.3. The principle of 'prevention is better than cure' will be applied, with the focus on ensuring customers are informed and prepared before becoming a tenant, that help and information is made available at key lifestyle changes as well as ad hoc, and that arrears management is a core function of the Housing and Community Services team.
- 1.4. This policy takes account of the current legislative and regulatory environment and good practice and so will be reviewed more frequently than laid out in the policy review calendar as and when these aspects change.
- 1.5. Over and above monthly the operational performance reviews a quarterly performance report will be produced for the Executive Team and the Management Committee. Arrears and income performance will also be measured and compared against other Registered Social Landlords and to benefit from shared good practice.
- 1.6. With the exception of fair rent registered tenancies, the rent set for each WSHA property is calculated using its attributes, such as the number of bedrooms or what type of property it is. The charge for services provided by WSHA to its tenants is included within the base rental charge that each tenant pays. Each year the rent will be reviewed and tenants will be consulted on what the rent level is to be for the following year. The rent levels will be reviewed in light of existing commitments to improve the stock, prospective costs of maintaining the stock, the cost of delivering services and any future planned improvements. These will be balanced against keeping the rents affordable and comparable with peer landlords.
- 1.7. This policy applies to Short Scottish Secure Tenants, Scottish Secure Tenants, properties leased to third parties and fair rent registered tenants (with the exception of 1.6 when the review period is every three years).

### 2. Aims and Objectives

- 2.1. The Association aims to ensure arrears are kept to a minimum and that rent payment is the priority for both its staff and tenants.
- 2.2. We recognise that tenants who have rent arrears may struggle to address them,



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may be anxious and that other aspects of their lives will be impacted. It is in the tenants' interest that arrears are identified quickly and so contact will be made with the tenant at the earliest opportunity.

- 2.3. Tenants in arrears will be treated with dignity, respect and empathy and offered help and advice to manage their debt.
- 2.4. Where possible (and so long as it does not breach any legislative requirements) communication with tenants will be tailored to their needs, using plain language and avoiding jargon.
- 2.5. The use of legal action and evictions will only be used to control rent arrears when other attempts to address the debt have failed.
- 2.6. The Association will manage the rental income and arrears with the clear objective to sustain tenancies and prevent homelessness.

### 3. Tenancy Sustainment

- 3.1 Whiteinch and Scotstoun Housing Association operates to provide safe and well maintained homes that meet people's needs, based within a thriving community. We want to help our tenants to achieve their full potential and to be settled in their home and the community and will act to achieve this. We aim to minimise when a tenancy comes to a premature end by providing information and advice and identifying the support required for tenants to be able to maintain their tenancies.

### 4. Rent income

- 4.1. The Association will apply best practice and good housekeeping in managing applications for housing, e.g. taking references where available. Where an applicant has a previous history of rent arrears or has experienced other difficulties in managing a tenancy, this will be highlighted to ensure an appropriate level of help and advice is made available should an offer of accommodation be made.
- 4.2. Communication about rent and the responsibility of the tenant to ensure rent is paid on the date due will begin as soon as an application for housing is approved. The applicant will be advised of the possible rent due for the property size they require (as per the rent structure) and to make sure that this is available, should they receive a suitable offer.
- 4.3. Applicants and new tenants will be advised of their responsibility to ensure rent is paid on time, whether that be via a claim for welfare benefits or through one of the payment options available.
- 4.4. Rent is due to be paid at the beginning of the debit period, i.e. the 1<sup>st</sup> of each



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calendar month. At the start of the tenancy the new tenant will pay the rent due for that month. If the tenant has claimed for Welfare Benefits to pay housing costs in part or full, and been advised by the Association's Welfare Rights Officer that they are likely to be entitled to receive it, the amount the new tenant will pay at the start of the tenancy will be no less than 25% of the rent due. Any exception to this must be agreed with the Senior Housing Officer, Housing and Community Services Manager or Director of Housing and Community Services.

- 4.5. Once an applicant is shortlisted for a property they will be offered a Welfare Rights Officer appointment so they are aware of what their monthly payments will be and of any financial support available to them before they commit to sign a tenancy agreement. At the tenancy sign up, or within 3 working days after sign up, the Welfare Rights Officer will meet with the new tenant for a welfare benefits assessment.
- 4.6. The Association will offer several ways for tenants to pay their rent including, but not limited to, Direct Debit, Standing Order, on-line or over the telephone. Cash will not be accepted unless in exceptional circumstances only, and to prevent an imminent eviction.

### 5. Credit

- 5.1. Whilst tenants will be expected to pay their rent at the start of each debit period, the rent account should not be in credit by more than the equivalent of 3 months rent. This recognises that some tenants receive grants, allowances or bursaries for a fixed period in advance, and so may wish to pay their rent in a similar way. Evidence is required of the source of the income before this will be agreed. Any rent payment made in excess of this will be refused.
- 5.2. All credit balances will be reviewed at least on a quarterly basis by the Housing Officer and credit balances will be refunded to the customer as appropriate, unless the circumstances in 5.1 apply.

### 6. Managing arrears

- 6.1. Tenants are responsible for notifying the Association of any changes that may affect their ability to pay their rent. New and current tenants will be proactively contacted where issues are identified that have the potential to make it difficult for them to maintain payments.
- 6.2. All new tenants, regardless of the status of their rent account, will be contacted within 6 weeks of the start of their new tenancy and reminded of their obligations and the help that can be accessed, should they need it.
- 6.3. The Association will comply with the Pre-Action requirements, as brought into force



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in August 2012, to ensure that prior to any legal action being taken (including the service of a Notice of Proceedings for Recovery of Possession) these are carried out in compliance with this.

- 6.4. For all tenants in arrears and where the Association has taken all reasonable steps to assist, including those in receipt of Welfare Benefits for financial support to meet their housing costs, arrears recovery will follow the arrears procedures and processes.
- 6.5. Rent payment is due at the start of the debit period, ie the 1<sup>st</sup> of the month. A tenant will be in arrears if any rent due is not in their account on the 1st day of the month.
- 6.6. Tenants in arrears will be notified at this stage and a request made for payment to be made, or to contact the Association in the event this is not possible and to come to a suitable agreement to clear the arrears.
- 6.7. All arrears cases will be reviewed weekly by the relevant Officer. Where the rent account is not clear or decreasing by the amount agreed, the arrears escalation procedures and processes will be followed.
- 6.8. WSHA provides in-house Welfare Benefits specialist advisors to help tenants maximise their household income. This service will be made available to tenants in arrears until such time as court proceedings are commenced. At this point tenants will be guided to obtain independent advice in all communication. This is to ensure tenants obtain the most appropriate advice at all times and any potential conflicts of interest are removed. In addition to internal services WSHA offers, the Association works closely with external agencies and can refer or sign post to these where appropriate and with the tenants' permission.
- 6.9. Legal action is the last stage in the arrears process and will only be instructed where Tenants are not meeting the agreed repayment arrangements, and all other reasonable arrears recovery efforts have been exhausted.
- 6.10. The legal process for recovering rent arrears is a lengthy and expensive one for both tenants – who may be found responsible for legal costs - and the Association. There are often delays and postponements in the legal process outwith the Association's control. It is in both the Association's and the tenants' interest that they receive independent advice as soon as possible, tenants will be advised of this at each step of the process and provided with contact details of suitably qualified independent advisors.
- 6.11. If the Sheriff awards decree and an eviction order is granted for Recovery of Possession, a report will be prepared by the Housing and Community Services Manager or Director of Housing and Community Services and presented to the



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Executive Team for consideration and approval as appropriate.

- 6.12. The recovery of a property will only be prevented at this stage if the customer clears 100% of the rent arrears and any other debt, including legal expenses. Exceptions to this rule must be approved by the Housing and Community Services Manager, Director of Housing and Community Services or a member of the Executive Team.

## **7. Termination of tenancy by the tenant**

- 7.1. When a tenant gives notice to the Association of their intention to leave their tenancy, within 3 days of the notice being received they in turn will be notified of the rent that is due to be paid. This will include any arrears that may be outstanding.
- 7.2. Tenants will be advised of the potential recovery action that may be taken and the impact for them, should they leave before making all necessary payment. If payment in full is not possible, the tenant will be encouraged to come to a repayment agreement to clear the debt. The principle applied in this case will be that all former tenant debts should be cleared in a maximum 6 month period. Any exceptions to this are by agreement with the Housing and Community Services Manager or Director of Housing and Community Services.
- 7.3. Former tenants who have an outstanding debt and fail to make a repayment arrangement or to make the agreed repayments to the Association will be pursued using our own resources or an external debt recovery agency.
- 7.4. If the former tenant was in arrears prior to leaving and legal action had been commenced, the case will be reviewed and may be continued through the court process, where the former tenant may be found liable for the legal costs. Whether this process is followed will depend on several factors, including, but not limited to, the value of the debt, the cost of pursuance to date and the likelihood of success.
- 7.5. It is good accounting practice to write off debts that are deemed unlikely to be recovered. The decision on when this action will be taken will be made by the Housing and Community Services Manager or the Director of Housing and Community Services, in conjunction with the relevant operational staff.

## **8. Equal Opportunities Testing**

- 8.1. In accordance with the Association's Equality & Diversity Policy, this Policy has been consciously considered to judge whether there is any likelihood that its presentation or operation could in any way lead, no matter how inadvertently, to discrimination. The conclusion of this exercise is that it is believed that the Policy should operate in a non-discriminatory way.

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### 9. Appendix

- 9.1. Pre-action requirement regulations Housing (Scotland) Act 2001 and 2010:  
repossession guidance for social landlords  
<https://www.gov.scot/publications/housing-scotland-act-2001-2010-guidance-social-landlords-pre-action/>
- 9.2. Fair Rent: registration guidance and application form (RR1)  
<https://www.gov.scot/publications/fair-rent-registration-application-form/>

### 10. Policy Review

- 10.1. This policy will be reviewed every 5 years.