



Mid-Market Rent (MMR) Arrears Policy

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1. Introduction

The management of rent collection, and the recovery of rent arrears is a high priority. Proper management and administration of rent arrears and debt recovery is an essential business tool.

2. Objectives

The objectives of the MMR Rent Arrears Policy are to:

- Ensure ngps identifies sufficient and effective resources for the recovery of rents to maximise the rental income.
- Ensure early intervention and regular review of rent accounts to prevent escalation.
- Promote Direct Debit as a preferred payment method. ngps may use discretion on alternative payment methods.
- Ensure realistic arrangements are made with debtors tailored to their circumstances.
- Ensure if tenants are in financial difficulty, that they are offered Money Advice/Welfare Benefits Services to assist in maximising their income to allow them to sustain their tenancy.
- Take legal action when all other measures have failed.

3. Communication

Officers will use a variety of methods to communicate with tenants e.g. letters, phone, text messaging, e-mail and home visits during and outwith office hours where appropriate. Where a learning disability or special need is identified, we will use the most appropriate method of communication.

ngps will also provide a translation service and/or access to interpreters for members of ethnic minority groups, who require to communicate in their native language.

4. MMR Rent Arrears Procedure

Rent arrears will be pursued in line with this policy and the below noted procedures.

Officers will review all rent accounts weekly. Where rent arrears are identified contact will be made with tenants to discuss their account.

Early tenant engagement is very important to assess their financial circumstances and offer relevant help and assistance and to enforce the policy.

Prior to being offered a MMR property we will arrange to meet you to ensure your income falls within the acceptable income range of £22,000-£42,000. At this stage our staff will consider affordability, and we will also arrange for financial assessment will be carried.

A referral to GEMAP will be encouraged should the tenant fall into arrears.

Arrears Procedure

- Upon missed payment a **1st Arrears letter/email** will be issued.
- Within 7 days a **Home visit letter** will be initiated.
- After another 7 days the **2nd Arrears letter** will be initiated.
- After another 7 days an **Office Visit** letter be issued.
- Within the above 28 days regular phone calls, emails, text messages and home visits will be carried out.
- If no response a letter advising **Legal Action** will be sent.
- If the rent account balance is not reducing a **Notice to Leave** will be issued.
- If booking to Tribunal a **Book to Tribunal** letter will be issued.
- If Eviction Order granted and approved by the Board an **Eviction letter** will be issued.

If a MMR tenant becomes unemployed then they can make a claim for benefit. Staff can refer the tenant to Gemap for welfare advice.

Our staff team will make every attempt to come to an arrangement with the tenant before pursuing legal action. Any arrangement agreed will take account of the tenant's circumstances. Officers will complete an income/expenditure form with the tenant where relevant in order to carry out an assessment of their financial circumstances and make a realistic repayment arrangement. When a repayment arrangement is agreed with the tenant this will be confirmed to the tenant in writing. All arrangements will be monitored closely as part of the rent arrears process.

5. Legal Action

At the point where all pre action requirements have been met and financial assistance has been offered and no payments are being made, we will take legal action to recover the tenancy.

Legal fees will be recovered following the completion of an action raised at the First Tier Tribunal. Details of the amount of expenses awarded by the First Tier Tribunal will be contained in the Decree and added to the tenant's sub account for collection.

Notice Period

The minimum period of notice which the landlord must give the tenant will be 28 days (4 weeks) but the tenant may be entitled to 84 days (12 weeks' notice) depending on how long they have lived at the property and what ground they are using to remove the tenant. (see below)

- If you have lived in the property for **less than 6 months**, then the notice period is **28 days**, regardless of the ground used.
- If you have lived in the property for **longer than 6 months** and the landlord is **not using a conduct ground**, then the **notice period is 84 days**.
- If you have lived in the property for **more than 6 months**, and the landlord is **using one of the six conduct grounds** (see below) the **notice period is 28 days**.

The six conduct grounds are:

- Ground 10 - Not occupying let property
- Ground 11 - Breach of tenancy agreement
- Ground 12 - Rent arrears
- Ground 13 - Criminal behaviour
- Ground 14 - Anti-social behaviour
- Ground 15 - Association with a person who has relevant conviction or engaged in relevant anti-social behaviour

The notice period starts from the day the tenant receive the notice; this is assumed to be 48 hours after the landlord (ngps) has sent it. Your landlord (ngps) will not be able to make an application to the tribunal until the day after the notice period expires. The notice to leave is valid for 6 months, if no application for an eviction order is made, then another notice to leave would need to be issued.

The notice can be served as soon as the tenant falls into rent arrears. ngps will then have to wait until the arrears have accrued over 3 consecutive months before we can make an application for an order to the Tribunal.

For example, if you are required to give your Tenant 28 days' notice and you issue the notice to leave on 23rd January, tenant will be expected to receive the notice on 25 January. The 28 days' notice period will start on 25th January and end on 21st February. If the tenant chooses not to leave the MMR Property following the expiry of the notice period, the earliest date that you can submit an application to the Tribunal for an eviction order is 22nd February.

6. Homelessness Requirement

If the tenant does not leave the property on the end date specified on the notice, we will begin to seek to end the tenancy via the Tribunal. Prior to booking to the Tribunal, we will issue a **Section 11 Notification** to Glasgow City Council, to advise the local authority of our intention to raise proceedings in relation to eviction. This is a legal requirement under the Homelessness etc (Scotland) Act 2003.

E-mail the Section 11 notification to gccsection11notification@sw.glasgow.gov.uk as well as Homeless casework team on sw_ccte@sw.glasgow.gov.uk

7. Former Tenant Arrears

Former Tenant Arrears will be pursued in line with this policy.

Officers will make every attempt to come to an arrangement with the former tenant before pursuing legal action or referring debt to a Debt Collection Agency. Any arrangement agreed will take account of the tenant's circumstances. Officers will carry out an assessment of their financial circumstances and make a realistic repayment arrangement. When a repayment arrangement is agreed with the tenant this will be confirmed to the tenant in writing. All arrangements will be monitored closely as part of the former tenant arrears process.

Where there is a forwarding address, but the debtor is no longer a tenant every effort will be made to recover the debt, including the use of a Debt Collection Agency and/or taking out a small claims action at court.

Where there is no forwarding address, the debt will be passed to a Debt Collection Agency for tracing/collection of debt.

In some cases, it is not cost effective to spend large amounts of staff time and resources to recover relatively small amounts of debt, particularly when the debtors whereabouts are unknown and debts less than £50 may be written off as uneconomical to recover.

8. Control and Reconciliation

Reconciliation of MMR rent accounts, Nominal Ledger and bank is performed monthly by our Finance Team.

9. UK General Data Protection Regulation 2021

The ng group will treat your personal data in line with our obligations under the UK General Data Protection Regulation 2021 (UK GDPR) and our own Data Protection Policy. Information regarding how your data will be used and the basis for processing your data is provided in our Fair Processing Notice.

10. Equality Impact Assessment

This policy is equally applicable to all and has no detrimental impact on protected characteristic groups as specified within the Equality Act 2010.

11. Other Related Strategies, Policies & Procedures

MMR Policy

MMR Complaints Policy

MMR Rent Increase Policy

12. Review

Board will review the Policy in three years unless legislation or good practice guidelines require review at an earlier date.