

at home with...



Former Tenant Arrears Policy

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1. Introduction

- 1.1 Fife Housing Group (FHG), which is the trading name of Fife Housing Association Limited (FHA) and its wholly-owned subsidiary Fife Housing Group Yourplace Limited (Yourplace), endeavours to recover all monies due from tenants, whether current or former.
- 1.2 As a housing association, FHG is accountable to the Scottish Housing Regulator (SHR). We are measured on our performance in managing and collecting former tenant arrears and other debts, and on the amount of debt that is provided for or written-off each year. This is reported annually to the SHR through the Annual Return on the Charter.
- 1.3 The aim of this policy is to maximise former tenant arrear debt recovery, and to clarify when writing off the debt is the most practical option.
- 1.4 Rental income, which includes former tenant arrears recovery, is the primary source of revenue for FHG. Rental income helps to fund, preserve and improve the range and quality of services provided to tenants and other customers. Maximisation of this income is, therefore, of fundamental importance to FHG to enable the continued improvement and development of these services.
- 1.5 This policy is consistent with the performance requirements that underpin the Annual Return on the Charter published by the Scottish Housing Regulator.

2. Definition

- 2.1 When a termination of tenancy is notified to the Group all tenants are advised that the rent account and any other debts must be clear prior to the termination of tenancy. Former tenant arrears arise when tenants do not adhere to this requirement.
- 2.2 A former tenant arrear is defined as a debt of unpaid rent or charges, remaining on a rent account, including property tenancy, rechargeable repairs, garage accounts, service charges, court costs and/or other related costs, when a tenancy has been terminated.
- 2.3 A former tenant credit is defined as an amount of over payment remaining on a rent account, or any sundry accounts when a tenancy has been terminated.

3. Policy statement

- 3.1 The approach an organisation adopts towards recovering former tenant debt sends out a strong message to current tenants about the importance of paying rent.
- 3.2 Whilst our preference at FHG is for tenants to remain in their tenancy and pay their charges we expect that there will be those who leave with an amount owing on their account.

4. Process

- 4.1 When a former tenant arrear arises the Finance Team will lead on the debt recovery process and will write off the balance when appropriate. The writing off of the balance on the account does not mean that the debt will not be pursued and it will not be communicated to the debtor.
- 4.2 Vigorous and early pursuit of former tenant debt provides the best chance of successful collection and should be central to procedures supporting this policy.
- 4.3 The costs of pursuing former tenant debt should be balanced against the likelihood of recovery and the level of debt involved, so that efficiency of collection is fully considered at all stages. Debts will not be pursued where:
- The tenant is deceased with no estate; or
 - The tenant is known to have emigrated or moved abroad; or
 - The tenant is not expected to be in a financial position to make payments in the foreseeable future; or
 - The tenant has moved to residential or nursing care on a permanent basis with no estate; or
 - The tenant is sequestrated; or
 - The debt is less than £100; or
 - The tenant cannot be traced.
- 4.4 Where the former tenant has **not** reached an agreement with FHG to repay their debt and the debt is over £100, we reserve the right to pass the debt to a collection agency at any time to make further attempts to trace the debtor and recover the debt, subject to statute of limitations.
- 4.5 Any credit on a former tenant's account will be refunded on request (to the former tenant or nominated individual e.g. executor), subject to the clearance of any outstanding debts and, where applicable obtaining confirmation from the Housing Benefit departments or Universal Credit administering authorities, to confirm that they do not intend to recover any monies from us in respect of overpayments.
- 4.6 The Board have approved the policy of writing off the arrears balance when a tenant ends their tenancy, the effect will be reported monthly through the management accounts.
- 4.7 Where a former tenant is considered to be vulnerable then consideration is to be given to the most appropriate means of communication and collection, including provision to write off the debt.
- 4.8 Where appropriate, and where this will improve efficiency, FHG will employ specialist tracing and collection agents.
- 4.9 If a former tenant debt has been written-off, and the tenant concerned subsequently re-applies for housing and declares a previous tenancy, the debt will be fully reinstated.

Similarly, if FHG becomes aware of any other circumstances change which would make a previously written off debt recoverable, the debt will be reinstated and pursued, again subject to statute of limitations.

- 4.10 FHG will abide by all legal obligations and financial requirements, including assisting local authorities in seeking prosecutions and where appropriate to recover debt.
- 4.11 If a tenant with rent arrears is transferred to a new property on management grounds, for example, anti-social behaviour or domestic violence, then terms to clear the former tenant debt created by the move, should be agreed and confirmed before the transfer occurs.

5. Confidentiality and information sharing

- 5.1 We will only share information in line with the requirements of the General Data Protection Regulation or relevant legislation and approved protocols, e.g. Police Scotland.

6. Equality and diversity

- 6.1 We will ensure that this policy is applied fairly and consistently. We will not directly or indirectly discriminate against any person or group of people because of any legally protected characteristic.
- 6.2 Our aim is to ensure that policies and supporting procedures do not knowingly create an unfair disadvantage for anyone, directly or indirectly.

7. Roles and responsibilities

- 7.1 The Board has overall responsibility for ethics, probity and propriety in a broad sense relating to financial management, including the pursuance of arrears.
- 7.2 FHG's Director of Finance ,Governance and Assets, is responsible for ensuring that this policy is consulted on with Board and Committee Members and for its review, implementation and proper application, in accordance with the agreed timetable.
- 7.3 Managers will ensure this policy is promoted, understood and implemented by all relevant colleagues ensuring consideration is given to any implications arising from policy decisions.

8. Performance management

- 8.1 Any concerns regarding the adherence to this policy will be reported to the Board.
- 8.2 Performance monitoring in respect of former tenant arrears' management will be reported to the Board quarterly through FHG's performance dashboard.

8.3 The Operational Leadership Team will be responsible for monitoring the effectiveness of this policy and recommending policy changes to improve services and to reflect the changing external environment.

9. Review

9.1 This policy is due to be reviewed every three years or earlier if a material change requires this.

Equality Impact Assessment (EIA)

Name of policy to be assessed:	Former Tenant Arrears Policy	Is this a new policy or a review?	Review
Person completing the assessment:	Derek Banks	Date of assessment:	01/08/2023

Briefly describe the aims, objectives and purpose of the policy:	<p>The aim of this policy is to maximise former tenant arrear debt recovery, and to clarify when writing off the debt is the most practical option.</p> <p>Rental income, which includes former tenant arrears recovery, is the primary source of revenue for FHG. Rental income helps to fund, preserve and improve the range and quality of services provided to tenants and other customers. Maximisation of this income is, therefore, of fundamental importance to FHG to enable the continued improvement and development of these services.</p>
Who is intended to benefit from the policy? (e.g. colleagues, applicants, tenants, contractors)	All tenants.

What outcomes are expected from this policy? (e.g. benefits to customers)

To maximise the recovery of former tenant debt.

Which protected characteristics could be affected by the policy? (check all that apply)

- | | | | |
|-----------------------------|--------------------------|---------------------|--------------------------|
| Age: | <input type="checkbox"/> | Minority ethnic: | <input type="checkbox"/> |
| Disability: | <input type="checkbox"/> | Religion/belief: | <input type="checkbox"/> |
| Gender: | <input type="checkbox"/> | Sexual orientation: | <input type="checkbox"/> |
| Marriage/civil partnership: | <input type="checkbox"/> | Transgender: | <input type="checkbox"/> |
| Maternity/pregnancy: | <input type="checkbox"/> | | |

If the policy is not relevant to any of the protected characteristics listed above, state why and end the process here.

Debt recovery is pursued regardless of any protected characteristics, and is purely based on the ability to recover the debt.

	Positive impacts	Negative impacts
<p>Describe the likely positive or negative impacts the policy could have on the groups identified above:</p>		

<p>What actions are required to address the impacts arising from this assessment?</p>	
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Signed:



Date: 01/08/2023

Please attach the completed document as an appendix to the policy report.