



HOUSING SERVICE POLICY

Area : Rent Accounting
Department : HRA Business Support
Subject : Former Tenant Arrears Recovery Policy

Procedure Ref: FTA RA - 2017

Owner: Rent Accounting

HRA Business Support Team
 Manager/ Finance Systems Team
 Leader

Date approved:

Effective date: October 2017

Please state what policy & documents (if any) this procedure is linked to:

Income and Rent Arrears Recovery Policy
Income and Rent Arrears Recovery Procedure
Former Tenant Arrears Procedure
Write Off Policy and Procedure
Eviction Protocol
Protocol for making Rent Arrears Arrangements
Terminations Procedure
Allocations Policy
Former Arrears Process

Version	Date	Details of amendment	Creator/ amender	Approved by	Next review due
1	April 2007	N/A	Andrew Wallace	Amanda Harper	2010/2011
2	November 2011	Added Section 4 – Bereavement Allowance Added Section 7 - Allocation	Andrew Wallace	Amanda Harper	By December 2013
3	March 2017	Rent Accounting taking on	David Moxon	Amanda Harper / Tracy Ashe	

		accountability for FTA			
4	July 2018	Policy Review	David Moxon		October 2019

Copies of this document are available upon request and can be obtained in large print or translated into other languages, if required.

FORMER TENANT ARREARS POLICY

Statement of Purpose

North West Leicestershire District Council (the Council) aims to collect all debts owed from former tenants in order to maximise its income and achieve its objectives of delivering an efficient and cost effective Housing Management service.

The Council will pursue former tenants' arrears for such time as is economically viable. The Council may consider taking enforcement action such as seeking a Court order, and in turn applying for Enforcement action such as an Order to Attend Court for questioning or Attachment of Earnings. Information on what action can be considered can be found within the Procedure.

The Policy will be publicised in plain language and made available to tenants on request. This document can be obtained in large print or translated into other languages, if required.

1. Scope of the Policy

- 1.1 Former tenants are tenants who have terminated a tenancy, or the Council has terminated the tenancy. Such tenancies can often have an outstanding debit or credit related to the property they have vacated. Where there is a credit on the account the Council will ensure that there are no other debts owed by the account holder before giving a prompt refund.
- 1.2 Where a tenancy is terminated and there are arrears on the account, the Council's Policy for the collection of former tenant arrears is based on a transparent, fair and equitable approach.
- 1.3 The Council has Income Assistants who have responsibility for dealing with the former accounts. The Income Assistant works within the Rent Accounting team.
- 1.4 When a tenant terminates their tenancy, they are encouraged to pay any outstanding arrears of rent and will be advised of the implications involved if rent arrears are not paid in full.
- 1.5 The Council will ensure that no individual is discriminated against on grounds of marital status, sex, disability, age, sexual orientation, racial ground or other personal attributes including religious beliefs or political opinions.

1.6 Every case is considered individually and we will consider all personal circumstances and the financial viability of recovering the debt.

2. Objectives of the Policy

2.1 The overall objective of the former tenant arrears policy is to maximise income from former tenant's debt by responding to former debts promptly and in a flexible style that is firm but fair.

2.2 A former tenant who has arrears will be encouraged to agree a repayment plan that is affordable, sustainable and devised with customer care and cost effectiveness in mind.

2.3 The Council recognises that a fair and flexible approach should be used when making an agreement to pay off former tenant arrears.

2.4 Detailed procedures for arrears recovery ensure that each case will be regularly monitored and the appropriate action taken.

2.5 The Council will endeavour to provide support and assistance to former tenants with referral to independent debt and money advice services where appropriate.

2.6 The Council will aim to collect all former tenant arrears without recourse to legal action through the use of repayment arrangements.

2.7 All arrangements or agreements will be monitored by the Income Assistant and where necessary the legal department, until the account has been cleared.

2.8 The Council recognises that arrears can occur for a number of different circumstances and will therefore tailor it's recovery process to suit.

3. Further Intervention

3.1 Where attempts to recover arrears by letter have failed, or the whereabouts of the former tenant is not known, the Income Assistant will use all information and opportunities available to locate them, including tracing agents, where it is cost effective to do so.

3.2 Legal action to recover the arrears will be taken in cases where an assessment of the former tenant's financial circumstances indicate that such action would be appropriate.

3.3 If we believe the debt is recoverable we will request that Legal Services request the following:

- CCJ
- Attachment of Earnings
- Attachment of Benefits

We will do this by providing a full case history of actions taken to date including Money Claim On-line which will be completed by the Rent Accounting Team. It will be recommended on a case by case basis what legal action is appropriate which might include:

- Letter from Legal Services chasing debt
- Refer to Small Claims Court for an order

In the event of the latter, once a date for the hearing is given Legal Services will in all cases write once again encouraging voluntary arrangement to be entered into to avoid a court hearing.

- 3.4 Where the arrears are in respect of a deceased tenant action will be limited to contacting the next of kin or executor to claim against the estate.
- 3.5 Where a debt is uneconomical to pursue or there is no prospect of recovery (see Former Tenant Rent Recovery Procedure), consideration should be given to it being written off. Before any case is now considered for write off, the case must be consulted with the Finance Systems Team Leader to ensure all necessary action has been taken before seeking approval from the HRA Business Support Team Manager and Head of Housing.
- 3.6 In the event of a Debt Relief Order being granted by the Court the debt outstanding will be written off. After 12 months this position will be reviewed and the debt reinstated if the debt relief order has not been renewed.
- 3.7 Debt recovery activity will be focussed into three categories based on the value outstanding. These will be -
 - <£50.00,
 - £50 to £300
 - >£300

Actions to be taken in each of these categories will be specified in the relevant procedure. The categories will ensure an appropriate level of debt recovery expense is incurred, which is proportionate to the amount outstanding.

4. Bereavement Allowance

- 4.1 The Council asks for 4 weeks' notice for all terminations, including terminations on death. The Council however, will waive the 4 week notice period (rent due) for terminations upon death, if the account is not in credit, to ensure that the Council does not cause undue stress and anxiety to grieving families at these difficult times
- 4.2 Should families choose to or over run the notice period, and further rent becomes due after the 4 week notice period, the Council will write to the executor/administrator of the estate and ask for them to repay that amount out of the deceased's estate.

- 4.3 If the deceased tenant has no estate, the arrears at the time of termination will be written off.

5. Review & Performance Monitoring

- 5.1 The Council will formally review its Former Tenant Arrears Policy on a bi annual basis, taking into consideration strategic and 'best value' aims and objectives and agreed local indicators.
- 5.2 Officers responsible for collecting Former Tenant Arrears will be monitored via their one to one's and weekly performance information will be made available to them. In addition, the Housing Department will continue to collect statistical information regarding the amount of money collected, the amount of money written off set against challenging targets aimed to keep the Housing department improving
- 5.3 Housing will continue to benchmark performance against authorities across the country enabling us to ensure our FTA Policy maximises income collection.

6. Complaints

- 6.1 The Council operates a Complaints Procedure that is available to any person who is not satisfied with the way in which their case has been dealt with. Details of the complaints Procedure can be obtained from the Council Offices, Whitwick Road, Coalville LE67 3FJ or by telephoning 01530 454545.
- 6.2 Separate from the Complaints Procedure any tenant who disputes the amount of former tenant arrears or any repayment programme can ask for an explanation from the Income Assistant or ask for an appointment with the Senior Housing Officer if the matter relates to an occurrence during tenancy. The Senior Housing Officer will review the case and in the event of any dispute will refer the case to the Team Manager for Housing Management.

7. Allocation of properties to Former Tenants with debts

- 7.1 If a Former Tenant registers their interest in a property within the sub region, they must include information about previous addresses
- 7.2 This information can then be used to check whether there are outstanding monies owed by the former tenant before an offer is made.
- 7.3 If the home seeker owes a housing related debt or more than £300.00 to any of the partner Council's or another social landlord and there is no satisfactory arrangement to repay the debt, or where regular payments have not been maintained, the home seeker will be placed in the low banding. Payments must be paid over a minimum period of 12 weeks both at the time of the application

and at the time of the offer being made. Where the home seeker is able to demonstrate that they have maintained a payment plan for more than the 12 consecutive payments, they can contact the Housing Service to request that their priority is re-assessed

- 7.4 The exception to the rule is where a home seeker is in priority need of housing, due to homelessness. Any other priority application will be reduced according to the Allocations policy