

11th September 2018

Community, Health & Housing Committee

Former Tenant Debt Recovery Policy

Report of: *Angela Abbott, Interim Head of Housing*

Wards Affected: *All*

This report is: *Public*

1. Executive Summary

- 1.1 This report sets out proposals for a new Former Tenant Debt Recovery Policy to be implemented within the Housing Department.
- 1.2 The Policy provides the Council with the ability to effectively recover Former Tenant rent arrears as well as any arrears on sub accounts such as court costs or removal costs that are associated with closed accounts.

Recommendation(s)

- 2.1 Committee is asked to approve the Former Tenant Debt Recovery Policy.**
- 2.2 Recommendation is made to Policy, Projects and Resources Committee for approval.**

3. Introduction and Background

- 3.1 The Council has always recovered Former Tenant debts and sub account debts. This Policy provides a detailed approach to recovering Debt and supersedes any previous Policy's in place.
- 3.2 Historically the Estates Management Team have recovered the Former Tenant Debts. However, due to the increasing pressures from Universal Credit this is no longer viable.
- 3.3 Government guidelines state that if a debt has not actively been chased or acknowledge by the debtor or collector within 6 years it can no longer be reclaimed under the Statue Barred law.

- 3.4 Therefore we recently employed a dedicated Debt Recovery Officer who has conducted a review of the service and devised a new Policy and Procedure.
- 3.5 The Former Tenant Debt Recovery Policy is robust and outlines the different methods of recovery specifically in relation to deaths, and evictions where recovery can be difficult.
- 3.6 The new Former Tenant Debt Recovery Policy will allow the Council to collect more monies owed and will assist in the financial difficulties facing the Council in the coming years.
- 3.7 The dedicated Debt Recovery Officer has been working towards chasing the current former tenant debts to ensure no accounts become Statue Barred and to ensure there is no lost revenue to the Council.
- 3.8 Since March 2018 a total of £10,154.52 has been collected in former tenant debts and a further agreement amount of £424 per month has been agreed. This figure will increase through continuous chasing of these debts at first point of termination.
- 3.9 The total Rent Arrears, held in the Housing Revenue Account are published in the Statement of Accounts at the end of each financial year, which is subject to External Audit.

4. Issue, Options and Analysis of Options

- 4.1 If the Policy was not to be in place the Council would be open to scrutiny and questioning when residents are asked to repay former tenant debts. Particularly residents who have left the borough and are now wishing to return seeking Council accommodation.

5. Reasons for Recommendation

- 5.1 To ensure the Council is equipped in recovering Former Tenant Debts, reducing the pressure on the budget restraints.
- 5.2 To provide a robust procedure that meets government guidelines on the recovery of debt.

6. Consultation

- 6.1 Tenant Talkback, a panel of both Tenants and Leaseholders, has been consulted on the proposed Policy.

- 6.2 No changes were suggested, and they welcomed the implementation of the policy

7. **References to Corporate Plan**

- 7.1 Good financial management, risk management and internal control underpin all priorities within the Corporate Plan.

8. **Implications**

Financial Implications

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- 8.1 Having a Former Tenant Debt Recovery Policy in place underpins good financial management, which in turns improves Rent Arrears that are owed to the Council within its Housing Revenue Account. The Dedicated Debt Recovery Officer has been budgeted using existing resources.

Legal Implications

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- 8.2 The legal and regulatory framework that affects the recovery of the rent and arrears are prescribed in the Housing Act 1985, reinforced by the Housing Act, 1996. The Housing and Regeneration Act 2008, Localism Act 2011 and legal case law.
- 8.3 In addition to statutory regulation, housing providers are to comply with Civil Procedure Rules and Rent-Arrears Pre-Action Protocol.

Other Implications (where significant) – i.e., Health & Safety, Asset Management, Equality and Diversity, Risk Management, Section 17, Crime & Disorder, Sustainability, ICT

- 8.4 None

9. **Background Papers**

- 9.1 None

10. **Appendices to this report**

Appendix A – Former Tenant Debt Recovery Policy 2018

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