

Former Tenant Arrears Policy (Rent Arrears)



2025 - 2028

Version Control

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4		Head of Service sign off	
5		Cabinet	

Former Tenant Arrears Policy 2025

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1. Introduction

The Council owns just over 5,000 residential rented properties throughout the Cannock Chase District. All of these are homes rented to tenants as either introductory or secure tenants.

The Council relies on rental payments to help preserve and improve its housing stock, housing services, neighbourhoods and support to Council residents and to contribute towards investment in new housing provision.

When a tenancy ends, the ideal scenario is that the rent account balance is nil. That is, all payments due have been paid and the tenant neither owes, nor is owed any rent arrears or credit balance. For many different reasons, this is not always the case, with many tenancies ending with the balance either in credit - 'former tenant credits' (FTCs) - or in arrears - 'former tenant arrears' (FTAs).

The Council proactively refunds FTCs to former tenants. When a tenancy ends with a debt owing, the Council will actively pursue the FTAs, to help maximise its resources and increase the Council's ability to invest in homes, services and communities.

2. Context

In 2024/25, the total amount of rent due from CCDC Tenants was around £24m. The Council has strong performance in collecting the rent due, in 2023/24 achieving a collection rate of 100.2%, which exceeds the level collected by most of its peers.

While rent accounts are managed proactively, some tenancies still end with rent arrears outstanding - this becomes former tenant arrears.

At the end of 2023/24, the former tenant arrears balance for CCDC was £466,222. We collected £45,975 of the former tenant debt owed, but wrote-off a further £26,622 of FTA debt, because this could not be recovered.

3. The legal and regulatory requirements

The legislative framework for former tenant arrears relates to housing legislation (which underpins the basis in which the former tenancy was granted and managed) as well as wider legislation relating to debt recovery, equality and data protection, including:

- Housing Act 1985 (as amended by the Housing Act 1996)
- Housing Act 2004
- Limitation Act 1980
- Localism Act 2011
- Equality Act 2010

- Disability Discrimination Act 1995 & 2005
- General Data Protection Regulation 2018

There are no specific housing regulatory requirements in relation to former tenant debts. This is in part because the Council usually no longer has a contractual - or landlord-tenant - relationship with the tenants who have left their homes.

Some exceptions exist in rare cases where the Council allows a person with former tenant arrears to:

- Remain as a council tenant in another home (a transfer), or
- Become a Council tenant again, with a new tenancy

In those cases, the regulatory requirements set out by the Regulator for Social Housing (RSH) would apply in respect of their current tenancy, but these would still not normally have a direct bearing on the former tenancy arrears.

Nonetheless, the RSH expects the Council to ensure value for money as part of its Governance and Viability standards, in which maximising income is a key element.

The Council will also apply the spirit of the RSH's consumer regulations in respect to how we manage former tenant arrears - and therefore this policy - in respect of:

- The advice and assistance we offer tenants before during and after termination of their tenancy
- Transparency, Influence and Accountability to tenants in relation to our practice and procedures

4. Vision and Aims

This policy aims to help ensure that former tenant arrears (FTAs) are minimised and to maximise the collection of FTAs when they are incurred.

This forms part of an overall income management approach which aims to prevent and minimise arrears, through effective prevention, support, collection and where necessary, enforcement.

5. How will we achieve our Aims / Policy Details

Prevention - Before Former Tenancy Arrears Occur

Housing Applications and Applicant Exclusion Process

The Council will actively check all housing applications in relation to current and former tenancy debts (with the Council or others). Applicants will be subject to the Council's housing application exclusion process, where a former debt is owed and / or previous possession proceedings have been taken in relation to rent arrears.

In exceptional cases where an external applicant with former tenancy debts is allowed to be included on the housing register:

- consideration of any offers will include a check on how well the applicant has maintained any conditions or payment plan agreed by the exclusion panel
- continued payment will be a condition of the new tenancy. The Council's new tenancy agreement (2025) enables such a condition to be included within the new tenancy.

Through the life of this policy, we will introduce credit checks for applicants and enhance our approach to affordability, to help maximise sustainable tenancies.

Pre-Allocation Interviews and Tenancy Management

The best way to minimise former tenant arrears is to avoid arrears occurring when a tenancy is live.

We will actively undertake income and expenditure checks as part of our pre-allocation processes, to help ensure tenants can afford their tenancy when they first move into a council property. Where a tenant can afford a home, but there is an identified risk of tenancy failure, we will seek to provide or find support to help mitigate those risks, including, for example, dedicated tenancy sustainment officer liaison for young people taking on their first tenancy.

Throughout their tenancy, we will provide support, including referrals to debt advice agencies and others and information about money management and budgeting, to help tenants to maintain rent payments. We will also proactively manage rent accounts, taking early steps where payments are missed to prevent arrears escalation and to help tenants to reduce arrears, throughout the life of a tenancy.

Pre-Termination Process

Tenants Moving On (External)

Tenants are required to give four weeks' written notice to end their tenancy with the Council.

We will improve our use of this period to actively seek to ensure that any rent due is paid and / or an agreement is in place for any arrears outstanding to be cleared. We will explain the tenant's obligation to pay the outstanding amount (or the expectation that any available funds from a tenant's estate should be used to clear any debt) and the consequences of them not doing so, as appropriate.

Tenants who give us notice will receive an acknowledgement of their notice period, with clear information about their rent account, payments due and how they can make payments before their tenancy ends (or thereafter, as appropriate). We will improve customer information, to make the issues associated with ending a tenancy clear and explicit, including the ongoing responsibility to clear any rent debt owed.

At this stage, the scale and nature of the account balance will be reviewed and a plan of action designed to ensure contact in the time before the termination takes

effect to receive or agree payments or a payment plan and ensure the Council has forwarding address and other contact information before the tenant leaves.

Tenants Moving On (Internal - Transfers)

Applications for a transfer, will be considered under the Council's Allocations Policy, including where appropriate the exclusion panel process.

Transfer applicants will be advised that their rent accounts should be clear and up to date if they wish to be considered for a transfer. Offers of accommodation will not be made to transfer applicants who have not maintained their rent accounts in line with their tenancy agreement, except in exceptional circumstances.

Notice periods for transferring tenants are decided based on the individual circumstances of each case, with a maximum notice period of 4 weeks. During this period proactive account management should be undertaken to ensure the account is clear and up to date.

Exceptional cases (transfers with arrears, or other debts, such as recharges) must be approved through 'managed move' approval for urgent transfer cases or be subject to the exclusion panel process, as appropriate.

The reason for moving an applicant with arrears should be identified as part of the approval process and, except for emergency cases and exceptional cases where hardship funding is approved to clear a debt owed, a payment plan should be agreed, prior to the move, which should form a condition of the new tenancy which is created. The Council's new tenancy agreement (2025) allows for payment for such debts to be explicitly included as a condition of tenancy.

Acknowledgement of the notice and of a tenant's acceptance of the offer of another tenancy must clearly set out the rent payment arrangements and consequences of non-payment, including, if relevant, withdrawal of any offer of accommodation made.

Death of the Tenant

Tenancies where one of two joint tenants die, or there is another person who qualifies for succession to the tenancy will not be subject to this policy as the tenancy will continue as a survivorship or succeeded tenancy.

Where a tenant passes away and succession does not apply, the tenancy does not end automatically, though any benefit payments made towards the rent, will stop or be classed as 'overpaid' and reclaimable by Housing Benefit or Universal Credit teams.

Four weeks' notice is normally required from the relevant next of kin or appointed representative, although the Council may charge rent due for only two weeks' of this notice period or accept a shorter notice period of two weeks', dependent upon the individual circumstances. The tenants' estate is liable for the rent during this period. We will improve the clarity of information provided to and sought from tenants' relatives and representatives to help minimise former tenant debts which arise.

During the initial contact about a tenant's death and subsequent contact, where arrears are owed (or may accrue), active attempts must be made to establish the status of the former tenant's estate and to plan for payment of the debt before the tenancy ends or a payment plan to pay the FTAs thereafter.

Next Of Kin in particular will often claim that there is 'no money' or very limited funds available from the estate. While appropriate sensitivity needs to be considered in cases of death, this will not automatically be considered as the end of the matter, especially where the tenant did not previously receive benefit assistance towards payment of their rent. The Council will consider further investigation and pursuit of the debt owed on a case-by-case basis, dependant on individual circumstances.

Evictions and Abandonments

Eviction: The Council does all it can to sustain tenancies and avoid tenants being evicted from their home. It is a last resort measure. Where this happens, it usually means that the relationship with the tenant has broken down and they are not engaging with us. Nonetheless, the Council will attempt to gain details of the tenant's intentions in terms of finding alternative accommodation, NOK details and to ensure the tenant is aware that any outstanding arrears remain payable.

Abandoned Properties: by their nature, abandoned properties mean that a tenant has left their property, without advising the Council or giving notice. In most cases, these result in rent arrears because the rent has not been paid during the time until the abandonment is discovered or because rent has continued to be paid by HB or UC, but becomes repayable for the period the tenant has not lived in the property.

In both cases, the Council will attempt to find out the new address of the former tenant and to contact them via this information or through NOK, places of employment, by telephone and email, and / or through tracking and debt collection arrangements, as appropriate, to pursue the debt.

Former Tenancy - Active Case Management

Former Tenancy Credits (FTCs)

Where a tenant leaves with a former tenancy credit (FTC), this will be refunded by monthly identification of FTCs and a proactive attempt to make contact and provide a refund where one is due. The tenancy details will be checked and approved through established procedures to ensure that any credit is first used to pay off any other housing debts, such as court costs and rechargeable repairs and such that a credit is not incorrectly applied so as to lead to former tenant arrears arising at a later date.

In the case where a former tenant has passed away, checks will need to be made of the death certificate and identification of the next of kin, executor of the will or other person to whom it is proposed to make the credit to. Credits will need relevant authority:

- Team Leader - Income Management in such cases, up to the amount of £1,500
- Assistant Tenancy Services Manager, up to £3,000.
- Amounts above this, will need further checks of the will and copies of probate/letters of administration and will only be made to the solicitor or executor of the will, with the approval of the Tenancy Services Manager.

Over the lifetime of this policy, the tenancy services team will seek to improve work with other departments of the council, particularly those in Council Tax and Housing Benefit so that other debts owed to the Council can be offset before any residual amount is repaid to the former tenant.

FTA Debt - Quick Identification

Where pre-termination action has not resulted in rent accounts being cleared at the point of termination, the Council will identify former tenant arrears immediately at the end of the tenancy.

Action will be taken quickly to remind the former tenant of their responsibility to repay the debt owed and to make a payment agreement, as well as to advise them that the Council will pursue the debt if payments are not made, or a payment arrangement is not agreed.

This will form the beginning of any former tenant arrears recovery processes.

FTA Processes

The former tenancy arrears procedures and the resources deployed in managing them will be reviewed in 2025/26, then monitored and amended on an ongoing basis. This will enable the income management team to pursue former tenant arrears through escalated arrears recovery processes and ensure that steps can be taken to improve income collection and performance as processes are rolled out.

Our improved processes will include proactive action to trace and contact former tenants (directly or via NoK / others) in writing, by telephone, visit, text or WhatsApp, and include potential legal action or referral to other teams or agencies for other recovery action, as appropriate.

The cost of pursuing former tenant arrears will be balanced against the potential likelihood of all or some of the debt being recovered, the level of debt, location of the former tenant, and the need to enforce tenant responsibility for payment of the rent or arrears due.

Indicative levels of action, which may be varied depending on individual circumstances, based on the size of debt are as follows:

- Up to £25: two attempts to contact, by phone plus text or email
- £25 - £100: basic steps (calls, local visit, initial recovery letters / texts)

- £100 - £250: all steps up to legal action, including no collection no fee debt recovery referral
- £250 - £500: all steps up to and including consideration of some legal proceedings, plus no collection no fee debt recovery
- £500 plus: all steps including legal action where there is a reasonable chance of success

Where a resident has passed away, special consideration will be made in relation to whether or not there are funds in the estate which can pay some or all of the debt, in liaison with the next of kin and/or executor of the will or the deceased tenant's legal representatives, as appropriate.

The FTA process review will be kept up to date through consideration of positive sector practice and new initiatives, as well as improving customer information and advice, during a live tenancy and as former tenants.

Once these processes are exhausted, consideration will be given to direct legal proceedings by the income management team, referral to other Council teams or external agencies to pursue the debt through tracing and debt recovery action or other legal processes, such as money claim judgements ordered by the court.

Discounts and Other Incentives

The Council aims to maximise collection of all debts owed to it. For former tenants, this is more challenging than with current tenants because the Council does not retain the same landlord-tenant relationship and the customer no longer has a Council tenancy, where keeping their security of tenure is an incentive to maintain rent payments. This is particularly the case for debts where the debtor does not correspond or engage with the team initially, where debts have been outstanding for some time or where the debt is large.

The Council will therefore keep as an option the offer of a discount on the whole debt or similar incentives as described below, where this provides scope for collection of some of the debt owed which otherwise might not be recovered. These will however only be employed where records of recovery action demonstrate that successful recovery of the debt is otherwise unlikely to be achieved or this offers the best value-for-money approach compared to other steps that could be pursued:

Income Management Team:

Can offer up to a maximum discount of 20% of the total debt, up to a maximum of £250 or an incentive equivalent to this (for example, pay 6 months instalments instead of 8), if this is to clear the debt.

Team Leader - Income Management:

Can offer up to a maximum discount of 33% of the total debt up to a maximum of £1,500, where at least the same amount is recovered from the applicant, or a similar incentive equivalent to this, if this clears the debt.

Assistant Tenancy Services Manager:

Can approve any other discount or incentive, where the former tenant (or another person on their behalf) agrees to pay the remainder of the debt owed.

Any such use of a discount or incentive will be recorded and reviewed, on a quarterly basis, by an officer more senior than the officer authorising the decision.

Exclusion from (or Terms of Inclusion on) the Housing Register

Applicants for the housing register are required to identify if they have previously applied for or held a CCDC tenancy. The allocations team will also check the applicants' housing history and identify any previous council tenancies.

Any applicants with former tenancy arrears will be subject to the Council's Housing Application exclusion process and the ineligibility clauses of the Allocations policy. This could include:

- An invitation to make payment or a payment plan to inform what action is taken in relation to a potential exclusion
- Agreement with housing options to split the debt into thirds - with one third paid by housing options, one third written off and one third remaining payable by the applicant
- Exclusion from the Housing Register for non-payment or not maintaining payments
- Inclusion on the housing register while a payment plan is made / kept for a period of time before an offer is made
- Write off of part or all of a debt owed, with terms for payment of any remaining debt to be included on the housing register

Former Tenant Arrears Write Offs and Writing Debts Back On

Unfortunately, despite best efforts, not all former tenant arrears are recoverable.

Where debts are considered uncollectable, they will not be pursued and considered for write-off. Debts become uncollectable where all potential avenues of recovery have been exhausted, the debt is older than two years outstanding and there is no payment arrangement in place or it is not viable to seek recovery further due to a low level of debt or the former tenant's individual circumstances. A full list of the type of uncollectable debt types is set out in Appendix One to this policy.

Write-off reports will be provided by the Team Leader - Income Management to the Council's Head of Chief Council Accountant seeking approval for write-off in accordance with the Council's financial regulations and write off policy. Currently, the Head of Chief Council Accountant can approve write offs of debts up to £10,000.

Any amounts above this, which are unlikely, will require approval of the Council's cabinet, on the recommendation of the Head of Housing and Corporate Assets. In such a case, a specific report to Cabinet would be provided for their consideration.

On occasion, a former tenant debt which has been written off may be written back on, so that it is again recoverable. This may be in cases such as where a former tenant contacts us after their debt was written off, re-applies for housing with the council or where we otherwise gain contact details or other information, which suggests the debt may be recoverable, where this was not the case previously. Write-ons can be approved by the Team Leader – Income Management at any time where new information is available to suggest the debt can again be pursued.

6. Risk Management

Risks of non-recovery will be managed through the associated process and procedures and monitoring of the amount of debt owed and the amount recovered. These will aim to help maximise income through processes which are efficient, effective and consistently applied.

The risk of re-housing a tenant with former tenant arrears still outstanding will be managed through the effective application of the Allocation Policy and associated exclusion policy / process.

7. Measuring the Impact and What Does Success Look Like

The Former Tenant Arrears (FTA) policy aims to help maximise Council property rental income.

Key Performance Information:

- FTA Outstanding (£)
- FTA arrears collection (£ and as % of FTA Outstanding)
- FTA Written Off (£)
- FTA Discounted debt written off (3)
- Comparator with peers

8. Related Policies and Procedures

- CDDC Financial Regulations
- Income Management Policy and Procedures
- Tenancy Management Policy and Procedures
- Allocations Policy and Procedures
- Write-Off Policy and Procedures
- Garage Management Policy

9. Consultation and Equality & Diversity

The Council is committed to engaging with its tenants about key policies and service delivery. In relation to this policy, it will consult existing tenants about the approach taken to tenancy management and what happens when tenancies end.

The Council will ensure its policies and practices are non-discriminatory and will promote equal opportunity by preventing and eliminating discrimination on legally protected characteristics, including on the grounds of race, disability, gender, sexual orientation, religion, belief and age.

Processes and information related to former tenant arrears will be accessible, responsive and sensitive to the needs of diverse individuals.

10. Review

Former Tenants will have the same right as existing tenants to ask for their case to be reviewed and / or to make a complaint about the service offered to them. These rights will be explained where relevant.

This policy will be reviewed every three years.

11. Contact

To find out more about former tenant arrears, please contact:

Income management Team
Housing Services,
Cannock Chase Council
Civic Centre,
Beecroft Road,
Cannock,
Staffs,
WS11 1BG

Telephone: 01543 462621

E-Mail: rents@cannockchasedc.gov.uk

Appendix One – Uncollectable Debts

- a) Debt is beyond economic recovery-Where the debt is less than £100 and two attempts have been made to contact the tenants. It is not economic to pursue the debts.
- b) Sensitive cases -Vulnerable individuals (authorised by manager).
- c) Deceased – no estate. Where the former tenant has died and the executors or next of kin have confirmed in writing that there is lack of funds and recovery action would cause undue hardship and distress. Appropriate notification by either the next of kin or legal executors that there are insufficient income/funds to clear the debt.
- d) Tenant admitted to permanent residential care- Where the Tenant has moved into residential care, such as a nursing home, extra care scheme or hospital on a permanent basis and will not be returning and there are insufficient income/funds to clear the debt.
- e) Emigration- with no ability to chase or collect the debt- Where notification is received that the customer has emigrated and therefore the debt cannot be recovered.
- f) Debts that have been outstanding for two years and during that time the Council has been unable to make contact / no payment arrangements are in place. [The legal recovery period is 6 years, but the Council will not pursue debts after 2 years where there is no realistic prospect of the debt being recovered].
- g) Debts where all legal recovery powers have been exhausted
- h) Debts included in bankruptcy, Individual Voluntary Arrangement (IVA) and Debt Relief Orders
- i) Debtors inability to pay - credit check system and income check shows no reasonable propensity to pay or where the former tenant already has a CCJ and chasing the debt could lead to an eviction from their home

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