



Management and Collection of Debt Policy

**Effective date October 2014
Review date October 2017
Approved by Link Group Board**



1. INTRODUCTION

Link Group and its subsidiary companies provide a range of services for which charges are payable. Effective collection of income and management of debts has a direct impact on resources available to provide services and improve and maintain housing stock across the Link group.. It sets out how, across Link, we apply common principles and take a clear and consistent approach to debt management and income collection for all services.

2. SCOPE AND APPLICATION

This policy relates to collection of any income and debts due by individuals to Link, including:

- Rents
- Occupancy charges
- Service charges
- Debts owed by former tenants
- Management fees
- Factoring fees
- Insurance premiums
- Recoverable costs for repairs and maintenance
- Other charges to owners or other customers
- Recovery of legal and administrative costs incurred by Link in the recovery of any of the above debts.

This policy will apply to companies within the Link Group with the exception of Horizon Housing Association, Larkfield Housing Association and any other independent registered social landlords which may become members of the Group. The independent members are responsible for their own income and debt policies and their implementation. They will normally adopt principles consistent with those in this policy.

3. PRINCIPLES

The following principles govern the operation of this policy:

- Link will use legal remedies which are reasonable and take account of the circumstances of the debtor and his / her household
- Promotion of a culture of payment
- Prevention of arrears
- Clear, prompt and regular communication
- Fairness
- Service



Appendix 1 attached explains key elements of our debt collection procedures and sets out the legal and regulatory framework within which this policy operates.

4. OBJECTIVES

The objectives of the policy are to ensure that:

- All tenants and other customers know how much they are due to pay and that their rents or other charges must be paid on time
- Link's actions focus on prevention of arrears, early detection of debts and clear communication with debtors at all stages
- Through the provision of Advice Services, Link provides help to tenants and other customers to maximise their income and realise any entitlement to housing related benefits and other sources of financial help
- Debtors give priority to reducing and repaying the amounts owing to Link at the earliest opportunity taking account of resources available to each individual.

5. APPROACH AND METHOD

The Group Board, in its formal approval of the policy, accepts full responsibility for the policy and ensuring its implementation by companies within the Link Group, with the exception of Horizon Housing Association, Larkfield Housing Association and any other independent registered social landlords which may become members of the Group. The independent members determine their own income and debt policies and are responsible for their implementation.. Day to day responsibility for the operation and monitoring of this policy lies with appropriate Directors and Managers of the Link group of companies. All relevant employees have a responsibility to ensure that the policy is applied as instructed.

The policy will be implemented using the following approaches:

- 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 Link
- We define levels of responsibility within the collection process
- We promote a culture of payment, providing a wide range of payment methods



- We maintain up to date accounts to enable early, pro active action, to prevent arrears escalation
- We will adhere to all pre court requirements
- We maintain accurate records of all actions taken
- We make realistic arrangements for repayment of any debts owed to Link
- We take legal action to pursue debts as appropriate to individual household circumstances
- We shall review procedures at least every 3 years and implement measures to improve efficiency and collection levels as necessary
- We shall keep employees informed of changes to policy and procedures
- We shall monitor adherence to policy requirements and procedures.

Our procedures will incorporate a wide range of actions, some of which are listed in Appendix 1 attached.

Link will arrange advice and guidance for tenants and other customers to enable as many as possible to manage their debts, maintain payments and sustain their agreements or obligations to Link.

We shall work in partnership with local authorities and other agencies to minimise the number of tenants who become homeless as a result of non payment of rent. We shall however, as a last resort, take court action for repossession of the homes of tenants who fail to cooperate or who wilfully mismanage their rent accounts. When these actions are successful we shall act on the decree issued by the court to evict the tenant and to recover debts. Court action will also be taken against other debtors, including in the case of owners or sharing owners pursuing unpaid debt through small claims or invoking a notice of potential liability as appropriate. Should decree be issued by the court we shall enforce it to recover debts.

6. MONITORING, PERFORMANCE MEASUREMENT AND REPORTING

The following areas will be subject to monitoring:

- Risk management
- Provision of training and / or information to staff
- The effectiveness of collection procedures



- Levels and classes of debt
- Identification of bad debts and recommendations for write off

Introduction of new statutory or regulatory requirements in relation to debt collection and homelessness

These will be monitored by appropriate Managers within each company and / or function, and reported to the relevant Director.

Any matter which demonstrates a serious failure of internal controls should also be reported immediately to the Chief Executive.

Audits of policy compliance may be conducted by the Internal Auditor and / or the Strategy & Business Support Team. Audit results will be reported to the Audit Committee

7. COMPLAINTS AND APPEALS

Link welcomes complaints and positive feedback, both of which provide information which helps us to improve our services. We use a complaints handling procedure (CHP) developed by the Scottish Public Services Ombudsman (SPSO) and the Scottish Housing Regulator.

The CHP allows for most complaints to be resolved by front line staff within a 5 day limit (first stage), or if the complaint is complex, a detailed investigation will be made by a manager within a 20 day limit (second stage). At the end of the second stage our response will be made by a Director. If the complainer remains dissatisfied he / she may then refer the matter to the SPSO.

The SPSO does not normally review complaints about our factoring service. If a factoring customer is dissatisfied after using the CHP, the complaint may be referred to the Homeowners Housing Panel.

Anyone receiving care or support services from us has the right to complain either direct to the Care Inspectorate or to us.

At each stage Link will advise the complainer how the complaint should be taken forward and advise which agency will be most appropriate to consider the case

8. EQUALITY AND DIVERSITY

This policy has been reviewed and complies with Link Group's vision of providing socially inclusive services underpinned by our core values of equality and diversity. Services and procedures which are developed from this policy will be subject to similar assessment.



9. POLICY AVAILABILITY

This policy is available to the public on the Link Group website.

Copies are also available on request and free of charge from Link. A summary of this policy can be made available in a number of other languages and other forms if required.

10. POLICY REVIEW

Link undertakes to review this policy regularly with regard to:

- applicable legislation, rules, regulations and guidance
- changes in the organisation
- continued best practice.

The review will be coordinated by Link Group's Strategy & Business Support Team.



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