

COMPANY NAME:

Hillcrest Homes

POLICY NUMBER:

HH - 01

POLICY TITLE:

Income Management

This document can be produced in different formats, for example, in larger print or audio-format, and in other languages, as appropriate. We promote equality through seeking to eliminate unlawful and unfair treatment on the ground of any protected characteristic, as appropriate.

Underpinning and Supporting Documents

This policy should be read in conjunction with the following documents:

Other Strategies/Policies:

- Tackling Poverty Together Strategy
- Allocations Policy

Compliance:

The Income Management Policy complies with the guidelines set by the Scottish Government in the Scottish Social Housing Charter November 2022

Charter Outcome 2 - Communication: Social landlords manage their businesses so that:

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.

Charter Outcome 11 - Tenancy Sustainment: Social landlords ensure that:

Tenants get the information they need on how to obtain support to remain in their home; and ensure suitable support is available, including services provided directly by the landlord and by other organisations.

Charter 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.

Charter Outcome 14/15 – Rents and Service Charges:

Social landlords set rents and service charges in consultation with their tenants and other customers so that:

A balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and service users can afford them.

Tenants get clear information on how rent and other money is spent, including details of any individual items of expenditure above thresholds agreed between landlords and tenants.

Legislation:

The legislative requirements include the following:

- Scottish Secure Tenancy – the tenancy agreement contains specific conditions in relation to the payment of rent and other tenancy related charges. Non-payment of these charges represents a breach of the tenancy conditions involved.
- Housing (Scotland) Act 2001 - the policy adheres to the provisions of this Act, including the guidance in relation to the recovery of possession of a tenancy when a tenant has breached the conditions of their tenancy agreement by accruing rent arrears.
- Homelessness (Scotland) Act 2003 - Hillcrest Homes will comply with the terms of Section 11 of this Act by giving the local authorities in the areas in which it operates early notice of households at risk of homelessness due to eviction. In compliance with the legislation, notice will be given when raising proceedings for possession or the service of certain other notices as specified in the Act.
- Housing (Scotland) Act 2010 – The policy has been written to take account of the arrears and eviction related provisions introduced through Section 14 of the 2010 Act. These include the provision of clear information to tenants on their tenancy and arrears situation; direct provision of advice and assistance; provision of information about other sources of information and advice; agreeing reasonable repayment plans;

and revised arrangements for when a Notice of Proceedings can be served.

- Energy Act 2022 and the Heat Networks (Market Framework) Regulations 2025.

Best Practice:

This policy complies with the guidance endorsed by the Chartered Institute of Housing (CIH) who recommend that:

Social landlords adopt an early-intervention, tenancy-sustainment approach to rent arrears, recognising that financial pressures rather than unwillingness to pay are the primary cause of arrears. Landlords should provide supportive, stigma-free engagement, identify struggling tenants proactively, and communicate in ways that reduce barriers to seeking help.

(‘Holding on to Home’ guidance, 2025)

1. Policy Statement

Hillcrest Homes provide a range of services for which charges are payable. Preventing and managing arrears for these charges are crucial to maximise the resources available to provide services and to improve and maintain the housing stock.

By effectively managing charges and their collection Hillcrest Homes will also seek to support tenants to assist them in avoiding accruing arrears and the risks associated with excess debt and eviction.

This policy sets out how Hillcrest Homes will apply common principles and take a clear and consistent approach to the management of arrears and the collection of income for all services. The term "arrears" applies to all charges, including rent, occupancy, service charges, heating charges and other recoverable charges (costs associated with repairs, legal fees, factoring fees and management fees). The principles apply to all occupiers of properties within Hillcrest Homes.

2. Principles

Hillcrest Homes' Income Management Policy supports the efficient and effective delivery of housing management services across the organisation. The policy has been developed in line with legislative, regulatory, and good practice requirements to ensure a consistent and proactive approach to minimising arrears.

Hillcrest Homes' Income Management Policy aims to meet all legislative and regulatory requirements as well as minimising the level of arrears in a sensitive but effective manner.

The specific objectives of the Income Management Policy are to achieve the following:

- Prevent arrears arising wherever possible.
- Minimise rent arrears where they cannot be prevented.
- Constructively engage tenants in rent/heating and hot water arrears in joint efforts to control these arrears.
- Take actions to support a tenant with rent arrears believed to be in connection with domestic abuse.
- Take legal action to repossess only where it is necessary to do so.

- The efficient prevention, management and collection of all rent, service, heat and hot water and other charges and the effective management of arrears.
- To offer appropriate professional support and guidance to tenants or former tenants to increase their ability to pay, to manage debt and to reduce arrears.
- To take appropriate action in accordance with the level of arrears including the provision of opportunities to make realistic arrangements for the repayment of arrears.
- The prevention of homelessness through the provision of clear opportunities to resolve any arrears difficulties and by making use of all available resources to deal with these difficulties – in this context eviction will only be used as a last resort.
- To provide clear and accessible information and advice to tenants in order to prevent arrears and legal action occurring; and
- To keep arrears within target figures specified in the relevant Hillcrest Homes performance management framework.

To achieve the above objectives Hillcrest Homes will implement the following actions:

- Provide tenants with detailed and accurate information about how much rent, service and other charges they must pay and the payment methods available to do so.
- Respond in line with our Service Standards to enquiries about tenancy related payments.
- Progress a staged approach based on the extent of the arrears and the debt period.
- Negotiate agreements to reduce the arrears in realistic and affordable instalments if tenants cannot clear the arrears with one payment.
- Inform tenants and former tenants of the consequences of not clearing arrears debts or keeping to agreements.
- Work with Hillcrest's Financial Wellbeing Team and other agencies to support vulnerable tenants at each stage of the recovery process.
- Ensure that every tenant is given good quality information about agencies that may be able to help, for example, through the provision of benefit advice and debt counselling services.

- Work in partnership with these agencies to secure the best outcome for the tenant.
- Record all actions taken and ensure arrears management processes are applied uniformly.
- Commence legal action to pursue debt wherever tenants or former tenants are not complying with arrangements to reduce their arrear.
- Provide training to ensure that staff are equipped to carry out the roles expected of them.

3. Responsibilities

- The Operations Sub-Committee has responsibility of overseeing and monitoring the progress and effectiveness of the policy and should seek assurance from the Head of Housing that Hillcrest discharges its responsibilities under legislation and its own procedures robustly and effectively.
- The Operations Sub-Committee will receive a quarterly KPI report on Income Management performance detailing rent arrears, number of evictions and tenancy sustainment rates.
- The day to day responsibility for the operation and monitoring of the policy is delegated to the Head of Housing and the Housing Managers of Hillcrest Homes. This includes the serving of Notices of Proceedings; the commencement, continuance and termination of legal actions; progressing wage and bank account arrestment; and approving proposed evictions.

All relevant employees have a responsibility to ensure that the policy is applied as instructed. The roles and responsibilities of the individual team members involved in the arrears management process are detailed in relevant procedures.

4. Complaints

We aim to provide a first class service, but tenants or other customers may not be satisfied by the outcome of this procedure or any appeal made. Anyone who is affected by the implementation of Hillcrest's policies and procedures can make a complaint; this would include a member of the public who could have access to or be affected by our services.

Complaints can be made, by phone, in writing, email or by using our complaints form.

Document Governance and Management

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