

Pentland Housing Group

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Pentland Housing Association Ltd

Former Tenant Arrears Policy

1. Introduction

- 1.1 Pentland Housing Association recognises that when former tenant arrears occur, every effort will be made to recover the monies owed.

2. Policy Aims

- 2.1 Pentland Housing Association recognises the need to ensure that it has an effective Former Tenants Arrears Policy and associated procedures for the following reasons:

- To ensure that the rental income is maximised.
- To minimise the level of former tenant arrears.
- To minimise the need to write off former tenant arrears balances and establish effective monitoring systems.
- To ensure that former tenants are made aware of their obligations both during the termination period and after termination of tenancy.
- To ensure that those who remain in arrears after termination have access to advice, including referral to an appropriate agency, if they require this.

3. Former Tenant Arrears

- 3.1 Where a tenant has given notice to terminate their tenancy the designated Housing Officer will ensure the following:

- That the tenant is clear about the amount of rent due at the date of termination and that this should be paid prior to leaving.
- That a forwarding address is provided.
- That the rent outstanding is checked again prior to termination date to ensure payment and to pursue if it has not been received.
- Any likely rechargeable repairs are identified and agreed.
- Where tenants advise that they are unable to pay the full outstanding balance prior to termination that a Payment Arrangement is completed and signed.
- Any end of tenancy balances will go to arrears

3.2 Following Termination – pursuing the debt

- 3.2.1 Where monies remain outstanding after the tenancy has terminated the following key principles will apply:

- All outstanding debt will be pursued unless it is uneconomical or not practical to do so.
- The Housing Officer will secure repayment whether in full or via a Payment Arrangement in line with SORP 2014.
- Contact with the former tenant will be by the most appropriate means be it in person, telephone, email or letter taking into account the level of debt and the location of forwarding addresses.
- Support and advice will be given to the former tenant to help them manage their debt including referral to an appropriate outside agency if they wish this.
- Where contact is proving difficult information from the former tenant house file will be used, eg next of kin addresses etc, the use of any information will adhere strictly to Data Protection requirements.
- Where no forwarding address is available, a Tracing Agency will be used to attempt to trace the former tenant but only once we have considered the cost of this service balanced against the debt.

3.3 **Termination following the death of a tenant**

3.3.1 It is important that Pentland Housing Association Ltd is notified as soon as possible following the death of a tenant to minimise the possibility of arrears remaining after termination of tenancy. Pentland Housing Association Ltd recognises that the co-operation of individuals such as family members and neighbours is vital in this respect.

3.3.2 Where no next of kin or advocate is available the property will be considered as void with any personal belongings remaining being disposed of after a full inventory, photographic record and witness statement of two officers. An estimation of value will influence storage time with a maximum of six months.

3.3.3 The date the tenancy will be considered terminated will be the date the keys are returned to the association or the date the house is cleared by the association.

3.4 **Use of a Solicitor for Debt Collection** - Pentland Housing Association Ltd will use the services of a Solicitor in the pursuit of former tenant arrear balances, where the former tenant has failed to respond to contact and correspondence or has failed to repay the outstanding amount or has failed to agree to/adhere to an affordable repayment agreement. Pentland Housing Association Ltd will use the level of outstanding debt, knowledge of the former tenant's ability to repay the debt along with the advice of the solicitor to determine whether court action is taken to recover the debt. Where practicable, Pentland Housing Association Ltd will instruct the Solicitor to undertake a collection service and for regular progress reports to be provided.

3.5 **Abandonment and Eviction** - Where abandonment or eviction proceedings have been concluded and there is an outstanding debt with no forwarding address, this will be immediately referred to the Tracing Agency and then the Solicitor in an attempt to trace the former tenants and pursue the debt.

- 3.6 **Write Off** - It will be necessary to consider writing off former tenant debts, if it is not cost effective to pursue or if it not possible to pursue them, eg the former tenant is deceased or the former tenant cannot be traced this will comply with the separate Write Off policy.

4 Monitoring

- 4.1 The levels of Former Tenant Arrear are monitored monthly and progress shall be reported to the Board as part of the quarterly Key Performance Indicators of Pentland Housing Association.

5. Review

- 5.1 This policy it will be reviewed every five years unless amendment is prompted by a change in legislation reveals that a change in policy is required sooner.

Version 1 October 2009
Version 2 January 2013
Version 3 February 2016