



REIDVALE HOUSING ASSOCIATION

Writing off Former Tenant Balances Policy

Policy Approved	26.10.22
Amended	29.03.23
Due for Review	October 2025
Author	Housing Manager

POLICY SUMMARY

Purpose:	The purpose of this policy is to set out Reidvale Housing Association's approach in relation to writing off former tenant balances.
Legislation / Guidance:	The Association is a company under the Co-operative and Community Benefit Societies Act 2014, and a company regulated by the Financial Conduct Authority (FCA). Statutory Guidance The Scottish Social Housing Charter Requirements of the Scottish Housing Regulator
Regulatory Compliance	Standard 1: The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users. Standard 2: The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities. Standard 3: The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay. Standard 4: The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose. Standard 5: The RSL conducts its affairs with honesty and integrity
Linked Policies	Allocation Policy Succession of Tenancy Policy Assignment of Tenancy Policy Mutual Exchange Policy Rechargeable Repair Policy Privacy Policy Complaints Policy Tenant Participation Policy Equality & Diversity Policy Arrears Recovery Policy Financial Regulations and Procedures
Financial Impact	Low
Risk Assessment	Low
Equalities Impact Assessment	Yes
Date Reviewed	October 2022
Date approved by Management Committee	26.10.22

Contents	Page no.
1. INTRODUCTION	1
2. AIMS AND OBJECTIVES	1
3. LEGAL AND REGULATORY FRAMEWORK	1
4. WRITING OFF FORMER TENANT BALANCES POLICY	3
5. STAFF TRAINING	4
6. EQUALITY AND DIVERSITY	4
7. COMPLAINTS	5
8. GDPR	5
9. POLICY REVISION	5

1. INTRODUCTION

- 1.1 Reidvale Housing Association is a community based housing association operating in the South Dennistoun area of the east end of Glasgow with the aim of providing good quality, affordable, rented accommodation for those in housing need whilst promoting a balanced community.

2. AIMS AND OBJECTIVES

- 2.1 The purpose of this document is to outline how Reidvale Housing Association will address the issue of managing and writing off irrecoverable debts/credit balances arising from former tenants.
- 2.2 The Association has a responsibility to collect all monies owed. It is inevitable, however, that the Association will accrue debts which are irrecoverable and/or it is not cost effective to pursue.
- 2.3 An irrecoverable debt is one where an invoice or rent debit has been correctly raised but no payment or only part payment has been made and there is considered to be no realistic prospect of further recovery of the debt.
- 2.4 Former tenant arrears are historically difficult to recover. It is therefore important to initiate preventative action before the tenancy has terminated or commence contact and recovery procedures promptly after the termination date.
- 2.5 The objectives of the Association will be to:
- Emphasise prevention of former tenant arrears
 - Minimise the loss of income to the Association
 - Be both fair and firm
 - Be prompt and effective in relation to arrears recovery
 - Maximise use of an efficient computer system to monitor, pursue, record and report on former tenant debt.

3. LEGAL REQUIREMENTS AND REGULATORY FRAMEWORK

- 3.1 This policy has been developed within a framework that ensures proper compliance with all relevant legislation, regulatory standards and good practice guidance.
- 3.2 Reidvale Housing Association is a registered society under the Co-operative and Community Benefit Societies Act 2014, a registered social landlord and regulated by the Financial Conduct Authority (FCA).
- 3.3 We are regulated by the Scottish Housing Regulator (SHR). Their Regulatory Framework sets out seven Standards of Governance and Financial Management. Relevant to this Policy are particular elements under Standards:

Standard 1: The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.

Standard 2: The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.

Standard 3: The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.

Standard 4: The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.

Standard 5: The RSL conducts its affairs with honesty and integrity

3.4 The Scottish Social Housing Charter was introduced by the Scottish Government in 2012 and subsequently revised in 2017. The Charter sets out the standards and outcomes for all social landlords when performing their wide range of activities. The Scottish Housing Regulator monitors associations' performance against the Charter through their regulatory assessments. The Association will comply with the following Scottish Social Housing Charter requirements most relevant to this policy:

Outcome 1: Equalities – every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.

Outcome 2: Communication – tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides.

Outcome 3: Participation – tenants and other customers find it easy to participate in and influence their landlord's decisions.

Outcome 13: Value for Money – tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

3.5 The legal framework in relation to rent management is set out in the Housing (Scotland) Act 2001 and the Housing (Scotland) Act 2010. However, in implementing our approach the Association is also mindful of our rights and responsibilities contained within other legislation. Examples of relevant legislation are detailed below:

- Data Protection Act 2018 – outlines the Association's responsibilities for gathering and sharing information.
- Equality act 2010 – ensures that everyone is treated fairly and that this is done equally across all groups, protected or otherwise.

- Debtors Scotland Act 1987 – enables the Association to seek wage arrestment from a debtor.
- Bankruptcy and Diligence etc. (Scotland) Act 2007 – outlines the legislation in terms of tenants who declare themselves bankrupt.
- Human Rights Act 1998 – outlines responsibilities in terms of safeguarding human rights.

3.6 This policy has also taken full cognisance of good practice guidance in relation to the prevention and management of rent arrears from the Chartered Institute of Housing and the Scottish Federation of Housing Associations.

4. WRITING OFF FORMER TENANT BALANCES POLICY

4.1 Irrecoverable debts

4.1.1 Irrecoverable debts affected by this Policy may be defined as:

Former Tenant Rent Arrears/Credit Balance
Former Tenant Rechargeable Repairs

4.1.2 The Association would not normally consider any debt owed by a current tenant of the Association to be irrecoverable and will take all reasonable steps to recover such debt in accordance with its Arrears Recovery Policy.

4.2 Recovery Action

Recovery of Former Tenant Arrears will be pursued in line with the Association's Former Tenant Arrears Policy and Procedures.

4.3 Criteria for write off

4.3.1 The Association will consider writing off debts as irrecoverable in the following circumstances:

- The individual has been evicted or has abandoned an Association property without notifying a forwarding address and reasonable efforts to establish his/her whereabouts have been unsuccessful.
- The individual is deceased and their estate is insufficient to meet the debt.
- The individual's whereabouts are known but the level of debt in the context of the likely cost of recovery make it not cost-effective to pursue beyond the issuing of 2 standard letters. The Director has the authority to approve where the balance is less than £300.

- The individual has been admitted to long-term hospital or institutional care and has insufficient income or capital to meet the debt.
- The individual has been declared bankrupt or has been sequestrated and no dividend is payable.
- Debts owed by former tenants where mail has been returned as no longer living at this address.
- Debts owed by former tenants, where there is no forwarding address, unless we subsequently are able to trace them.

4.3.2 Every effort will be made by staff where a forwarding address is known to pursue the debt and encourage payment, even by instalment. However, there comes a point when it is not cost effective to take further action. This is when the arrear may be considered for write off if it meets one of the criteria's set out above at 4.3.1.

4.4 Former tenant register

4.4.1 In accordance with the Association's Former Tenant Arrears Policy and Procedures all former tenant arrears will remain on record, in accordance with data protection legislation. Balances which have received the authorisation of the Management Committee to be written off will remain on protected records. Any written off debt may be reactivated and recovery action recommenced if the former tenant's whereabouts become known or information is provided which indicates a significant change in their circumstances.

4.5 Reporting Procedures

4.5.1 The Housing Manager will be responsible for submitting on a quarterly basis a summary of the cases which apply under the write-off criteria to the Management Committee

4.5.2 In accordance with the principle already used for debt matters cases will be presented anonymously to Committee and no individual details will be included.

5. STAFF TRAINING

5.1 Reidvale Housing Association will ensure that all staff who are required to undertake work on former tenant balances receive appropriate and regular training.

6. EQUALITY AND DIVERSITY

6.1 Reidvale Housing Association is an equal opportunities organisation. We are committed to providing an environment of respect, understanding, encouraging diversity and eliminating discrimination. No person or group of persons applying for housing and housing services will be treated less favourably than any other persons or groups of persons because of their age, disability, gender reassignment, marriage

and civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.

7. COMPLAINTS

- 7.1 Although we are committed to providing high levels of service, we accept that there may be occasions where a service user may not be satisfied with the service received from the Association. We value all complaints and use this information to help us improve our service. Any service user, complying with the procedure, but remaining dissatisfied with any aspect of the service they have received have the right to submit a complaint to the Association in accordance with the Complaints Handling Procedure.

8. GDPR

- 8.1 Reidvale Housing Association will treat your personal data in line with our obligations under the current General Data Protection Regulation and our Privacy Policy. Information regarding how your data will be used and the basis for processing your data is provided in our Fair Processing Notice.

9. POLICY REVISION

- 9.1 The Association undertakes to carry out a comprehensive review of all aspects of this policy at least every three years. The review will take account of legislative changes, new policy guidance, best practice advice and the views of service users.