

POLICY

**Income Collection, Debt
Recovery and Write Off
Policy**

Policy Reviewed November 2023

Wellhouse - The Place To Be

Policy reviewed	November 2019 and April 2020, November 2023
Date of Next Review	April 2026

The policy is available on the Association’s website. Customers will be provided with a copy of this policy as part of their Tenants’ Handbook. We will provide this policy in specific formats as requested. i.e., tape, Braille or another language.

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Linked Policies/Procedures

1.	Openness and Confidentiality
2.	Customer Engagement and Participation policy
3.	Complaints, Compliments and Comments Policy
4.	Factoring
5.	Rent Management
6.	Financial Procedures
8.	Equality and Diversity
9.	Rechargeable Repairs process

1. Vision and values

Wellhouse – the Place to Be.

This simple statement is our vision of Wellhouse as an attractive place where people feel happy and safe, benefit from having a good home and an attractive environment and feel proud to be part of a vibrant community.

We believe that our values of **Trust, Honesty and Integrity, Excellence, Accountability and Sustainability** supported by a comprehensive policy framework will help make our vision a reality.

2. Governance

Wellhouse HA is a community controlled Registered Social Landlord and is managed by a group of local people who are elected onto the Management Committee. Their role is to make sure that the Association is well run, meets the needs of the local area and is responsive to what is important to local people. We may co-opt other people onto the Management Committee from time to time where we feel we need specialist support.

The Management Committee appoints senior staff, agrees all the Association's policies and takes all the key decisions. The Director and the senior team support the Committee in these responsibilities.

3. Policy Aims

By ensuring we collect all income due to us we can maximise our investment in Wellhouse. We will take all reasonable steps to ensure debts to the Association do not build up.

4. Equal Opportunities & Human Rights Statement

We aim to ensure that all services, including the delivery of this policy, provide equality of opportunity.

We will respond to the different needs and service requirements of individuals. We will not discriminate against any individual for any reason, including age, disability, gender re-assignment, marriage, civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation, or other status.

5. Scottish Housing Charter

The Scottish Government's Social Housing Charter came into force in April 2012. The Charter sets out the standards and outcomes that Registered Social Landlords should achieve.

There is one outcome that is especially relevant to this policy:

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.

6. Legislation

The following legislation is relevant to this policy:

- Housing (Scotland) Act 2014
- Housing (Scotland) Act 2001
- Housing (Scotland) Act 2010
- Debt Arrangement (Scotland) Act 2002.
- Debt Arrangement (Scotland) Regulations 2011
- Data Protection Act 1988
- Human Rights Act 1998

7. Our principles and standards

We will be clear in all our dealings with debtors as to the amount owed to the Association and when it is due.

We will always adopt a reasonable approach and take into account an individual's circumstances.

We will ensure that our practice is informed by relevant legislation and good practice

We will offer assistance and advice including signposting to debt-counselling, advice, income maximisation and money advice services.

We will regularly review and report on our performance to the Management Committee.

8. The Policy

8.1 Types of debt

- Commercial properties
- Factored owners
- Care providers leasing charges
- Hub users
- Occupancy charges
- Service charges for customers
- Debts owed by former customers in respect of rechargeable repairs and other non-rental charges
- Insurance premiums
- Former customer rent arrears and non-rental debts of former customers
- Non rental debts of existing customers

8.2 Collecting our Income

We expect that all debtors will fulfil their legal obligations to pay outstanding debts.

This policy is designed to maximise our ability to recover outstanding debts from debtors to reduce overall the level of debts owed to us and to underpin the setting of targets for debt recovery.

Where a debtor has multiple debts the provision of debt/money advice is paramount to the success of any recovery process and we will assist debtors to get the right advice.

8.3 Prevention

We will encourage all customers to contact us early if they are having difficulty in paying what they owe us.

Early intervention is a priority in the recovery of outstanding debts; we will take account of a person/s total indebtedness and actively pursue methods of preventing debts from escalating. We acknowledge that debtors may experience financial hardship and require assistance to overcome such hardship.

A realistic and consistent approach to debt recovery is essential and debtors need to be informed that non-payment will result in prompt and decisive measures being taken.

8.4 Early Identification and Early Action

All invoices should be paid within 28 days and after that time they are treated as debts.

All amounts due will be invoiced and where amounts remain outstanding reminders will be sent. Invoices and reminders will include contact details of who the debtor should contact discuss the amount owed and making an arrangement to pay.

8.5 Personal Contact

To ensure we do not breach confidentiality, discretion will be used when assessing how we contact people. Where we do not have an up to date address for a debtor we will use a tracing agent to obtain one.

8.6 Making Arrangements-Taking into account people's circumstances

The purpose of early contact is to establish an agreed repayment arrangement and early settlement of the debt, taking into account other debts and their individual financial circumstances.

We will seek to make an arrangement to pay with all debtors within 4 months of an amount becoming due.

We aim to reach realistic, affordable and sustainable repayment arrangements to clear outstanding debts. We will take into account a person's circumstances during the recovery process to ensure we treat people from all backgrounds fairly and consistently. Arrangements will be made so that recovery of any debt is made over a 12 month period where possible.

We will, wherever possible, explore the options of deducting any outstanding debts from any payments due to a debtor. Such deductions must conform with legislation relevant to that case.

8.7 Debt Recovery - Legal Action

Where an arrangement cannot be made within 4 months or is not adhered to we reserve the right to recover debts by taking legal action.

Before any legal action is taken:

- We will take account of a debtor's overall indebtedness when assessing what actions to take.
- We will use Debt Recovery agents or others to trace debtors.

If at any time after legal action has been taken an acceptable arrangement is agreed, then further action on the debt will be suspended. An acceptable arrangement is one that clears the debt within 12 months.

Debtors will be required to pay any costs incurred in taking legal or court action.

8.8 Former Tenant Debts

Former tenant debts occur when a customer is no longer the Scottish Secure Tenant of the property having lost their tenancy through the following events:

- Eviction
- Termination of Tenancy
- Assignment
- Death (through the winding up of deceased's estate)
- Transfer
- Abandonment

Court Costs do not require further actions raised to recover the debt. The original decree granted with costs should be used to recover court costs even if the costs relate to a tenancy that is no longer current.

8.9 Rechargeable Repairs

Rechargeable repairs occur when a repair is reported and identified as rechargeable to the customer. The process for selecting which repairs fall into this category is specified within the Maintenance Policy.

The Tenancy Agreement outlines tenant's responsibilities with regard to repairs and maintenance. These can be summarised as follows:

- Customers must report to the Association as soon as reasonably possible, any damage to the house, the common parts or loss or damage to Association property.

- Customers are responsible for taking reasonable care of the house and keeping the house in a reasonable state of cleanliness.
- A tenant will be advised if a repair is rechargeable, as well as an estimate of the cost when the repair is requested. In the event that a request is made out with office hours, an officer will contact the tenant within 2 working days to confirm if the repair is to be recharged and an estimated cost will be provided. Either way, a written confirmation will be sent to the tenant within 2 working days. Rechargeable invoices will be provided to the tenant within 10 days of receipt of the relevant Contractor's recharge to the Association.

WHA is committed to recovering the costs of repairs required because of the wilful or negligent actions of its customers or others.

8.10 Other Debts

These could be debts raised for various reasons and include such items as charges for access to files and information, ad-hoc charges for one-off services.

8.11 Writing Off Debt

In some situations we may find that it is not possible to recover former tenant and owner debts, in these circumstances, a recommendation will be made for write off from our accounts. Examples are:

- A tenant/owner has deceased and no details of executor are known;
- No forwarding address is known and the case has been passed to collection/tracing agency and they have been unsuccessful in attempts to provide forwarding address for former tenant/owner ;
- Arrears over 12 months where three attempts to contact are made, with no response for former tenant/owner ;
- Under £100 on the basis that this is non-economical to recover;
- All rechargeable debt for current tenants will be determined as irrecoverable if the costs of recovery would exceed the level of debt;
- Current tenant rent arrears will only be written off in exceptional circumstances where the Association has been found at fault in the management of an arrears case.

8.12 Administration and Monitoring

We provide clear procedures and training for staff working in income collection and arrears control.

We provide resources and guidance for staff to enable them to offer support and assistance to customers while maximising income for the Association.

We will maintain comprehensive records and files on all debtors and debts, along with correspondence sent and received repayment arrangements and proceedings taken for recovery.

The provision of full training, support and updates in tandem with any changes that relate to the debtors' policy implementation and management.

9. Monitoring and performance

We make annual reports to the Management Committee on debt recovery performance, as follows:

- The number of arrangements made within 4 months of an amount being due
- The number of arrangements maintained
- The number of debtors over £50 and payments made
- The number of legal cases
- The number of proposed legal actions
- Debts that may no longer be collectable for example because of death of a debtor

10. Consultation

We aim to deliver excellent services, which respond to local needs and reflect what is most important to our customers.

To do that we need our customers and local people to tell us how well our policy is working and help us to make the changes which will improve it. In line with our Customer Engagement and Participation Policy:

- We make it easy for tenants and local people to give us their comments and views face to face, by telephone, e-mail, on line or in a letter;
- We commission formal independent tenant satisfaction surveys on a continuous monitoring basis carried out every three months;
- We consult our Customer Opinion Panel;
- We publish the targets we set;
- We publish how we have performed against those targets.

We use customer feedback to review our policies and ask them about the changes we are making.

11. Complaints

We have a separate complaints policy and procedure. Leaflets and copies of the complaints procedure are available from the Association's office and on our website. We also provide information on how our customers can make a complaint to the Scottish Public Services Ombudsman, Bridge House, 99 McDonald Road, Edinburgh, EH7 4NS, telephone 0800 377 7300 or 0131 225 5300 and how to contact the Scottish Housing Regulator.

The Ombudsman will not normally deal with complaints unless customers have followed the Association's complaints' procedure

12. Review timeframe

The policy will be reviewed every three years, or sooner, in response to a change in legislation or circumstance.

13. General Data Protection Regulations

The organisation will treat your personal data in line with our obligations under the current GDPR regulations and our own policy. Information regarding how your data will be used and the basis for processing your data is provided in Wellhouse HA's Fair Processing Notice.

9. Freedom of Information

As at November 2019, the Association is subject to FOI and all enquiries with respect to Income Collection, Debt Recover and Debt Write off will be handled strictly in line with FOI and confidentiality policies.