

Title	Arrears escalation procedure
Version	Version 15
Date	July 2020

Notes

Codes

ARA	Agreement to repay arrears
BF	Budgeting form
CTTV	Contact to tenant by visit
CCS	Contact card sent/left
L1	First arrears letter
L9	Persistent arrears
NOP	Notice of Possession
XA1	Propose arrangement
	Arrangement confirmed letter
XAR	Agreement rejected
	Broken arrangement letter
XL2	Visit letter 1
XL3	7 day notice letter
VAGM	Voluntary agreement

Note 1

This flowchart is intended to provide guidance on the steps to follow to assist in arrears management and ensure that we comply with pre-action requirements. Each rent arrears case is different so judgement will be required for each step of each individual case. This flowchart should be used along with other guidance including the Income Management P&P, KnowledgePoint content and Scottish Government guidance on pre-action requirements.

Timescales between letters may vary, particularly where contact with the tenant has been made and there is a housing benefit issue to be resolved, or a referral has been made for welfare rights or debt advice.

Note 2

Escalation begins when account goes into arrears – payment missed or debt not paid in full.

Note 3

If the tenant proposes a repayment agreement that is not acceptable, then we will send them a Agreement Rejected (XAR) letter which explains why this is not acceptable.

Note 4

Visit to tenant – record the outcome in CIC/Collections Management system. If a visit is not completed at this stage, CIT will instruct Housing Officers to complete a visit before NOP is created. Between letter 2 and 3, a welfare rights officer referral must also be made and recorded through the CIC welfare advice case.

Note 5

If there is no contact made with the tenant through Levels 1 – 3 of dunning, then there would be no need to propose an arrangement, as we have made reasonable efforts to make an arrangement.

If contact is made and an arrangement is made, at an early stage in escalation e.g. after Letter 1, then follow the flowchart from ZARR.

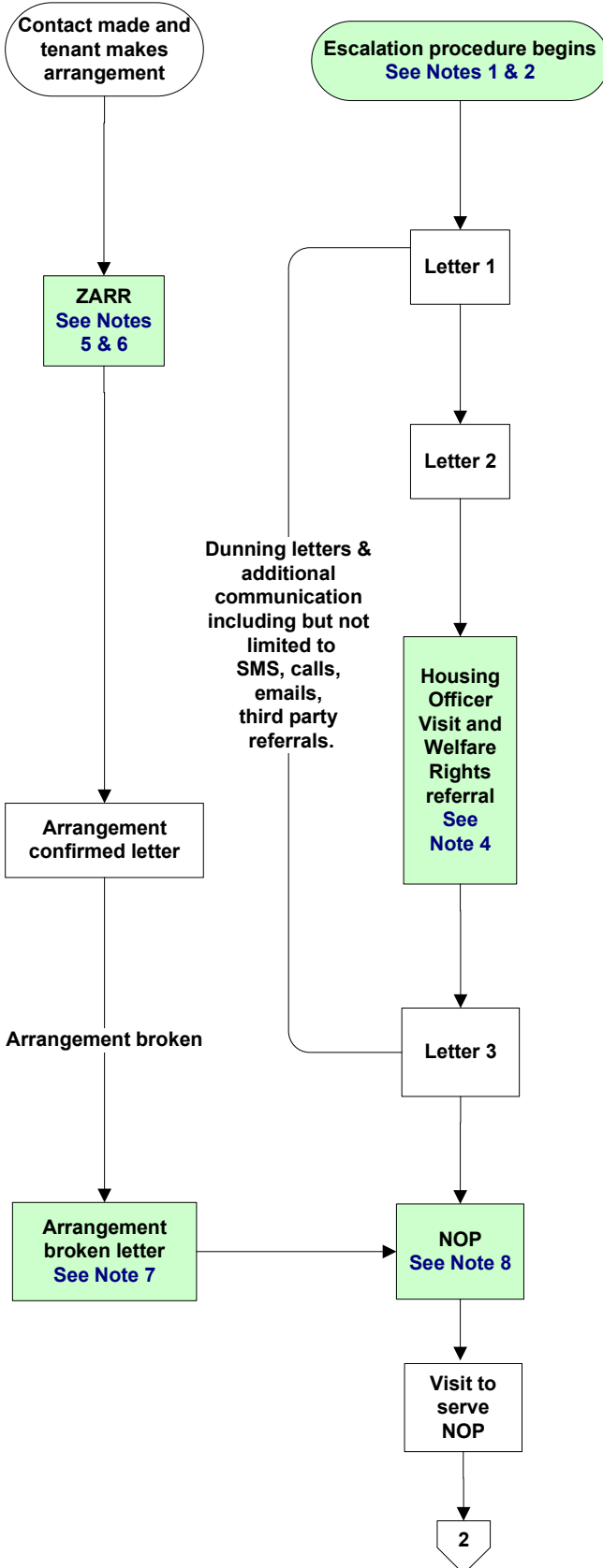
Note 6

The arrangement should be entered onto SAP and then an 'arrangement agreed' letter must be sent. It is important after reaching an agreement that we allow a 'cooling off' period. The key point is that the date of the first payment towards the arrangement must be a reasonable period of time forward from the date that the arrangement was made, for example one week after.

Note 7

If a tenant does not stick to an agreement then we will send the XB1 letter. After sending XB1 we must then give tenants 'reasonable time' to comply with the agreement. Judgement will then be used in determining how long to wait before serving a Notice. Factors to consider will include; has contact been made, history of missed payments, the amount of payment missed, affordability in meeting the shortfall (see paragraph 78 of Scottish Government guidance on pre-action requirements).

Note 8 Notices will be created by CIT if there is evidence that PARs have been met. A notice should not be served if a housing benefit application is outstanding, which in our opinion is likely to enable the tenant to pay the rent and to reduce the arrears by an acceptable level.



Contact made and tenant makes arrangement

Arrangement made
Pause escalation.

Send Broken arrangement letter if arrangement broken. If no payment after 1 week resume escalation and send next letter.

2

Letter 4

Letter 5

Scotland Possession Case
Note 9

WRO referral

XL5

XL6

Manager pre-court interview with tenant

Decree granted

XL7

Manager interview with tenant

ERC

Eviction approved

Instruct Solicitor
See Note 11

XL10

EVCM

Former tenants arrears procedure

Dunning letters

Case sisted

XL7B
See Note 10

Arrangement broken

XL8

Case continued

XL7C

Arrangement broken

XL8B

Case dismissed

XL7D

Notes

Codes

- Arrangement confirmed letter
- Broken arrangement letter
- Letter 4 Threaten court action
- Letter 5 Court action pending
- XL5 Court papers in notification
- XL6 Court date and pre-court visit
- XL7 Court outcome - Decree
- XL7B Court outcome - Sisted
- XL7C Court outcome - Continued
- XL7D Court outcome - Dismissed
- XL8 Broken court agreement (Sisted case)
- XL8B Broken court agreement (Continued case)
- XL9 Intention to dismiss a sisted case
- XL10 Inform tenant of eviction date
- ERC Eviction report to committee
- EVCM Eviction complete

Note 9

After letter 5 a case will be automatically created for the Housing Officer to manage the pre-court, court and potentially eviction process. All letters after this point are manually generated through the CIC case. You can send XL4/ XL4B from the case if relevant, but the equivalent letters will be Letter 4 and 5 sent through dunning.

Before submitting an application to court, the Housing Officers will complete and pre-court checklist which will be signed off by the Head of Housing.

We will then instruct the solicitor to begin court action.

As court papers are served a Section 11 notification should be sent to the local authority

Before court, after XL6 is sent, the Housing/Area Manager must meet with/ visit the tenant.

If decree is granted, the Area/Housing Manager must meet/visit the tenant again.

Note 10

Letter XL9 should be sent if the arrangement is kept and we are ready to dismiss the case.

Note 11

The solicitor must instruct the Sheriff Officer and serve the tenant a 14 day notice.