Community Counts
Milnbank
Housing Association
53 Ballindalloch Drive, Glasgow G31 3DQ

AGENDA NO.	4e
TO:	Audit & Risk Sub-Committee
PREPARED BY:	Jim Gourlay (Director of Finance)
SUBJECT:	Review of debt management policy
DATE OF MEETING:	26 August 2025
APPROVED BY:	Paul Martin (Chief Executive Officer)

DEBT MANAGEMENT POLICY

JG/August 2025/Ref P5

This policy is designed to support residents who experience financial difficulties. The Policy is intended to guide an efficient and, importantly, successful method of debt collection for the Association. The responsibility for Debt and Income Management rests with the Director of Finance.

1) DEBTS

There are a number of areas where residents and others could owe the Association money, these include: rent arrears (both current and former tenants), factoring arrears, rechargeable repairs, legal expenses and external services, and various grant funding.

a) Rent Arrears

The Association understands that there are various reasons why residents may find themselves in arrears. However, there are also those who, unfortunately, choose not to pay their rent. Paying rent is not a matter of choice and at the point of signing a tenancy agreement tenants agree to pay rent on time and are advised when this is due.

Although, only exercised as a last resort, the Association can ultimately go to court to evict a tenant in high or consistent rent arrears. Full details of how the Association manages current tenant rent arrears are in the Rent Strategy produced annually by Housing Services supported by the Current Rent Arrears Policy.

b) Factoring Arrears

The Association understands that there are owners, as well as tenants, who experience financial difficulties and, like tenants, every endeavour is made to assist owners to meet their factoring arrears. Full details of how Milnbank Property Services manages factoring arrears are detailed in the Written Statement of Services.

c) Rechargeable Invoices (Known as "Sundry Accounts" in HomeMaster

Tenants and owners will be recharged for work that is outwith the standard repair service (e.g. a private repair being carried out, legal fees incurred by non-payment of a factoring account). The Association will also recharge a tenant where neglect, misuse or malicious damage has occurred within their home.

d) External Services

The Association may occasionally provide outside services that are chargeable and due; an example of this is hall hire to local MSP.

f) Grant Funding

Various grants are claimed for non-core activities, and it is important that these are controlled centrally, to ensure that grant income is maximised.

3. DEBT MANAGEMENT ASSISTANCE

Milnbank Housing Association will make every attempt to work with and support residents to pay off their outstanding debts; the following process gives examples of how this will be achieved:

a) Contacting the office

We recognise that people may find it difficult to face up to financial problems and may not know where to start. A member of staff can speak to tenants in the office or arrange a house visit. The Association has also appointed an Income Maximisation Officer and Advisor to assist residents in difficulty and residents will be encouraged and expected to engage with the Association in the event of arrears.

Residents experiencing financial problems make the situation worse if they ignore correspondence and contact attempts and are therefore urged to contact the office as soon as possible to enable the appropriate arrangements to be made.

The Association recognises that some residents may wish to communicate with the Association in different ways other than face to face and in recognition of this, contact can be made via telephone or by text on 07493-868790 and 07990-572222.

b) Payment Plans

If a resident is unable to pay the outstanding debt in full, the Association will enter into a payment plan which will offer a suitable instalment plan based on what the resident can afford to pay and as part of a debt recovery process.

c) Debt Advice

The Association retains good working relationship with a number of agencies who provide advice to people experiencing debt problems. A selection of these useful contacts can be found on the last page of this policy (Appendix 1)

4. DEBT CONTROL MEASURES

As stated above, Milnbank Housing Association will make every effort to work with residents who have debt issues; however, the Association also needs to ensure that the level of debt is controlled to ensure financial viability of the Association. The following control measures are in place; (none of which will impinge upon any obligation in terms of the tenancy agreement and the Housing Scotland Act 2001 to keep tenancies wind & watertight, tenantable & habitable; and other repairing obligations in terms of the Right to Repair Regulations),

a) Rechargeable Repairs

The Association ***will not*** carry out any Rechargeable Repairs to tenants who are in arrears, unless in emergencies where damage to other properties within the tenement may occur. The Association requires all tenants to sign a Recharge Repair Mandate. The works will not go ahead until the Recharge Repair Mandate has been signed by the tenant and if deemed necessary an up-front payment is received either in full or in part.

Prior to starting any work Property Services and Housing Services will determine the level of payment required and if payment is in doubt the work will not be carried out until full up-front payment is received.

b) Repairs & Improvement Works

The Association ***will not*** carry out repairs or improvement works in property where the tenant is in 3 months or more rent arrears, unless the repair is deemed as necessary and essential.

c) Building Insurance Claims

The Association and/or their Insurers ***will not*** process any building insurance claims made by owners who have not paid their building insurance premium, unless damage is to common property or in emergencies where damage to other properties within the tenement may occur.

d) Debt Collection

The Association ***will use*** the services of Solicitors, a debt collection agency or Sheriff Officers where it is deemed necessary and is cost effective. At any point after the debt being written off all such debt/s may be individually or collectively passed to an appointed Collection Agency for recovery.

e) Arrears Procedures

The procedure for pursuing current rent arrears and factoring arrears is detailed in the respective policies/strategies.

Former tenant arrears will be pursued in terms of the Former Tenant Arrears Policy and relevant Recovery Procedures. The procedure for current rent arrears should be as robust as possible to minimise number and level of former tenants in arrears.

Non rent and non-factoring arrears will be pursued via the Recharge Account and Sales Ledger Arrears Recovery Procedure.

The Association will endeavour to actively pursue all debts outstanding.

Unless there are exceptional and warranted circumstances, the Association will only instruct Court Action for debts outstanding that are deemed to be economically appropriate.

This ***does not*** mean that the Association will not otherwise pursue all debts due and will if necessary, take the appropriate Court Action if left with no other option. All Court Action will be authorised by the Director of Housing Services Director of Finance, depending on status of tenant.

5. MONEY LAUNDERING

As in any recovery/collection process the association must be vigilant to the possibilities of money laundering, and any exceptional transactions (e.g. large cash payments) should be questioned as to their source and appropriate evidence sought. This forms part of the association's willingness to engage with residents in debt recovery matters to protect and prevent the potential use of costly and excessive money lending.

6. VULNERABLE PERSONS

Throughout this process the Association will be mindful of its obligations to those considered as vulnerable and will manage any recovery appropriately in line with these obligations.

7. REPORTING

The Leadership Team will consider this Policy at least quarterly or as deemed necessary. A Report will be submitted every 6 months to the appropriate Audit & Risk Sub Committee. This will be determined by any subsequent proposals or recommendations regarding particular recovery actions or write-off events.

8. VALUE for MONEY and BEST VALUE

The aim of this Policy is stated above but at all times the cost effectiveness of any recovery measures will be gauged against the value to be returned to the Association. This may not necessarily be in financial terms but set to determine best practice for the Association whilst pursuing outstanding debt.

9. REVIEW

This policy shall be reviewed on a biennial basis, or as otherwise deemed necessary by the Audit & Risk Sub Committee.

10) DATA PROTECTION

MHA controls the personal information that we collect, this means that we are legally responsible for how we collect, hold and use personal information. It also means that we are required to comply with the Data Protection Act 2018 when collecting, holding and using personal information.

APPENDIX 1

DEBT MANAGEMENT – USEFUL CONTACTS -- CHECK FOR USE

Milnbank Housing Association		0141 551 8131
Housing Benefit		0141 287 5050
Parkhead Citizens Advice Bureau		0141 554 0004
Bridgeton Citizens Advice Bureau		0141 554 0336
Easterhouse Citizens Advice Bureau		0141 771 2328
Greater Easterhouse Money Advice Project (GEMAP)		0141 773 5850
East Community Casework Service (Homeless Team)		0141 276 6189
Social Work Dept. Homeless Team (Formerly Hamish Allan Centre)	 Free phone	0141 287 1800 0800 838502
Legal Services Agency		0141 353 3354
Shelter Housing Aid Centre		0141 554 3363/ 08088 004444
Homelessness Services		0141 276 4836
Free Confidential Advice Helpline		08088 011011
Scotcash		0141 276 0525