



Former Tenants Arrears & Sundry Debts Policy 2018-2021

Purpose

This document sets out our overall approach to income collection for former tenants' arrears and sundry debts and will ensure team members have a full understanding of the service standards and policies for former tenant arrears and sundry debts.

Implementation date	December 2018
Author	Barbara Peach Income Manager (Rental Control & Leasehold)
Equality impact assessment date	N/A
Revised/updated	November 2018
Version control	1
Review required	November 2021

CONTENTS

1. Policy Statement
2. Strategic Objectives
3. Delivering Aims and objectives
4. Benefits
5. Housing Register Applicants
6. Implementation and Monitoring of the Strategy
7. Ownership and Responsibility
8. Customer Focus

1. Policy Statement

Derby Homes will pursue debts owed by former tenants. These debts may include arrears from one or more tenancies and sundry debts such as rechargeable repairs and legal costs from arrears recovery action. The aims and objectives for former tenants' arrears and sundry debts are:

- To establish during the application stage and tenancy stage as much information as possible about the tenant and their circumstances to enable any former tenant's debts to be successfully pursued.
- To ensure that the tenant is aware of any arrears at the termination of tenancy and for a payment plan to be put in place.
- If the forwarding address is known collect debts, or have in place effective arrangements for repayment.
- If the forwarding address is not known the debt will be passed to a collection agency.
- To write-off debts that are not economic to pursue.
- To monitor performance standards and former tenant debt recovery, providing appropriate training to staff.

2. Strategic Objectives

Our aim is:

- For the service to meet Derby City Councils objectives, both for performance and operational delivery
- To maximise Derby City Council / Derby Homes rental income through timely and effective tracing and recovery of debts

3. Delivering Aims and objectives

To achieve our objectives, we will:

When a notice is received we will make sure the tenant is aware that at the end of tenancy the account must be clear or a payment plan is in place.

If notice is following a death the next of kin must be made aware that rent will be due for notice period.

While the tenancy status is ending the Income Recovery Officer will make every reasonable attempt to contact the tenants to ensure when the tenancy ends either the account is clear or a payment plan is in place

- Once the debt is former and no plan has been agreed, any amounts under £100 to be written off as uneconomical to pursue.
- Former debts where the forwarding address is known will be contacted by Derby Homes
- Deceased former tenants - Derby Homes will contact the next of kin to either establish if there are funds or if the relatives will be paying off the debt. If there are no funds then the debt will be fully written off.
- Debts under £100 and no forwarding address will be written off due to the associated costs involved in passing to the collection agency
- Former debts greater than £100 with no forwarding address or arrangement made will be passed to the Debt Collection Agency.

4. Benefits

Collection of former tenants arrears and sundry debts sits alongside the Income Management Strategy and will help us to deliver the following beneficial Outcomes:

- Income maximisation for the Housing Revenue Account and our customers
- Minimising of risks associated with inefficient income management
- Measurable, continuous improvement of Income Management
- Services that deliver value for money through a balance of economy, efficiency and effectiveness

5. Housing Register Applicants

Open housing is checked for all applicants and any applicant who has either a current and/or previous tenancy related debt and has not entered into and made regular weekly or monthly payments over a six month period or where a substantial amount of the debt has not been cleared will not be eligible to register.

Tenancy related debts are unpaid rent

- outstanding rechargeable repairs
- court costs

Each case of tenancy-related debt will be looked at individually and decisions will take into account as to why the debt happened. It is the applicant's responsibility to tell us when the debt has been cleared or regular payments have been made as detailed above. Cases where the debt is due to under occupation or where the applicant fled due to domestic violence will be eligible to register

If, having assessed an application and taken into account any factors as above that may mitigate, the decision is that the applicant is ineligible due to debts then the applicant will be advised to either clear the debt or set up a payment plan.

6. Implementation and Monitoring of the Strategy

Operational Income Management Performance Indicators have been developed to ensure we achieve our strategic objectives. These are subject to monitoring on a weekly/monthly basis to allow us to respond quickly to emerging issues.

7. Ownership and Responsibility

The Head of Income Management & Advice is responsible for this Policy. The former tenants' arrears and sundry debts policy will be reviewed at least every three years to ensure it is meeting the needs of our customers. However, as this is a living document, it will be reviewed and amended in the interim period as necessary.

8. Customer Focus

We will create continued customer value in our day to day activities and through participation and consultation by:

- Being open, honest and accountable
- Respecting our customers and treating all consistently and fairly
- Regularly reporting our performance to customers
- Consulting and involving our customers and stakeholders in service design, delivery and development
- Helping our customers and stakeholders to maximise their income
- Promoting the availability of advice and support, such as welfare benefits advice, money management and debt counselling
- Having accurate and up-to-date accounts
- Publicising the income management service, emphasising the importance of maintaining payments and the consequences of non-payment

- Participating in benefit awareness campaigns
- Giving customers a wide choice of methods of payment and assisting them to move to low cost payment method
- Using incentives where appropriate to encourage customers to use low cost payment methods and to promote prompt payment and maintain clear rent accounts
- Providing regular information on account balances, charges and payments through rent statements as requested and by promoting the use of Tenants Dashboard
- Explaining all changes to rent and other charges to customers in a clear and comprehensive way
- Identifying vulnerability and using customer profiling data to ensure that services are designed and delivered to meet individual; needs
- Referring people to support and advice where necessary
- Ensuring flexibility within the procedures to account for individual customers' circumstances
- Continuously reviewing the accessibility and availability of our services to make sure that customers' needs and strategic priorities are met.