

Title	DEBT COLLECTION POLICY
	Policy Category Income Management
Version	V1 Draft
Approved Date	04/11/2025
Approved By	Executive
Effective From	04/11/2025
Next Review Date	01/11/2028

Author	Income Team Manager		
Distribution	Internal		
Keywords	Rent Arrears, Rental income, Recharge, Former Tenant, Garage Arrears		
Accountability	Customer Services		
Consultation Requirements	Yes - Tenants		
Consultation Dates			
Equality Impact Assessment Required	Y	Data Protection Assessment Required	N
Please avoid referring to printed versions of this policy or saving to shared or individual drives or folders. All policy documentation should be accessed via CHAT to ensure the most up to date version is in use.			

This Policy applies to:

- Cairn Housing Association
- Pentland Community Enterprise

1. Policy Statement

This document sets out Cairn's policy for the debt from:

- Current tenants
- Former tenants
- Shared owners
- Factored owners
- Lease holders

The income generated by rents and service charge accounts for the majority of our total income, the income collected is used to pay for the range of services that we provide to tenants including:

- the management of our housing and garage stock and their surrounding environment.
- the maintenance and improvement of homes, including Planned Maintenance projects.

- Servicing of outstanding loan debt required to supply new houses etc

It is important that we maximise rental and service charge income to meet our operational expenses. The prevention and recovery of rent arrears is vital in ensuring that this is achieved.

1.1 Objectives of the Policy

The principal objectives of the Debt Collection Policy are:

- To prevent the occurrence of rent and service charge arrears.
- To minimize loss of income when arrears occur by taking prompt recovery action, which is both fair and effective.
- To ensure that tenants are provided with early advice and support to enable them to maximise their income and that they are receiving all benefits to which they are entitled to.

Pursuit of these objectives starts on day one of the tenancy with the best means of control, prevention and tenancy sustainment for all tenants.

The Pre Tenancy Form is completed for all new tenants on or before sign up. All new tenants are offered a Welfare Benefit check.

Diligence in starting the Arrears Control Process at the proper procedural time (i.e. early intervention), to minimise the likelihood of a significant debt ever arising.

1.2 Key Policy goals

- Prevent arrears arising
- Maintain effective rent collection/accounting systems
- Maintain an effective arrears control system
- Respond promptly to missing payments
- Establish early personal contact when arrears occur and if arrears persist
- Recover arrears with the voluntary co-operation of the tenant, if possible
- Achieve an overall level of arrears within organisational targets
- End a tenancy by eviction only as a last resort

1.3 Key Steps in Prevention

- Early intervention
- Tenants are advised of their duty (as per the tenancy agreement) to pay their rent on or before the 1st of the Calendar month.
- New tenants are given advice on the ways to pay (How to Pay your Rent leaflet)
- Encourage Housing Benefit to be paid direct to landlord
- Apply for Universal Credit housing cost to be paid direct to landlord only when a tenant is identified as vulnerable and likely to fall into arrears.
- Ensure Third Party Deductions are applied for if applicable
- Identify arrears early and take prompt action to contact tenants
- All accounts to be monitored closely in line with their procedure.

1.4 Key Policy Methods

- Early intervention and support are paramount in minimizing rent arrears.
- Seek repayment in full when affordable, and if not possible secure a repayment plan for the arrears that is mutually acceptable and affordable based on an updated income and expenditure.
- Seek to balance the tenant's ability to pay by agreeing realistic repayment arrangements and timeframes with a focus to maintain sustainability.
- Referrals to be made to Cairns Welfare Benefit Advisors or other support agencies, including Welfare Support, Shelter, The Citizens Advice Bureau and where tenants are vulnerable, we ensure that any other appropriate agencies are involved that can provide support
- Monitor payment arrangements
- Instigate legal proceedings for recovery of arrears and possession when all other reasonable steps have been taken.
- When arrears reach the equivalent of one month's rent, the formal arrears recovery process will begin
- When arrears reach the equivalent of two months' rent, the case will be reviewed for legal action in line with pre-action requirements, as set out by the Scottish Government.
- When Decree has been granted, we will continue to work with the tenant to seek resolution for repayment in full, and only when this cannot be achieved within the timescales stated on the Decree, evictions will be enforced

2. Putting Policy into Practice

Our Debt collection policy is supported by detailed written procedures with regard to the prevention and recovery of debt. These procedures include the process that is to be followed in respect of legal action. This process reflects current legislative requirements and good practice. Staff will be fully informed and trained on the debt collection policy and their associated procedures.

Subject	Debt Collection Policy
Relevant Legislation	Housing (Scotland) Act 2010 Housing (Scotland) Act 2001 Housing (Scotland) Act 1987 Housing (Scotland) Act 2014 Equality Act 2010 and associated codes of practice Human Rights Act 1998 The Matrimonial Homes (Family Protection) (Scotland) Act 1981 Data Protection Act 1998 Civil Partnership Act 2005 Immigration and Asylum Act 1999
Relevant Policies or Strategies	Customer Care Feedback Complaints Tenant Participation

	Tenancy Sustainment Equality and Diversity
Relevant Clauses of Tenancy Agreement	All, but in particular 1.5 – 1.9, 1.15, 6

3. Setting Targets and Monitoring Performance and Reporting

We will:

- set appropriate targets in relation to the prevention/recovery
- regularly monitor the performance that is being achieved internally.
- and in comparison, to that of peer organisations.
- Monitor performance through internal audits to drive continuous improvement
- Report to the board annually, with the number of Decrees awarded and evictions carried out.

Local area teams will monitor outstanding debt on accounts on a regular basis and in line with the relevant procedure, this will determine the action to be taken. Clear records will be maintained for each case to show what action has been taken and to record all contact with the tenant.

The Director of Customer Services will authorise the enforcement of a Decree for Recovery of Possession, when such a Decree has been awarded by the Court.

The managers are responsible for actions taken for recovery. The Housing Officer will make recommendations for debts to be written off. Annual reports will be presented to the board.

4. Tenant Consultation

We are committed to involving tenants in the management of service delivery and will adopt a flexible approach to enable tenants to participate as fully as possible in the development of the debt collection policy.

5. Equality, Diversity and Inclusion

We will not discriminate in the operation of any of our housing management policies on the basis of age, gender, race, colour, ethnic or national origin, religion, culture, marital status, family circumstances, political or sexual orientation, medical conditions or disability.

The operation of the policy is not expected to give rise to any outcomes which could be discriminatory.

6. Appeals and Complaints

Appeals or complaints against our handling of our debt recovery will be processed through our Complaints Policy and Procedure.

7. Policy Availability

A copy of this policy is available on our website and we will make a copy available to anyone who requests it. Translation and interpretation facilities will be made available if required. Documentation can also be made available on request in languages other than English, Braille or a recording.