

<b>Committee:</b>	<b>Dated:</b>
Housing Management and Almshouses Sub-Committee	22/03/2021
<b>Subject: Debt Recovery Policy</b>	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>4</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>£</b>
<b>What is the source of Funding?</b>	
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>Y/N</b>
<b>Report of: Director of Community and Children's Services</b>	<b>For Decision</b>
<b>Report author: Liam Gillespie, Head of Housing Management</b>	

### **Summary**

The Housing Service must pursue debts from former residents and users of its facilities in order to maximise income to the Housing Revenue Account. These debts are typically rent arrears or rechargeable costs left unpaid at the end of a tenancy but also include other debts owed to the Housing Service, such as unpaid charges for parking or storage sheds.

The approach to former resident debts has been outlined in the new Debt Recovery Policy, which has been drafted as part of the project to refresh our housing management policies.

The new policy also addresses our approach to writing off debts which are deemed irrecoverable.

### **Recommendation**

Members are asked to:

- Approve the Debt Recovery Policy for use by the Housing Service

### **Main Report**

#### **Background**

1. The Housing Service has responsibility for pursuing debts from former residents and service users. A new Debt Recovery Policy has been written to cover our work in this area. The policy is based on established practice and covers

situations where a debt is owed to us following the end of a tenancy, lease or licence, or under some other agreement.

2. Debts owed by current residents and service users, for example rent or service charge arrears, are subject to a different regime and are covered by the separate Income Recovery Policy.
3. The type of debts covered by the Debt Recovery Policy include:
  - Former tenant rent or service charge arrears (e.g. after eviction or tenancy surrender)
  - Rechargeable repair costs following the end of a tenancy
  - Property clearance costs following the end of a tenancy
  - Unpaid parking or storage shed payments following the termination of a licence
  - Unpaid hall hire charges where no ongoing agreement exists

### **Current Position**

4. The approach taken involves attempting to trace the debtor using their last known contact details and requiring payment. If we can contact the debtor, we will agree repayment terms depending on the size of the debt and their circumstances.
5. If a debtor cannot be contacted, credit checks may be carried out to attempt to trace them. Debts may also be referred to a collection agent who will attempt to trace the debtor and establish their ability to repay the outstanding amount.
6. Debts which are deemed irrecoverable, due to us not being able to trace the debtor, or the amount involved making such efforts uneconomical, will be written off in accordance with the City Corporation's financial regulations. The regulations require certain write-offs to be approved by Committee and this process is also subject to periodic internal and external auditing.

### **Conclusion**

7. A Debt Recovery Policy has been drafted to outline our approach to recovering debts owed to the Housing Service by former residents and service users. The policy is based on established practice in this area and is intended to support officers in maximising income to the Housing Revenue Account.
8. The policy also outlines how debt write-offs will be dealt with, should debts be deemed irrecoverable.

### **Appendices**

- **Appendix 1: Debt Recovery Policy**

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