

A meeting of the Management Committee will take place on
Thursday 23 February 2023 at 7.00pm

Please advise staff if you are unable to attend

Joyce Bolan
Secretary

B U S I N E S S

1.0 GENERAL

- 1.1 Apologies
- 1.2 Declaration of Interest by Management Committee Members
- 1.3 Minutes of 26 November 2022 – **for approval**
- 1.4 Action List – for information
- 1.5 Matters Arising

2.0 GOVERNANCE

- 2.1 Secretary's Report – for information
- 2.2 Key Performance Indicators 2022/23 – for information

3.0 PRIORITY ITEMS

- 3.1 Care & Repair Budget 2023/24 – for information
- 3.2 Tenant Satisfaction Survey – for information

4.0 POLICIES

- 4.1 Driving Policy Review – **for approval**
- 4.2 Rent Arrears Policy Review – **for approval**

5.0 BUSINESS MANAGEMENT

- 5.1 Shared Ownership Occupancy Charges Review – **for approval**

6.0 ANY OTHER BUSINESS

DATE OF NEXT MANAGEMENT COMMITTEE MEETING

Thursday 23 March 2023 at ELHA Head Office, Haddington, at 7.00pm

Action List

Report by Martin Pollhammer, Chief Executive – for information

The table below sets out the required actions agreed at the last meeting of the Management Committee on 29 September 2022, and confirms the actions taken as a result.

Minute Ref	Action Required	Action By	Action Taken
1.3	Publish the papers and minutes from the September 2022 Management Committee meeting on elha.com	ES	Complete
1.4	Update the list of Suppliers and Contractors with those where spend is <£5k and circulate to staff	PO	Complete
4.1	Update the Joint Policy on Registering Tenants' Organisations in the ELHA File Structure and publish on elha.com	ES	Complete
4.2	Amend the Tenant Participation Strategy as minuted, and circulate to the Chair and Vice-Chair for approval	KB	Complete
4.2	Once complete, Update the Tenant Participation Strategy Policy in the ELHA File Structure and publish on elha.com	ES	Complete
4.2	Consider an alternative phrase to "printed tenants"	MP	"Offline tenants" now adopted

Secretary's Report – for approval

1.0 Membership

Application for Membership received from Gary Fortune, Haddington.

2.0 Use of Seal for Homologation

- 2.1 Disposition of 10D Delta View, Musselburgh in favour of [REDACTED] on 18 January 2023
- 2.2 Application to fix Nationwide Building Society loan amount £353,422.55 for 10 years
- 2.3 Application to fix Nationwide Building Society loan amount £422,118.01 for 10 years
- 2.4 Application to fix Nationwide Building Society loan amount £1,565,403.29 for 15 years
- 2.5 Disposition of area of land at Andrew Markle Grove, East Linton in favour of East Lothian Council.

Recommendation

The Management Committee is asked to:

- (a) Approve the Membership application; and
- (b) Homologate the use of the Seal.

Key Performance Indicators 2022/23

Report by Martin Pollhammer, Chief Executive – for Information

1.0 Introduction

The Association's Key Performance Indicators (KPI's) for the third quarter of 2022/23 are attached as **Appendix 1** to this report.

2.0 ELHA Performance

The Association has missed the following targets:

2.1 Unit Reactive Maintenance Costs

Unit reactive and void maintenance costs are £891 compared to the target of £733. The overspend here has been driven by a number of factors. The unfavourable macroeconomics environment has meant there has been an increase in the cost of materials and this has continued in Q3 and into Q4.

The unit cost at the last quarter was £878 therefore largely the overspend has related to the first half of the year, on which we have reported previously. There were significant void costs earlier in the year, with several properties being returned in poor condition.

Remedial work started at 1 Crossgates, Ormiston, after the major fire damage. These costs will be recoverable, but not until completion of the claim. On the other hand there have also been some roofing repairs required after temporary repairs were made after the storms at the end of 2021 and start of 2022, but due to insurance terms, only a small portion of this will be recoverable.

2.2 Stock Condition Inspections Completed

As previously reported, the annual sample size of the Stock Condition Survey will be increased to 30% each year from the previous level of 20% until the programme is back on schedule. The first phase of this started on site in late January 2023 with completion scheduled for the end of March 2023. The intention is to continue with the 30% scheduled for 2023/24 at the beginning of April 2023.

2.3 Gold Key Tenants

Gold Key Tenants have increased by 1.2% during the quarter to 15% but remain significantly under the target of 25%. The increase is mainly due to a reduction in Platinum Key Tenants when 16 failed to respond to a consultation in December 2022 and were downgraded to Gold Key Tenant Status. Six tenants have since appealed this decision. During the quarter, the focus of the Healthy Happy Home Checks shifted to Bronze Key Tenants and encouraging them to upgrade to Gold Key Tenant status.

2.4 Audit & Compliance Committee Attendance

Only four of the eight members of the Audit & Compliance Committee were able to attend the meeting on 22 November 2022, resulting in a 50% attendance. This has also reduced the Year to Date attendance percentage from 81% to 72%.

2.5 Percentage of Tenants using their My Home Account

Numbers have increased by 0.1% on the previous quarter but figures remain just short of the target at 87.4%. Staff continue to encourage tenants to activate their My Home account where they have not done so.

2.6 Percentage of Tenants Paper Free

Paper-free tenants have also slightly increased to 84.6% and now remain just 3.4% below the target of 88%. Staff also continue to encourage tenants to sign up to paper-free services where appropriate though some tenants have made it clear that they have no intention of doing so.

2.7 Number of accidents reportable to HSE

The Management Committee were made aware of an incident that occurred in a property in Haddington in late January 2023. This is not reported in the attached Appendix as it did not occur in the period being reported upon, however, it will appear in future reports.

The current position is that the matter has been reported to the HSE who, at the time of writing, have not responded. The Association also reported this as a Notifiable Event to the Scottish Housing Regulator (SHR), who have asked to be kept updated. Lenders and insurers have also been notified where required.

A further update will be given at the meeting should that be required.

Key Performance Indicators 2022/23

Performance Indicator	Quarterly Target	Q1	Q2	Q3	Q4	2022/23 Target	2021/22 Actual	Year to Date	Status
Rental Income									
Non-technical arrears as % of rental income	2.8%	2.53%	2.57%	2.72%		2.8%	2.45%	2.72%	😊
Bad debts written off as % rental income	1.50%	1.26%	1.43%	1.09%		1.50%	0.1%	1.09%	😊
Voids as % of rental income	0.75%	0.80%	0.65%	0.65%		0.75%	0.51%	0.65%	😊
Finance/Treasury									
Interest cover (loan covenants)	110%	235%	264%	247%		110%	286%	247%	😊
Gearing (loan covenants FRS102 definition)	<37%	23%	23%	23%		<37%	24%	23%	😊
Current assets as a % of current liabilities	100%	140.00%	157.00%	140.00%		100%	146.00%	140.00%	😊
Cash as a % of net rental and service charge income	>20%	30.00%	28.00%	30.00%		>20%	39.00%	28.00%	😊
Unit management costs	£1,962	£1,780	£1,719	£1,707		£1,962	£1,532	£1,707	😊
Unit reactive maintenance costs	£733	£1,187	£878	£891		£733	£745	£891	😞
Asset Management									
Stock condition inspections completed	cumulative	0%	0%	0%		30%	0%	0%	😞
Gas services completed within timescale	cumulative	100%	100%	100%		100%	99%	100%	😊
Planned maintenance contracts with >5% overspend	0	0	0	0		0	0	0	😊
Average length of time taken to complete emergency repairs	<2 hours	01:14:40	01:10:19	01:16:32		<2 hours	1.16	01:14:13	😊
Average length of time taken to complete non-emergency repairs	< 6 days	6.09	3.94	4.40		< 6 days	6.5	4.76	😊
Repairs completed right first time	85%	93.95%	92.24%	93.87%		85%	92.00%	93.38%	😊
Repair appointments kept	93%	97.00%	98.00%	98.00%		93%	98.00%	98.00%	😊
Housing Management									
Properties allocated after 3 or more refusals	0	0	0	0		0	0	0	😊
Number of evictions carried out	no target	0	0	0		no target	0	0	😊
Number of ASBO's in force against tenants	no target	0	0	0		no target	0	0	😊
Bronze Key Tenants	40%	44.2%	46.2%	46.2%		42%	44.2%	46.2%	😊
Gold Key Tenants	25%	14.7%	13.8%	15.0%		20%	14.7%	15.0%	😞
Platinum Key Tenants	23%	24.7%	24.3%	23.4%		20%	24.7%	23.4%	😊
Corporate									
Number of accidents reportable to HSE	0	0	0	0		0	0	0	😊
Network Availability	99%	99%	99%	99%		99%	N/A	99%	😊
% working days lost through long term sick leave	5%	3.0%	2.8%	1.7%		5%	3%	1.7%	😊
% working days lost through short term sick leave	2%	0.9%	0.8%	1.1%		2%	1%	1.1%	😊
Management Committee Attendance	75%	83%	88%	85%		75%	76%	86%	😊
Audit & Compliance Committee Attendance	75%	86%	79%	50%		75%	73%	72%	😞
% of Tenants using their My Home Account	88%	86%	87%	87%		80%	85%	87%	😞
% of Tenants Paper Free	88%	83%	84%	85%		70%	82%	85%	😞
% of complaints responded to within target	100%	100%	97%	100%		100%	97%	99%	😊

😊 Performance Excellent 😞 Performance Satisfactory 😞 Performance Poor

Care & Repair Budget 2023/24

Report by Paula Oliver, Director of Finance – for Information

1.0 Introduction

The table below is an extract from the current Care & Repair Business Plan, showing the proposed Budget for the service for 2023/24.

The five-year funding agreement from East Lothian Council, which was fixed at £329,891 per year, ended at the 31 March 2022. The Council froze the grant at the same level for 2022/23 and has notified the Association that it will only be awarding funding for 2023/24 at the same level as the previous six years, i.e. £329,891.

2.0 2023/24 Budget

Expenditure has been reviewed and savings identified to enable the Service to operate within this level of funding. The key saving is to maintain the current vacant SRS Officer post (the incumbent resigned from the Service in December 2021) throughout the year. A further saving is to not recruit an additional Assistant or a Modern Apprentice post. The requirement to make pension deficit contributions ended in September 2022.

Improvements to the Service's software is planned for this year to coincide with the upgrading of the Group network.

Discussions are ongoing with the Council regarding a possible expansion of the service to manage its minor adaptation works. The budget will be revised should the Service take on this work.

The format of the Income and Expenditure Account has been updated to give greater correlation between it and ELHA's budget Statement of Comprehensive Income and Management Costs. The figures in the green highlighted rows are now included in the new rows above. The total overhead/management charges applied by ELHA in 2023/24 is projected to be £93,811, which is 12% higher than the projected charge for 2022/23 of £83,788. The increase is primarily the result of inflationary increases (RPI at December 2022 was 13.4%).

CARE AND REPAIR SERVICE BUSINESS PLAN, INCOME AND EXPENDITURE ACCOUNT	PROJECTED 2022/23	PROJECTED 2023/24
Inflation rate assumed - RPI	5.00%	13.40%
Inflation rate assumed - salaries	4.00%	5.25%
	£	£
INCOME:-		
ELC	329,891	329,891
Medical Adaptations Administration Fees	3,891	2,200
SRS Client Contributions for Materials	15,961	5,000
TOTAL INCOME	349,743	337,091
EXPENDITURE:-		
DIRECT COSTS:-		
Salaries	115,651	115,199
Employers N I	10,907	11,306
Employers pension contributions	38,201	41,000
Employers pension deficit payment	16,306	0
Other staff costs and training	766	2,122
Electrical Safety Service	11,929	13,033
TOTAL DIRECT STAFF	193,760	182,660
INDIRECT COSTS:-		
ADMIN & MGMT SERVICES	20,684	22,176
TRAVEL/SUBSISTENCE		
Essential car user allowance	2,944	3,098
Vehicle leasing, fuel, and maintenance	7,179	7,653
Vehicle Insurance	893	902
Travel/Subsistence	1,433	2,359
TOTAL TRAVEL/SUBSIST	12,449	14,012
OFFICE OVERHEADS		
New C&R Software/IT System		18,000
SRS Materials, Tools & Equipment	13,045	5,500
Office Premises Overhead		14,611
Office Equipment Overhead		4,142
Office Administration Overhead		3,097
Computer/IT Systems Overhead	27,761	24,029
Corporate Costs (inc Audit)		25,756
Telephone	2,348	
Print/Publicity/Adverts	372	
Postage	890	
Office Equipment	66	
General Overheads (inc Prof Indemnity)	27,313	
Stationery/Office Materials	3,160	
Audit	1,195	
TOTAL INDIRECT O/HEADS	76,149	95,135
TOTAL EXPENDITURE	303,043	313,984
SURPLUS/DEFICIT	46,700	23,107

Tenant Satisfaction Survey

Report by Karen Barry, Director of Housing – for information

1.0 Introduction

The Association appointed Knowledge Partnership to carry out a Tenant Satisfaction Survey on its behalf to seek views on the services ELHA provides, how well it performs these services, and to help identify where services can be improved. The survey took place during October to December 2022, when 725 face to face interviews were carried out, representing a 55.3% response rate.

2.0 Initial Findings and Action Plan

The survey results included questions relating to the Scottish Social Housing Charter indicators which ELHA is required to report on through the Annual Return on the Charter (ARC). **Appendix 1** provides a comparison of results for the last three surveys and demonstrates an improvement in some areas during the last three years.

There has also been an expected small decline in satisfaction which may be attributed to the effects of the pandemic, the availability of materials and labour, and more recently the cost of living crisis. A comparison has also been made to the ARC national average for 2021/22 and demonstrates that the Association exceeds the average in almost all areas.

There are some areas highlighted in the report where action to improve services is required, and the Tenant Involvement Group (TIG) and staff will shortly work together to develop an Action Plan to address any areas of weakness. The TIG will oversee the implementation of the Action Plan, and progress will be reported in the quarterly Tenant Participation report provided to the Audit & Assurance Committee.

The report will be fully discussed with staff at the Staff Away Day in March 2023, and the Management Committee will be updated at the Management Committee Away Day in November 2023.

3.0 Scottish Housing Regulator - New Guidance

The Scottish Housing Regulator (SHR) issued a new 'Guide to Surveying Tenants and Service Users' in January 2023. The key focus of the guidance is to support landlords in selecting a growing range of potential survey options including the use of online surveys. Previous guidance recommended avoiding online surveys. Other key points include:

- Landlords with less than 1500 stock should carry out a census; inviting all tenants to take part with a minimum expected response rate of 40% (though landlords should work to exceed this)
- Minimum requirements have been set for each survey method to ensure that survey data can support the ARC
- The SHR will only permit the collection of data for the ARC from the large tenant satisfaction survey except in limited circumstances, i.e. for repairs & maintenance, factored owners and for gypsy travellers. The Association must inform the SHR of their intention to use performance rather than survey data for repairs & maintenance
- The SHR requires social landlords to ask for equalities information as part of the survey

The recommended changes to practice by the SHR may have an impact on staff resources and / or be more costly to the Association. Experience demonstrates that face to face interviews produce far more robust results, and the use of an independent consultant ensures expertise in designing and delivering a survey, effective weightings and analysis of data, and quality control.

As the Association will require to carry out a survey of all tenants a different approach, using a range of methods will be required. Tasks to consider future approaches will be included in the 2024/25 Business Plan Action Plan, presented to the next Management Committee meeting in March 2024.

Scottish Social Housing Charter indicators

Indicator	2016	2019	2022	ARC National Average 2021/22	
Taking everything into account, how satisfied or dissatisfied are you with the overall service provided by East Lothian Housing Association?	88%	94%	91%	87.7%	↑
How good or poor do you feel East Lothian Housing Association is at keeping you informed about their services and decisions?	89%	98%	96%	91.1%	↑
How satisfied or dissatisfied are you with opportunities given to you to participate in East Lothian Housing Association's decision-making processes?	74%	92%	97%	86.8%	↑
Overall, how satisfied or dissatisfied are you with the quality of your home?	89%	93%	90%	85.4%	↑
Thinking about the LAST time you had repairs carried out, how satisfied or dissatisfied were you with the repairs service provided by East Lothian Housing Association?	88%	93%	84%	88%	↓
Overall, how satisfied or dissatisfied are you with East Lothian Housing Association's contribution to the management of the neighbourhood you live in?	92%	95%	96%	85.1%	↑
Taking into account the accommodation and the services East Lothian Housing Association provides, do you think that the rent for this property represents good or poor value for money?	70%	80%	85%	82.5%	↑

Driving Policy Review

Report by Martin Pollhammer, Chief Executive – for approval

1.0 Introduction

The Driving Policy is due its periodic review. The policy has been reviewed by the JCC.

2.0 Policy Review

A desktop review of the Driving Policy was carried out by the Executive Support Officer (HR). No changes were required to the existing information in the policy, however, the Executive Support Officer (HR) recommended adding in guidance for Driving in Winter Conditions as published by EVH. This addition was agreed by the JCC.

The information regarding Driving in Winter Conditions has been added in as a tracked change under Section 4.0 of the attached **Policy Document**.

Date Issued	March 2018
Review Date	March 2023
Department	Corporate
Title	Driving Policy
Objective	To help manage and reduce the risks associated with driving whilst at work
Responsible	Chief Executive
Next Review Date	March 2028

1.0 Introduction

We have a responsibility under the Health & Safety at Work etc. Act 1974 to ensure, so far as reasonably practicable, the health & safety of all employees while at work.

This Driving Policy is based on the Employers in Voluntary Housing (EVH) guidance and the Health & Safety Manual, but with some practical amendments to allow staff to confirm their compliance with our policy, driving standards and vehicle maintenance requirements. It aims to reduce the risks associated with driving and to establish standards to manage these risks.

This Policy must also be read in conjunction with our Driving procedure.

2.0 Scope

This is an ELHA policy and applies to all staff, including agency staff and governing body members, who operate any vehicle on ELHA business. This includes Care & Repair vehicles, any other hired vehicles and personal vehicles (including motorcycles) used during working hours. Commuting to and from your regular place of work, if office based, is excluded.

3.0 Standards

These standards are intended to promote best practice across the Association and ensure risks of driving during working time are minimised

3.1 We will:

- Check the validity and endorsements for all driving licences on an annual basis
- Check that road tax is up to date for all vehicles on an annual basis
- Check that MOT's are up to date for all vehicles over 3 years old on an annual basis
- Ensure that all leased vehicles (Care & Repair vehicles) are maintained on a regular basis
- Ensure that all leased vehicles are fully insured
- Ensure that all staff and governing body members are aware of the lone working policy and procedure relating to adverse weather conditions
- Never pressurise anyone if running late – if staff are running late for a meeting or an appointment, they should try to phone ahead where possible and should not rush, speed or drive in a dangerous manner
- Never force anyone to drive during adverse weather conditions – our adverse weather procedure always allows our staff member to make an individual judgement about whether or not they should drive, and allows staff to either make up lost working time over the following six weeks, or take leave
- Allow staff to attend driving training if requested (i.e Fuel Good Driving Training). We would cover any reasonable cost and allow staff to attend during working hours but using their own time
- Ensure all staff and governing body members are aware of this policy

3.2 Staff and Governing Body Members will:

- Ensure they have a valid UK driving licence for the class of vehicle they are driving
- Ensure that their vehicle is in a roadworthy condition at all times and carry out visual checks prior to each journey
- Ensure they are physically fit to drive and report, to their line manager, any health conditions that could affect their driving
- Risk assess each journey prior to commencing and contact line manager should any issues arise
- Ensure that they do not use a mobile phone whilst driving including via a hands-free kit

- Ensure that they are fully aware of our lone working policy and procedure relating to weather conditions
- Ensure that they never drive under the influence of alcohol or drugs
- Report any driving licence endorsements immediately after receiving the penalty notice
- Report to line manager any incident or accident while driving that happens within working hours
- Drive within the speed limit
- Drive safely according to the conditions
- Wear seat belts at all times when driving

3.2.1 In addition to 3.2, for personal vehicles only, staff and Governing Body Members will:

- Ensure that the vehicle is road taxed and has a valid MOT certificate if over 3 years old
- Ensure that they have appropriate insurance cover for business use
- Ensure that they have vehicle breakdown cover. Should there be no breakdown cover the staff or Governing Body member is responsible for any costs associated with repairs or pick up of the vehicle should it break down.
- Ensure that the number of passengers carried will not exceed the manufacture's specification for the vehicle
- Ensure that they complete a mileage claim form when claiming for business mileage
- Self-certify compliance with the requirements of this policy as a condition of claiming business mileage
- Advise of any change in vehicle including new registration number

3.2.2 In addition to 3.2, for any leased vehicles, staff will:

- Complete a daily and monthly pre-inspection vehicle schedule
- Report any vehicle defects to their line manager immediately
- Ensure that vehicles are kept tidy and clean at all times
- Ensure that only staff members are allowed as passengers

4.0 Adverse Weather

The Association's Adverse Weather Procedure details the actions required when The UK Met Office issue official weather warnings. This procedure should be checked prior to driving for work when a weather warning is in place. If you have any concerns, you should contact your Line Manager.

EVH have produced guidance for Driving in Winter Conditions which is as follows:

Staff should make sure they are equipped for any commuting and business journeys in vehicles, as winter weather requires specific preparation to assist in avoiding breakdowns. Road organisations have once again issued the following advice to make sure people stay safe on the roads throughout the winter months:

- Get up ten minutes earlier to prepare the vehicle
- If the car idles over a long period, turn the engine over regularly to give the battery a chance to revive
- Check windscreen wipers are working
- Ensure mobile phone is fully charged and take the charger on the journey
- Ensure screen wash is topped up
- Check oil and coolant levels are correct
- Ensure there is more than enough fuel for the full journey
- Clear snow from the roof of the car before driving
- Use air conditioning for faster demisting and to reduce condensation on cold windows
- Make sure tyre pressures are correct. When temperatures drop, this affects the pressure in tyres
- Tyres should have at least 3mm of tread for the winter and legally, no less than 2mm
- Turn the heater fan down and switch the heated rear window off once windows are clear

- As the wintry weather can cause disruption on the roads with traffic jams, it is recommended that you keep a blanket, water, snacks, ice scraper/de-icer and screen wash in your car in case of emergencies

Remember when driving in the snow, the stopping distance is up to ten times longer.

5.0 Cycling at Work

Due to the distribution and location of our housing stock and the nature of our business, we do not recommend using a bicycle while on ELHA business. Anyone wishing to consider this mode of transport for business travel, should discuss it with their line manager.

6.0 Review

This policy will be reviewed at least every five years. The absence of such a review will not cause it to lapse.

Rent Arrears Policy Review

Report by Karen Barry, Director of Housing – for approval

1.0 Introduction

The Rent Arrears Policy is due its periodic review.

2.0 Changes to The Policy

Recommended changes to the Rent Arrears Policy are minor in nature and are tracked on the **Policy Document** attached to this report.

The document has been mainly updated to reflect the introduction of Rent Collector and the online Rent Account Management software, recently developed to allow tenants to make repayment agreements or change the date of their rent payments without having to interact with staff. All tenants were consulted about the new service in September 2022.

Recommendation

The Management Committee is asked to approve the revised Rent Arrears Policy.

Date Issued	January 1996
Last Reviewed	February 2018 2023
Department	Housing Management
Title	Rent Arrears and Tenancy Debt
Objective	To maximise income by ensuring that rent and other tenancy charges are collected and arrears are effectively controlled.
Responsible	Director of Housing
Next Review	February 202 8 3

1.0 Introduction

1.1 Maximising rent collection will start on the first day of a tenancy when we will emphasise the importance of paying rent and promote our Key Tenant Scheme, including payment by Rent Collector and Direct Debit. We will also make new tenants aware of the various welfare benefits, particularly Universal Credit and Housing Benefit, to which they may be entitled.

1.2 We will:

- Promote a positive payment culture through being consistent in the application of our policy and procedures and, publicity via our e-news, quarterly newsletter, mail shots and leaflets
- Focus on arrears prevention to minimise arrears and maximise rental income
- Recover arrears fairly and effectively and ensure that staff adopt a responsive, empathetic and, ~~sympathetic but~~ practical approach to assist tenants in arrears to sustain their tenancy
- Provide a clear framework for staff engaged in arrears control to work within
- Emphasise early intervention, a customer centred approach and early involvement of appropriate external agencies (e.g. our independent Financial Inclusion Money & Home Energy Advice Service, Citizens Advice Bureau, Social Work Department and Shelter)
- Reward regular payment through our Key Tenant Scheme
- Use legal action appropriately and in accordance with Best Practice

2.0 General Principles

- 2.1 Our policy and procedures emphasise prevention and early intervention, a customer centred approach and early involvement of appropriate external agencies (for example our independent ~~Financial Inclusion~~ Money & Home Energy Advice Service, Citizens Advice Bureau, Housing ~~Access Options~~ Team, Social Work and Shelter).
- 2.2 Personal contact is our preferred means of engaging with tenants. However, we recognise that tenants with rent arrears may prefer to avoid face to face meetings and that continual unsuccessful home visits are not the best use of our staff resources. We operate an online rent account management system that allows tenants to change the date of their rent payment or make a rent repayment agreement through their My Home account without having to speak to staff. Dependent upon the proposed agreement, a tenant may be required to complete an income and expenditure form during the process so we can ensure that the repayment agreement is affordable.
- 2.3 If online agreements are unsuccessful we will attempt to make personal contact with tenants using ~~We will therefore use~~ a range of contact methods including letters, text messaging, email, social media and phone. We will always encourage tenants to telephone their Housing Officer to discuss problems.
- 2.43 Staff will maintain accurate records of all contact with the tenant by telephone, letter, e-mail, text or in person.
- 2.54 Where we have difficulty contacting tenants to discuss their rent arrears we will try phoning or visiting in the evening or early morning ~~or at weekends~~. Staff carrying out home visits to tenants will comply with our Lone Working Policy at all times.
- 2.65 All staff involved in rent arrears recovery will receive training in order to ensure that they are able to offer appropriate advice to tenants.

3.0 Getting it Right From the Start

- 3.1 Paying rent is an essential requirement of the Scottish Secure Tenancy and prevention of arrears is more effective than control.
- 3.2 We will:
- Carry out Experian credit checks on all prospective tenants so that we can discuss any concerns about their ability to sustain a tenancy with them at the pre-allocation visit

- Identify tenants at risk of financial vulnerability at the pre allocation stage by interviewing the applicant, seeking tenancy references and through the use of the SFHA Affordability Tool (we will ~~and~~ ensure that additional support, including Money, Benefits and Budgeting advice is put in place before the tenancy begins where appropriate)
- Encourage the right attitude and behaviour towards rent payment by expecting all new tenants to pay rent due when signing a tenancy agreement (unless they are participating in the My New Home process and accessing a Rent Discount) and agreeing with them payments dates if they prefer not to pay on the first of each month
- Require all new tenants to provide an emergency contact for us to speak to in the event that we are unable to contact the tenant
- Clearly explain our Arrears Policy to new tenants as part of the signing up process
- Encourage all tenants to pay by the Rent Collector ~~direct debit~~ so that they can gain the maximum benefit from our Key Tenant Scheme discounts
- Provide a range of convenient ways to pay for those who are unable or unwilling to pay by the Rent Collector ~~direct debit~~, and help tenants to choose the method best suited to them
- Accept payments at the frequency (fortnightly, weekly etc) best suited to the tenant's income patterns
- Actively assist tenants to access any available help paying their rent, especially at the start of a tenancy
- ~~Use the ELHA Assistance Scheme to mitigate some of the more common Benefit issues and to help tenants wherever possible without putting our long term financial health at risk~~
 - Prioritise visits to financially vulnerable tenants very soon after the start of the tenancy to begin developing effective relationships and encouraging the tenant to contact us if problems arise

4.0 Universal Credit and Housing Benefit

- 4.1 The Housing Cost Element of Universal Credit and, for those tenants who still qualify, Housing Benefit, are essential for some of our tenants to be able to pay rent.
- 4.2 We will ensure that advice and assistance is available to all tenants who need it in managing claims for Universal Credit or Housing Benefit.

4.3 We will encourage our tenants to have all of their Benefits paid to themselves and to make rent payments in accordance with their Tenancy Agreement so that they take responsibility for their rent account and can qualify for rent discounts through our Key Tenant Scheme.

4.4 Where arrears are accruing and attempts to encourage the tenant to manage their rent payments are unsuccessful, we will apply for Payment Direct to Landlord ~~(APA)~~ and Third Party Deductions to control arrears and prevent evictions.

5.0 Arrears Control

5.1 We will check accounts regularly to ensure that missed or reduced payments and broken repayment arrangements are identified at an early stage.

5.2 We will contact the tenant appropriately by letter, text, email, phone or home visit as soon as a payment is missed.

5.3 We will ~~discuss~~ assess the tenant's income and expenditure ~~with them~~ to ensure that they can afford the repayment arrangement we agree with them and to identify when specialist Money Advice is required.

5.4 We ~~will~~ may ask tenants to consider **why** arrears have arisen so that the course of action agreed with them to resolve the problem has the maximum chance of success and will maintain regular contact with tenants in arrears until the debt is under control.

5.5 We will explore all possible means of ensuring rent payments are made regularly, such as the use of voluntary mandates at an early stage in the arrears procedure.

5.6 Unfortunately, not all tenants will respond positively to early intervention and the help we are able to offer. Communication with the tenant will become progressively firmer and the consequences of failing to make regular rent payments will be fully explained at an early stage in the arrears procedure.

6.0 Sharing Owners

6.1 If a sharing owner falls behind with Occupancy Charge payments we will provide advice and be happy to enter into a repayment arrangement agreement to repay the debt. If more than two months arrears accrue we will inform the sharing owner's lender.

6.2 If we incur any costs in pursuing Occupancy Charge arrears (for example searches to determine the identity of the sharing owners' lender) we will seek to recover these from the Sharing Owner.

- 6.3 We will not instruct legal action to recover any debt before offering debt counselling, including advice about benefits.
- 6.4 Repossession action will be taken as a last resort when all other action has failed. We aim to carry out aAll such actions ~~will be carried out~~ jointly with the owners mortgage lender.

7.0 Legal Action

- 7.1 We will always follow Best Practice when deciding on a course of legal action. The Simple Procedure will normally be instigated where it is considered appropriate. Repossession Action will always be conjoined (i.e. eviction and payment).
- 7.2 If Repossession Action is considered, we will ensure that we comply with the pre-action requirements as detailed in the Housing (Scotland) Act 2010; and legal action, in the form of a Notice of Proceedings, will be issued by the Housing Officer with the approval of the Housing Manager.
- 7.3 In accordance with section 11 of the Homelessness Etc. (Scotland) Act 2003 we will, in all cases, notify East Lothian Council's Housing ~~Access Options~~ Team when we refer a tenant for court action. We will also notify the Social Work Department and ask for assistance in respect of cases involving children and vulnerable adults.
- 7.4 If the debt increases between instructing the legal action and it calling in Court, then we will ask for the sum being sued for to be increased, to reflect the arrears outstanding wherever possible.
- 7.5 We will make full use of continuations and sists to minimise legal expenses and to avoid the necessity of obtaining a Decree of Possession. If a tenant has been maintaining a repayment arrangement prior to a Court hearing we will request to sist the case; whereas if a repayment arrangement has only just been entered into; or if circumstances have recently changed, we may request to continue the action to monitor payments. The decision to sist or continue a case lay with the Sheriff.

We will monitor all sisted actions on a regular basis and may recall an action and dismiss it, where a tenant has maintained a repayment ~~arrangement~~ agreement for at least a year.

- 7.6 When we are awarded a Decree of Possession, we will take a pragmatic approach when deciding whether to enforce it and evict the tenant, seeking to ensure the best chance of collecting the debt and minimising arrears write off. Our priority is to keep a tenant in their home and decisions will be made on a case by case basis, taking into account the extent to which a tenant is

engaging with us. However generally, we will expect tenants to clear the debt within 6 months of the Decree being awarded; the legal time limit within which a Decree can be used.

7.7 Before implementing a Decree of Possession and arranging an eviction, the Housing Manager will make contact with the tenant and will report to the Director of Housing giving a detailed case history. The Director of Housing must have approved any eviction before it can be carried out and will report all evictions to the ~~Housing & Property Services~~ SubAudit & Assurance Committee.

7.8 We will inform East Lothian Council's Housing ~~Access-Options~~ Team and Social Work Department (if involved) before an eviction proceeds.

7.9 We will only carry out eviction as a last resort when all other appropriate methods to recover arrears have been exhausted.

8.0 Other Tenancy Debt

8.1 Other tenancy debts such as chargeable repairs, Benefit overpayments, legal expenses and Sheriff Officer fees may be incurred by a tenant and are accounted for separately to rent arrears. We will always attempt to recover these debts and will expect tenants to make arrangements to clear them if they want a transfer or an exchange. However, if a tenant has both rent and other tenant debt, then the recovery of the rent arrears will take first priority.

9.0 Sequestration

9.1 We will not advise tenants who are in significant financial difficulty to seek sequestration but we will refer them to an appropriate agency who may advise that it is in their best interest to do so.

9.2 Tenants who are undergoing sequestration proceedings will not be put under any duress to clear the debt but we will insist on them continuing to pay their monthly rent, and will advise them to consider making voluntary payments to the debt as these can be set at a very low amount.

9.3 We reserve the right to raise repossession action against any tenant who is sequestrated but will normally only consider such action, when a tenant is sequestrated on more than one occasion.

10.0 Reporting and Administrative Procedures

10.1 The level of rent arrears and bad debt write off is a Key Performance Indicator monitored by our Management Committee whereas more detailed arrears

reports are presented quarterly to the ~~Housing & Property Services Sub-Audit & Assurance~~ Committee.

10.2 The arrears reports to ~~Housing and Property Services Sub~~the Audit & Assurance Committee will include:

- ~~A~~Arrears as a percentage of rent receivable
- ~~T~~Technical arrears
- ~~N~~Net arrears
- ~~a report on all~~ Amount of arrears and number of cases in excess of three months
- ~~the N~~umber of legal actions instructed, sisted, decrees granted and evictions carried out
- ~~the N~~umber of Universal Credit cases, amount of arrears, number of Alternative Payment Arrangements and Third Party Deductions in place
- ~~F~~Former tenant arrears analysis and recommended write offs
- ~~T~~he impact of welfare reform, particularly Universal Credit, on arrears levels

10.3 Internal performance will be monitored regularly to ensure our policy and procedures are working effectively.

11.0 Former Tenancy - Debts

11.1 Former tenant arrears and other tenancy debts, such as chargeable repairs; legal expenses, Sheriff Officer Fees and Benefit overpayments will be pursued, however the amount of staff time expended will be kept to a minimum.

11.2 Where the tenant's whereabouts are known or we have an email address, we will write to the former tenant ~~warning that if they do not clear the debt or enter into a suitable repayment arrangement~~ the debt will be passed to a debt collection agency for recovery if they do not clear the debt or enter into a suitable repayment arrangement.

~~11.3 If practicable, one home visit will be carried out in an effort to collect the debt.~~

11.4-3 If ~~the measures detailed at 11.2 and 11.3 writing above~~ proves unsuccessful or the tenants' whereabouts are unknown, a debt collection agency (approved by the Management Committee), will be instructed to pursue the debt.

11.5-4 We may take legal action to recover former tenancy or other tenancy debts and will take a pragmatic approach to this taking into account the costs that will be incurred as a result of such action, the best chances of collection and minimising debt write off.

11.6-5 If we obtain a Payment Decree we will instruct wage arrestments if we know the former tenant is in employment.

11.7-6 Whilst we know that bank account arrestments are not normally very successful we will not rule out this course of action as a method of recovery.

12.0 Equal Opportunities

12.1 We will provide clear, unambiguous information, help and advice and will not discriminate unreasonably in the operation of this policy on the basis of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity; race, religion or belief, sex, or sexual orientation.

12.2 We are members of Happy to Translate and on request will take practical steps such as arranging interpreting and translation services if this is easier for tenants.

12.3 We aim to promote equal opportunities and comply with the requirements of the Equality Act 2010.

13.0 Policy Review

13.1 This policy complies with all relevant law and best practice and will be reviewed if changes in either necessitate an early review.

13.2 The policy and supporting procedures have also been checked to ensure that opportunities for bribery or corruption in terms of the Bribery Act 2010 have been minimised.

13.3 The Director of Housing will ensure that this policy is reviewed at least every five years and that any amendments required are submitted to the Management Housing and Property Services Sub-Committee for approval.

Shared Ownership Occupancy Charges Review

Report by Karen Barry, Director of Housing – for approval

1.0 Introduction

Sharing Owners are charged an Occupancy Charge for the exclusive use of the property they own a share in. Each year the charge is normally increased in line with the Association's rent increase. There is no requirement for consultation only that a month's notice of any increase is given in writing.

Some owners are also in receipt of factoring services which are paid for via a Service Charge. The exact costs for the provision of such services are passed on to the owner along with a 10% administrative fee.

The Association is required to communicate regularly with Owners such as providing an annual Written Statement of Services, carrying out regular satisfaction surveys, information relating to estate management, occupancy charge arrears, staircasing and sale of shares. To date, the Association has met the full costs of all stationery and postage, and these costs continue to rise. Postage alone can range between 68p & £1.45 per letter sent.

The Association has now developed a Sharing Owner and Factoring Module very similar to a tenant's My Home account. The Module provides a range of online information for owners, the ability to pay charges, provide feedback or complain, and see all their documents, thus reducing the costs incurred for providing paper services.

Currently only 12 (28.6%) Sharing Owners are signed up to paper-free services.

2.0 Occupancy Charge Increase

The Association is already aware that incentivising tenants by paying Rent Discounts can change their behaviours. Currently over 40% of tenants receive a £5 per month Bronze Key Tenant discount for being paper-free, providing significant savings for the Association. It now makes financial sense to roll this out to Sharing Owners.

The total average Occupancy Charge is £3,094.62 per year or £257.88 per month. 2% of this average charge equates to £61.80, or just over £5.00 per month over a twelve month period.

As tenants have been consulted on a 6% rent increase from 1 April 2023, it is proposed that Sharing Owner Occupancy Charges are increased by 8%, however this can effectively be reduced to 6% by the Sharing Owner by going paper-free and receiving a £5 Occupancy Charge Discount each month.

This proposal has virtually no impact on the 2023/24 budget.

Recommendation

The Management Committee is asked to approve an 8% Occupancy Charge increase and agree to paying a £5 per month Occupancy Charge Discount to Sharing Owners who sign up to paper-free services from 1 April 2023.