

Rent Arrears Summary Policy

This summary outlines the Co-operative's policy on rent arrears. The information contained in the summary has been taken from the "Arrears prevention and recovery policy" approved by the Management Committee in November 2007. Additional information, including a copy of the full policy, can easily be provided by asking a member of staff who will be happy to help.

The main points covered are:

- We rely on rental income to run the Co-operative and maintain the properties
- You must advise us if you miss a rent payment and you must contact us if we write to you about arrears
- We will ask you to agree an amount that you consider affordable
- We will take legal action if you do not adhere to your arrangement and repeatedly fail to contact us to discuss this
- Everyone aged 16 or over in your household, including your children, will be served with a separate Notice

The vast majority of the Co-operative's income is from the rent you pay. This money is needed not only for running the organisation on a daily basis, including carrying out repairs and maintenance, but also to ensure that the Co-operative can continue in the long term. The Committee manages the organisation on a very tight budget in order to ensure the best possible service at the lowest possible rents – high rent arrears prevent us from doing this and may result in increases in general rent levels for all tenants.

If you think you may be in arrears the first thing is to contact your Housing Officer, Elaine Hyslop. Elaine will deal with your case sympathetically and will help come to an affordable regular arrangement with you. It is very important that you make contact as soon as possible.

If it looks like you have missed a rent payment, Elaine will write to you asking you to contact the Co-op. Even if you are unable to clear the arrear, you should contact us immediately so that an affordable arrangement can be made. The sooner you make contact, the better. If you repeatedly fail to make contact, the Co-operative may have no option but to begin legal action against you.

What is an "affordable arrangement"? The amount that you will be asked to pay each week, eg fortnightly or monthly will depend on your income and other regular expenditure. To help you decide what an affordable amount might be, Elaine will offer to go through all aspects of your income and expenditure to avoid the agreed payment being too high.

After you have made an arrangement, we will write to you to outline exactly how much is to be paid and when. Assuming that the arrangement is accurate, you will be expected to begin payments on the agreed date. It is important that all payments are then made on or before the agreed date as the Housing Officer will be monitoring your rent account for these payments and will have no choice but to assume that you have broken your agreement with us if the payment is not made and there has been no contact from you to explain why.

If the arrangement is too much or you cannot make a payment you must contact the Co-operative to discuss this. Remember, if you do not contact us and you start to miss payments, not only might the overall arrear increase, but the Co-op will assume that you have decided to stop paying your rent and will need to act accordingly. We can also refer a case to other agencies eg, Citizens Advice Bureau, Money Advice, Debt Counselling etc

Legal action. The Committee appreciates the difficulties many people can face in managing the household finances, and our approach to rent arrears is therefore very sympathetic and supportive. However, we cannot afford to lose large amounts of income on rent arrears without this having a damaging effect on the Co-operative and the community. Where tenants fail to respond to a number of letters/visits/phone calls (usually over a 4-5 week period) we will have no option but to begin legal action.

Legal action begins with the serving of a Notice of Repossession. This is a legal notice that informs you of our intention to seek repossession if a suitable arrangement is not made. The new Housing Act requires that **everyone aged 16 or over living with you – including your children – will be served with a separate notice.** This is so that they can exercise their legal right to be heard in Court.

Before we can evict you we must obtain a Decree from the Courts. This means that the Co-operative cannot make such a decision on its own. You will also be advised to contact a solicitor and we would be happy to refer you to Social Work Services.