ARREARS MANAGEMENT POLICY	
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Prepared by	Dan Thompson, Director of Housing Services
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OSPREY ARREARS MANAGEMENT POLICY STATEMENT

Osprey Housing believes that effective and efficient income management is vital to the success of maintaining good quality services for all our tenants and to provide value for money.

We embrace quality income management and this is encompassed in our Core Values;

- **Ambition and Achievement** – we are a high performing organisation delivering through innovation and challenge
- **Equality and Respect** – we recognise and celebrate the unique value in everyone
- **Quality and Professionalism** – we strive to deliver high standards
- **Agile and Responsive** – we are flexible and quick to deal with change without diminishing our delivery

1. Introduction

Osprey provide a range of services for which charges are payable. Preventing and managing arrears for these charges are crucial to maximise the resources available to provide services and to improve and maintain the housing stock.

By effectively managing charges and their collection Osprey will also seek to support tenants to assist them to avoid accruing arrears and the risks associated with excess debt and eviction

This policy sets out how staff members of Osprey will apply common principles and take a clear and consistent approach to the management of arrears and the collection of income for all services. The term "arrears" applies to all charges, including rent, occupancy, service charges, heating charges and other recoverable charges (for example costs associated with repairs, legal fees, factoring fees and management fees). The principles apply to all occupiers of properties within Ospreys stock.

Osprey is committed to providing high quality core services to tenants and will work to assist tenants in sustaining their tenancies and help prevent homelessness.

1.1 Legal Context

The legislative requirements include the following:

- *Scottish Secure Tenancy* – The tenancy agreement contains specific conditions in relation to the payment of rent and other tenancy related charges. Non-payment of these charges represents a breach of the tenancy conditions involved.
- *Housing (Scotland) Act 2001* - The policy adheres to the provisions of the Housing (Scotland) Act 2001, including the guidance in relation to the recovery of possession of a tenancy when a tenant has breached the conditions of their tenancy agreement by accruing rent arrears.
- *Homelessness (Scotland) Act 2003* - Osprey will comply with the terms of Section 11 of the Homelessness (Scotland) Act 2003 by giving the local authorities in the areas in which it operates early notice of households at risk of homelessness due to eviction. In compliance with the legislation, notice will be given when raising proceedings for possession or the service of certain other notices as specified in the Act.
- *Housing (Scotland) Act 2010* – The policy takes account of the arrears and eviction related provisions introduced through Section 14 of the 2010 Act. These include the provision of clear information to tenants on their tenancy and arrears situation; direct provision of advice and assistance; provision of information about other sources of information and advice; agreeing reasonable repayment plans; and revised arrangements for when a Notice of Proceedings can be served.
- *Housing (Scotland) Act 2025* – The policy reflects the changes introduced by the 2025 Act in relation to the new pre-action requirement for rent arrears linked to domestic abuse along with the statutory duty on Sheriffs to consider delaying evictions.

2. Policy Aims

Osprey's Arrears Management Policy aims to meet all legislative and regulatory requirements as well as minimising the level of arrears in a sensitive but effective manner. The specific objectives of the Arrears Management Policy are to achieve the following:

- The efficient collection of all rent, service and other charges and the effective management of arrears;
- To adopt a firm but sensitive approach to arrears recovery;
- To offer appropriate professional support and guidance to tenants to increase their ability to pay, to manage debt and to reduce arrears;
- To monitor levels of arrears and have early intervention mechanisms in place preventing arrears from accruing or increasing;
- To aim for personal contact with every tenant as soon as arrears begin to accrue and intensively manage any on-going arrears problems;
- To take appropriate action in accordance with the level of arrears including the provision of opportunities to make realistic arrangements for the repayment of arrears;
- The prevention of homelessness through the provision of clear opportunities to resolve any arrears difficulties and by making use of all available resources to deal with these difficulties – in this context eviction will only be used as a last resort;
- To provide clear and accessible information and advice to tenants in order to prevent arrears and legal action occurring; and
- To keep arrears within target figures specified in the relevant Osprey performance management framework

To achieve the above objectives Osprey will implement the following actions:

- Provide tenants with detailed and accurate information about how much rent and other charges they must pay and the options available to do so;
- Ensure that payment options are accessible and convenient;
- Respond promptly to enquiries about tenancy related payments;
- Prevent tenants from falling into arrears through early intervention;
- Progress a staged approach based on the extent of the arrears and the debt period;
- Negotiate agreements to reduce the arrears in realistic and affordable instalments if tenants cannot clear the arrears with one payment;
- Inform tenants of the consequences of not clearing arrears debts or keeping to agreements;
- Make use of all available options for arrears recovery;
- Work with other agencies to support vulnerable tenants at each stage of the recovery process;
- Wherever possible, secure repayment without obtaining possession of the property and use eviction only as a last resort;
- Record all actions taken and ensure arrears management processes are applied uniformly;
- Actively promote relevant benefits advice services to maximise tenants' incomes, and to ensure tenants who are in arrears are given adequate debt counselling and advice about welfare benefits;

- Establish and maintain effective communications systems with other agencies assisting with arrears management activities;
- Consider other factors (domestic abuse, gambling etc.) that may have resulted in arrears being accrued and offer support as required;
- Closely link arrears management and tenancy sustainment activities;
- Provide training to ensure that staff are equipped to carry out the roles expected of them; and
- Commence legal action to pursue arrears debt wherever tenants are not complying with arrangements to reduce their arrears.

3. Policy Principles

3.1 Information to Tenants

Osprey are committed to providing information and advice tailored to tenants' specific circumstances. Staff members responsible for arrears management are encouraged to be proactive in arrears collection, by supporting with and pursuing welfare benefit claims, backdates etc, making contact with agencies and arranging appointments for tenants whilst in their home.

We liaise closely with money advice agencies e.g. Citizens Advice Bureau, Gordon Rural Action and the Local Authority Money Advice Service to encourage tenants to use these available services. Tenants may have multiple debts therefore it is advantageous for the tenant and ultimately Osprey for all of a tenant's debt or financial issues to be addressed to improve long term tenancy sustainment.

A range of letters and information leaflets are available to advise and assist tenants at appropriate key stages of the arrears process. Rent statements can be accessed by tenants at any time via the Osprey Portal.

The range of payment methods allows tenants the freedom to choose which way best suits their lifestyle. The aim is to offer a flexible range of options which recognises the diverse geographical spread and make up of our stock. The payment methods we offer also help support local facilities and businesses sustaining existing communities. Payment methods are PayBy bank, cheque, standing order, direct debit, debit/credit card (24-hour payment facility), PayPoint, Callpay, Post Office payments by Allpay payment card. We do accept cash however this is by arrangement and in line with the anti money laundering policy.

3.2 Pre-Tenancy services

It is important that at the earliest stage, before signing their tenancy agreement, potential new tenants are made aware of their responsibility for making rental payments. Information will be given at allocation assessment stage and again at the tenancy sign-up regarding the charges applicable, payment methods and the relevant staff member assisting with advising and organising benefits claims where appropriate. This includes advising tenants directly or sign posting them to suitable advice agencies.

3.3 At Offer Stage

- We will send out our written offer, detailing rent and any other charges. One month's rent will be required before keys are issued for their property or calculated on a pro-rata basis dependent on start date of tenancy. This amount can be varied at the discretion of the Housing Officer to reflect tenants' financial circumstances.

Prevention of arrears must be kept in mind when agreeing the amount to be paid, and an arrangement for any shortfall must be agreed.

- In appropriate circumstances, a benefit claim must be completed for submission to the appropriate benefit agency. Officers will help tenants complete their application either over the phone, online or in person.
- We will automatically an Allpay account for all new tenants and email the details to them. This means that should their circumstances change or they wish to change payment methods they can use their Allpay payment account without delay, to facilitate ease of rent payment throughout the tenancy.

3.4 Tenancy Sustainment

Osprey recognises that managing a tenancy can be challenging, particularly for first time, vulnerable tenants or those experiencing significant personal life changes. We will provide advice and support to all tenants to help solve problems which they may face throughout the tenancy. We aim to ensure that all tenants can use the services we provide and we will monitor service provision to make sure they are available in a fair and consistent way.

Osprey staff will:

- Provide advice and assistance in relation to rent, arrears and housing benefit (HB), or the Housing element of Universal Credit (UC).
- Provide up to date information to tenants on legislative changes such as Benefit Welfare Reform
- Help to fill in forms or claims when applying for HB or UC
- Arrange flexible home visits out of office hours if required, by prior arrangement
- Provide information on other available advice agencies
- Provide access to translation services to those whose preferred language is not English
- Give information on request in different languages or in other formats such as large print, Braille, or audio version
- Use easy to understand language
- Consider any special needs tenants may have
- Identify support needs and gain permission to liaise with any support agencies on the tenants behalf if this will assist with the sustainment of their tenancy
- Where tenants fall into significant rent arrears and we are considering issuing a Notice of Proceedings a mandatory referral to our internal support team will be completed

3.5 Early Action

Osprey will ensure that there is early recognition of and intervention in rent arrears before a debt becomes unmanageable, by the following actions:

- Encourage tenants to advise their Housing Officer of any change in their circumstances which may affect their ability to pay rent
- Housing staff will monitor rent accounts on a weekly basis, and more frequently where appropriate
- Arrears control and recovery action will be activated as soon as a rent account falls into arrears
- Detailed procedures for arrears action will support this policy to ensure that each case is regularly monitored and that necessary checks are made at each stage of the process
- We will maintain a comprehensive electronic record of all action taken

- We will provide tenants in arrears with clearly written letters or emails which detail the current balance on the rent account, what action they need to take with appropriate information and advice on how to get assistance with managing their finances
- We will carry out a financial assessment with tenants in arrears, taking account of their circumstances with a view to making realistic and sustainable arrangements to clear the arrears
- We will build positive tenant landlord relationships and give priority to establishing personal contact with tenants throughout the debt recovery process
- We will enable the provision of money management advice and assistance through sign posting and working with other agencies
- We will provide effective controls on the recovery of debts, with legal action being taken only where all other means of recovery of rent arrears have been exhausted

3.6 Pre-Action Requirements (PAR)

Where arrears are not reduced in response to the early intervention actions taken, consideration will be given to escalating our activities to include court action.

The Housing (Scotland) Act 2010 introduced a checklist of actions that must be taken by any Registered Social Landlord before commencing legal action. We will ensure that the arrears procedures comply with this by:

- Providing tenants with clear information about their tenancy agreement and any outstanding debt
- Taking steps to ensure that tenants have access to advice and assistance on housing benefit (or UC) eligibility and debt management support.
- Making affordable and realistic repayment agreements with tenants and refrain from serving a Notice of Proceedings if the agreement is being fully adhered to, in compliance with the PAR.
- Refrain from serving a Notice of Proceedings if we believe that a Housing Benefit (or UC) application will result in the account being cleared or the arrears being brought to a manageable level.
- Refrain from serving a Notice of Proceedings where a tenant is taking steps which in our opinion will result in the repayment of arrears within a reasonable timescale.
- Encouraging tenants to contact their local Citizen's Advice Centre and seek advice on debt management.
- Fully consider domestic abuse, including financial abuse, before proceeding with possession actions related to rent arrears

3.7 Legal Action

In order to comply with the terms of Section 11 of the Homelessness etc. (Scotland) Act 2003, Osprey will notify the local authority of its intention to commence legal action against any tenant whose case is being referred to court for legal action. Details of the tenant, their household, outstanding monies due, contact details and a brief summary of actions taken to try to secure repayment of the arrears will be included in the notification.

- We must serve the tenant with a Notice of Proceedings for Recovery of Possession at least 28 days before court proceedings commence. The NOP will be issued following compliance with all stages of the PAR, in cases where there are:
    - High levels of arrears (at least one month's rent)
    - Continually increasing arrears

- Persistent late payment
- Repayment agreements that have been broken
- Where arrears have accrued for any reason other than the aforementioned, at the discretion of the Director of Housing Services

The decision to raise an action for recovery of the property and payment of rent arrears will only be made when all other means of recovery of rent arrears have been exhausted under the PAR. The court may make either (or both) an order for recovery of possession or an order for repayment. In all cases an award of court expenses will be sought.

3.8 Qualifying Occupiers

The NOP must also be served on all qualifying occupiers of the house. Before serving the NOP, we will make reasonable inquiries to establish, so far as is reasonably practical, whether there are any qualifying occupiers living in the house. A qualifying occupier is a person who occupies the house as his/her only or principal home and who is aged 16 or over, including lodgers and anyone who has, with the landlord's consent, assigned, sublet or otherwise given up possession of the house.

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.

3.9 Action for Recovery of the Property

Legal action to recover the property will only be considered once all stages of the PAR have been followed and where these attempts have failed to result in the arrears being reduced or cleared. *The decision to raise court action will be approved by the Director of Housing Services before proceeding with action. A pre-court home visit will be carried out in order to inspect the property and discuss the issues with the tenant. We aim to identify any factors relevant to the case at this* stage.

Prior to raising a legal action, the TSC should use the Child Rights and Wellbeing Impact Assessments to evidence compliance with the UNCRC (Scotland) Act 2024 and to understand the potential impact on the children in the household. Supporting documents - Child rights and wellbeing impact assessment external guidance and templates - gov.scot

Once the case is in court, we will decide whether or not it is appropriate to seek decree for eviction. This decision will be dependent on whether or not a repayment arrangement has been made and kept, and whether the arrears have reduced or been cleared. Where the arrears have reduced but are not cleared, we will request that the case is "sisted" in court until such time as the arrears are clear. Where an offer to pay has been made and there has been insufficient time to allow the arrears to reduce, we will request a continuation of the court case so that payments can be monitored. The final decision to grant the decree lies with the Sheriff. Where the request for decree is refused, we will make every effort under the terms of this policy to pursue the arrears and provide assistance to tenants to prevent the need for further court action.

3.10 Decree for Eviction

In cases where a decree for eviction has been granted by the Sheriff, we will notify the tenant in writing. Advice will also be given to the tenant to seek assistance from the Local Authority's Homelessness Team and from the Citizen's Advice Bureau and other appropriate agencies.

To prevent the eviction going ahead, tenants will be given the opportunity to make payment in full. Where the tenant is in a position to make payment but is unable to make the payment in full at that time, the tenant should consider taking independent advice and contact the Sheriff Court to seek a "Minute of Recall" to allow time to arrange for full payment to be made before the next court date. If the Minute of Recall is granted, but the payment is not made, or if a new agreement is made and not adhered to, the decree would stand. Only one Minute of Recall can be granted in each case. In addition to this, if the defender has attended the court hearing, or their representative, then a minute of recall cannot be lodged.

The tenant will be served with a Charge for Payment and a Charge for Ejection by the Sheriff Officer, at least 14 days prior to the eviction date. We will contact the Sheriff Officer to arrange for the Notices to be served and will also notify the tenant in writing of the eviction date.

A decision can be made to postpone the eviction in cases where the tenant makes a substantial payment towards the arrears, along with an agreement to make regular weekly or monthly payments until the full outstanding debt is cleared.

The Decree must be acted upon within 6 months of being granted.

When the decree is granted, the tenancy is automatically terminated from that date. Any payment received by the tenant after the decree has been granted must be made towards the outstanding debt and not to the current rent account. Payments must be marked "Violent Profit" on the account. This prevents monies being paid into the current rent account which would result in a new tenancy being created.

3.11 Former Tenant Arrears

Osprey will pursue former tenants for outstanding tenancy arrears, recharges and any other monies owed to the organisation. Osprey will attempt to contact the former tenant via post, text, email and telephone. Once the former tenant arrears process has been exhausted, a referral will be made to the TSC to decide whether the former tenant arrears should continue to be pursued. Where the FTA processes has been exhausted, any balances under £250 will automatically be put forward for write-off.

4. Equality and Diversity

Osprey are committed to ensuring and promoting diversity and equality of opportunity in housing, employment and provision of services for all people within its range of work. Osprey will treat all people equally and in accordance with the Equality & Diversity Policy.

5. Monitoring and Reporting

5.1 The following areas will be subject to monitoring on a continuing basis:

i. Outcomes expected from the Scottish Social Housing Charter
   - Charter outcome **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.

ii. Risk management – Strategic risk matrix and Key Performance Indicators

iii. Training and information for staff

5.2 The Housing Committee and Governing Bodies will receive and review the following Key Performance Indicators on a quarterly basis. Monitor the performance on arrears and the recovery of charges using both regulatory and local performance indicators as follows:

Social Housing Charter Indicators

- Rent collected as a % of the rent due
- Gross rent arrears as % of the rent due
- % of initiated court actions resulting in eviction

Osprey KPI Indicators

- The total amount of current tenant arrears and as a % of rent due
- The total amount of gross tenant arrears and as a % of rent due
- The total amount of former tenant arrears and as a % of rent due
- Gross rent arrears sum
- Number of current tenancies owing greater than £1500 rent
- Number of notices for arrears served
- Number of Court actions for arrears initiated
- Number of tenants evicted due to rent arrears
- Total recharge debt balance

6. Review

This policy will be reviewed every 3 years unless the following criteria dictate that it would be best practice to review sooner:

i. applicable legislation, rules, regulations and guidance, both those which affect the Group directly and those which affect the resources available to significant numbers of our customers to enable them to sustain tenancies
ii. changes in the organisation
iii. continued best practice