



City of London Corporation
Department of Community & Children's Services
Housing Service

Debt Recovery Policy

(Former Residents and Service Users)

Approved by:	<i>Housing Management & Almshouses Sub-Committee</i>
Approval Date:	<i>22/03/2021 (v.1)</i>
Review Date:	<i>22/03/2024</i>
Re-Approval Date:	<i>03/06/2024 (v.2 – this version)</i>
Next Review Date:	<i>June 2027</i>

1. **Purpose & Scope**

We have this policy because we want former residents and service users to know our approach to the collection of any debts or amounts due which are unpaid when they move out of one of our properties, or no longer receive services from us.

This policy applies to:

- Former residents of the City Corporation’s Housing Service (all tenures)
- Former service users of the City of London Housing Service
- Former commercial users of all tenures

The policy covers all debts owed to us by former residents, including rent arrears, service charge arrears, rechargeable costs (including court costs) and other sundry debts.

“Service users” refers to anyone who has received a service from us and left an unpaid debt (for example charges for parking, storage facilities or hall hire).

This policy applies to properties or services managed as part of the Housing Revenue account, including former residents of the City of London and Gresham Almshouses.

Debts incurred by current residents, such as rent arrears, are dealt with by the *Income Recovery Policy*.

2. **Policy aims and objectives**

Our aim is to ensure the minimum level of former resident debt and reduce the amounts written off. We will do this by developing a consistent, co-ordinated and effective approach to debt recovery.

3. **Service standards**

When we deal with the recovery of former resident debt we will:

- Adopt a firm but fair approach.
- Provide information about all debts due to us as soon as we are advised by a resident or service user that they intend to end their tenancy, lease or other service
- Offer a wide range of payment options to make it as easy as possible for debtors to pay off their debt
- Allow payment by instalments where reasonable

4. Legislation and regulatory obligations

4.1 When recovering former resident debt, we will have regard to the following regulatory requirements:

- Manage our resources effectively to ensure our viability is maintained
- Ensure that optimal benefit is derived from our resources and assets

4.2 There are no specific legislative requirements. We will ensure that any debt recovery agents that we employ comply with their industry codes of practice and are members of a relevant regulatory body.

5. Our approach to former resident/service user debts

5.1 General principles

We will work with residents and service users to ensure that debts are repaid before they cease to be residents or service users. In all cases, residents/service users will be asked to provide a forwarding address. Our approach will be firm but fair when former residents or service users owe us money. We will always act in a sensitive manner appropriate to the debtor's individual circumstances. Where efforts to contact debtors fail, we may use the services of a specialist agency to trace them.

5.2 Vulnerable debtors

Any action to recover debts will take account of the debtor's personal circumstances. We may not pursue recovery of debts where exceptional circumstances exist, and recovery of the debt would cause unreasonable hardship to the debtor.

5.3 Enforcement

We will provide debtors with an opportunity to agree a repayment plan. However, if a debt persists or debtor is unwilling to make an agreement, we may take legal action or employ the services of a debt recovery agent to recover the debt on our behalf.

5.4 **Writing off debts**

We recognise the need to balance the cost of recovering debts against the amount owed. We will pursue all former resident or service user debts unless it is not possible to locate the debtor, the debtor is able to demonstrate an inability to repay the amount due, or it is not deemed cost effective to pursue the debt. Former resident or service user debts that are deemed irrecoverable will be written off promptly in accordance with our financial regulations.

6. **Responsibility, monitoring and performance**

- 6.1 Overall responsibility for this policy and its implementation rests with the Head of Housing Management. The Head of Housing Management will ensure that staff receive the appropriate training and support to achieve the aims of this policy. Where needed we may establish appropriate operational procedures.
- 6.2 Monitoring of the implementation of this policy and our performance in recovering former resident or service user debts will be the responsibility of the Housing Management and Almshouses Sub-Committee.

7. **Associated policies**

- Income Recovery Policy
- Lettings and Transfers Policy

8. **Document Management**

Policy title	Debt Recovery Policy (Former Residents and Service Users)
Date created	February 2021
Policy owner	Head of Housing Management
Authorised by	Housing Management and Almshouses Sub-Committee
Date authorised	22/03/2021
Review period	3 years
Date of next review	03/06/2027

Consultation and assessment	
Resident or service user consultation	Housing User Board (Feb. 2021)
Equality Analysis	Not required. This policy will ensure consistency and fairness in the collection of former resident or service users debts.
Data Protection Impact Assessment	Not required. Minimal risk of data breaches. Data Sharing Agreement in place with collection agencies.

Document review history			
Version	Date amended	Date approved	Key changes
1.0	N/A	22/03/2021	Original document. New policy that focusses on our approach to the recovery of debts from former resident or service users.
2.0	N/A	03/06/2024	No changes