1. Purpose

1.1. Gravesham Borough Council recognises the need to ensure that it has an effective Former Tenant Arrears Prevention and Recovery framework and associated procedures. The purpose of the policy is to ensure that the council:

   1.1.1. maximises rental income;

   1.1.2. takes preventative action to minimise the level of former tenant arrears;

   1.1.3. minimises the need to write off former tenant arrears, thereby increasing income;
1.1.4. ensures that tenants are made aware of their ongoing rental responsibilities and obligations even after tenancy termination; and

1.1.5. establishes effective performance management and monitoring systems for former tenant arrears.

2. References

2.1. GBC Corporate Fair Debt Policy
2.2. GBC’s Vulnerable Persons Policy

3. Scope of Policy

3.1. Should a tenant leave a property without settling the rent account, the arrears accrued are known as former tenant arrears and an account is created, known as a former tenant account (FTA), to manage and recover monies owed to the council. The Allocations and Homelessness Sections of the Housing Department will check FTA records to ensure that clients requesting social housing with previous arrears arrange to repay any debt owed.

3.2. This policy is intended to be gender-inclusive and where a reference to an individual’s gender appears within this document, its use is non-discriminatory.

4. Definitions

4.1. Former Tenant Account (FTA) - an account created to cover the arrears accrued where a tenant leaves a property without settling the rent account.

4.2. County Court Judgement - are legal decisions handed down by County Courts. Judgments for monetary sums are entered on the Register of County Court Judgments, which is checked by credit reference agencies to assess the credit-worthiness of individuals.

4.3. Reference in this policy to ‘the council’ means Gravesham Borough Council.

5. Policy Statements

5.1. Gravesham Borough Council understands that the recovery of former tenant arrears by any landlord is always difficult, sometimes costly, and often ultimately unsuccessful. Nevertheless if the whereabouts of a former tenant is known or becomes available from enquiries the council will begin recovery action.

5.2. The council will always attempt to minimise the potential for former tenant arrears by taking action to prevent arrears occurring, this process will commence with early intervention on tenant accounts with current arrears. It will aim to ensure that any debts owing are paid before tenancies end and will also seek to obtain a forwarding address and other contact details in respect of every tenancy termination.

5.3. The council will act speedily following notice of termination and actual termination of tenancy in order to maximise the chances of arrears recovery.
5.4. The council will review the outcome of each stage of the former tenants arrears recovery procedure and decide on any further action dependent on the level of arrears, the economic viability of pursuing the debt and the likelihood of recovery in line with procedural guidelines issued.

5.5. The council will select from all of the legal remedies available to us to seek repayment of former tenant debt.

5.6. Where appropriate the council will employ agents who hold a proven track record of debt recovery to assist in tracing former tenants whose whereabouts are unknown and to supplement the work of our own staff in the recovery of former tenant debt. Unsuccessful case will be returned to the council from the agent within three months. The Housing Income Manager is the officer responsible for the duty to recover outstanding amounts and will decide whether a case returned will be referred to the Corporate Debt Section for further recovery or put off in line with the council’s Corporate write Off Policy.

5.7. It is also the council’s responsibility to offer initial welfare advice and record an assessment of an individual debtor’s circumstances.

5.8. Through GBC’s Corporate Fair Debt Policy, the relevant enforcement remedies will be used as required. Such action may not always be necessary and therefore each case has to be considered on its own merit by the Corporate Debt Team in line with the GBC’s Vulnerable Persons Policy. The Corporate Debt Team will provide a one-stop contact point for the Debtor, the council departments and outside agencies involved in debt and welfare advice.

5.9. **Write-off**

   5.9.1. Writing off certain arrears may end up being the most economic solution, though this will normally not be recommended until other options for recovery have been exhausted. Through the council’s arrears prevention and recovery work with current tenants we aim to control the level of arrears at all stages prior to tenancy termination. Our termination procedures will also seek to limit the creation of former tenant debt. For those debts that do become former tenant arrears, emphasis will be placed on making early contact with the debtors with a view to settlement or reaching agreements for repayment by instalments. To ensure that debt in management is not distorted we will recommend for write-off all debts that we consider to be irrecoverable or uneconomic to pursue. Reinstatement of debts that have been written off will be possible if at a later date if the whereabouts of a former tenant is obtained and verified.

5.10. **Equality statement and equalities impact assessment**

   5.10.1. This Policy works in conjunction with the council’s Comprehensive Equalities policy.

   5.10.2. Gravesham Borough Council is committed to treating people with dignity and respect. This applies to colleagues, residents and members, all of whom undertake not to discriminate directly or indirectly or victimise because of age, gender, gender reassignment, disability, race, colour,
ethnic/national origins, religion or belief, sexual orientation.

5.10.3 All information/literature will be made available in other formats, or translated upon request.

5.10.4 The council is committed to addressing issues of inclusiveness by referencing its Vulnerability Policies.

5.10.5 Front line staff will signpost customers to external advice agencies providing additional help and support with regard to equalities, ensuring full use of available resources.

5.10.6 This policy has satisfied an equalities impact assessment.

5.11 Service Reviews

5.11.1 Service reviews will be carried out periodically to ensure that the policy is effective and the Housing and Regeneration Directorate is providing services which meet residents’ needs. These may take the form of peer reviews or a sample check of cases where a tailored service has been provided.

5.12 How to make a Complaint

5.12.1 Where a person is not satisfied with the service that the council has provided, he/she has the right to seek redress. In the first instance, they must put their complaint in writing to the Housing Operations Manager, who will investigate and seek to resolve the complaint.

5.12.2 If the matter cannot be resolved at the first stage, it should then be referred to the Director of Housing and Regeneration.

5.12.2 Once these two stages have been completed, should the person still not be satisfied, they have a right to appeal to the Chief Executive.

5.4.2 If after the 3 previous stages have handled the complaint, the person complaining is still dissatisfied, the letter that they receive following stage 3 will detail what they are able to do next. For matters relating to this policy, they can contact a ‘designated person’ or can wait eight weeks before contacting the Housing Ombudsman directly.

5.5 The Housing Ombudsman Service

5.5.1 If a complaint is related to Housing property condition or repairs, general Housing management, occupancy rights, a leasehold issue, tenant behaviour or estate management issues, at the exhaustion of the council’s complaints process, the person making the complaint can contact a ‘designated person’ or can wait eight weeks before contacting the
Housing Ombudsman directly. The designated person can be an MP, a local Councillor or a recognised tenant panel to review the complaint.

5.5.2 A designated person can try and resolve the complaint themselves or they can refer the complaint straight to the Ombudsman, which must be in writing. If they refuse to do either, contact can be made with the Ombudsman directly within the eight week period.

5.5.3 The Housing Ombudsman recommends that a complaint is made to him by using the online complaint form, which can be found on the Housing Ombudsman website, although a complaint form can also be downloaded. His website address is as follows:-

http://www.housing-ombudsman.org.uk/resolve-a-complaint/

The Housing Ombudsman also provides a contact telephone number to ask for advice prior to making a complaint, the number is 0300 111 3000.

The Housing Ombudsman’s office is located at

81 Aldwych,
London. WC2B 4HN.

6 Related policies

6.1 This list is not exhaustive:
6.2 GBC Corporate Fair Debt Policy

7 Legal Framework

7.1 Rent Act 1977
7.2 Protection From Eviction Act 1977
7.3 Housing Act 1985 (as amended by the Housing Act 1996)
7.4 Landlord & Tenant Act 1987
7.5 Housing Act 1988 (as amended by the Housing Act 1996)
7.6 Local Government and Housing Act 1989
7.7 Housing Benefit (Recovery and Overpayments) Regulations 1997
7.8 This policy was correct at the date of issue and is has been drafted according to current legislation. Any subsequent changes in legislation or best practice will be adhered to and included in future updates. The delivery of this policy is via a series of specific procedure notes, which are maintained by the owner department.
8 Key Performance Indicators

8.1 MI 12 - Percentage of Former Tenant Arrears collected against FTA outstanding