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| **Date of approval** | **5th of February 2025** |
| **Responsible director** | **Simon Morris, Executive Director of Finance** |
| **Strategy monitoring body** | **Customer Experience Committee** |
| **Resident input into strategy** | **Customer Experience Committee**  **Scrutiny Group** |
| **Date for strategy review** | **April 2028** |
| **Linked strategies/policies** | **WCHG Corporate Plan & Purpose**  **Financial Inclusion Strategy**  **Living well fund policy**  **Living & Ageing well strategy**  **Community & Neighbourhood Development Strategy**  **Inclusive services policy** |
| **Statutory and Legal Framework** | **Consumer Standards**  **Rent Standard** |
| **Version/date** | **Version 1.0** |

**Corporate Debt Recovery Policy**

**2025 - 2028**

1. **POLICY STATEMENT**

The Corporate Debt Recovery Policy sets out the principles and standards in relation to recovery of debts owed to WCHG. It outlines contacts, recovery process, repayments, debt prioritisation and financial inclusion.

**2.** **SCOPE OF THE POLICY**

This policy covers all income and charges due from individual customers to the Group. This includes tenants, leaseholders, shared ownership properties, garages and other charges due to the Group from individual customers for services received.

**3.** **KEY OBJECTIVES**

To establish the aims, principles and values which will be followed by the Group in pursuing corporate debt recovery as to:

* To provide effective recovery of debts owed to the Group.
* Prevent arrears from accruing by using prompt and sensitive action, assisting our customers to maximise their income, manage any personal debt and to promote a payment culture.
* Ensure that the Group’s approach promotes sustainable tenancies.
* Provide a person-centred approach to engaging with customers who maybe in debt and or owe the Group monies.
* Work with customers to resolve issues regarding their claims for welfare benefit and assist them with managing the changes to the benefits system.
* Takes into account the customer’s financial circumstances.
* Determine the priority order of the debt to be pursued by the Group whereby a customer owes more than one type of debt at any one time.

**4. DEFINITIONS**

**4.1** Rent - A regular payment by the tenant, or shared owner for their rent element of their charge to the landlord for the right to occupy the property described in the tenancy agreement or lease.

**4.2** Service Charge - The specified portion that each tenant/leaseholder pays towards the housing service provision for services they receive.

**4.3** Garage charge – A regular payment by a tenant, resident, shared owner or leaseholder to rent one of the Group’s garages for use for a motor vehicle.

**4.4** Court costs and injunction costs – costs incurred by the tenant or leaseholder because of legal action taken against them by the Group. These will be identified as either ‘Rent’, ‘ASB’ or ‘Repairs’, legal fees.

**4.5** Housing Benefit/Universal Credit Overpayments – Housing Benefit/ Universal credit monies recovered from the tenant via the payments made to the landlord, typically known as an overpayment.

**4.6** Rechargeable Repairs – Monies recharged to tenants or leaseholders (current and former) because of repairs completed by the Group due to neglect & damage caused by the tenant/leaseholder. The repairs are deemed to be intentional or beyond normal wear and tear, or for additional services requested which are not part of the landlord obligation.

**4.7** Former Tenant arrears – monies owed to the Group by a former tenant or leaseholder who no longer is in a contractual relationship with WCHG.

**4.8** Former tenant credits – credits owed to the former tenant or Leaseholder who no longer is in a contractual relationship with WCHG.

**4.9** Heating Charges – any debt owed to the Group by either current or former tenants relating to the provision of district heating systems.

**5. POLICY**

**5.1** **Effective Corporate Debt Recovery**

To effectively manage debts owed to the Group it is vital that any debts owed by tenants, shared owners or leaseholders are addressed at the earliest possible stage, to prevent an escalation of the debt and potential loss of home and legal action recovery taking place. We will:

* Ensure we provide flexible and appropriate methods for tenants, shared owners and leaseholders to make payments for any monies outstanding to the Group.
* Ensure we provide regular information to tenants, shared owners and leaseholders relating to the various main accounts and sub accounts they may have, detailing charges incurred, payments received, and balances carried and brought forward.
* Ensure that we have well-trained and approachable staff to assist tenants, shared owners and leaseholders if they have queries, incur any debt or have welfare benefits or budgeting needs.
* Ensure we have the most cost-effective means of recovering debts through legal actions or third parties such as debt collection agencies for former tenant arrears.
* Identify/acknowledge issues of vulnerability and take the appropriate action in relation to the tenants, shared owners or leaseholder’s circumstances. Services will be delivered specific to the needs of the individual. Where these vulnerabilities are identified we will make reasonable adjustments to the service delivered and follow our inclusive services approach.
* Make customers aware of their responsibility for service charges incurred as part of their tenancy or lease, where applicable, from the start of the tenancy or lease, including joint and several liability where it is a joint tenancy.
* Contact customers using their preferred method of contact as soon as their account is in arrears. Where previous contacts have not been successful, we reserve the right to use any appropriate communication method.
* Make affordable and sustainable agreements based upon customer’s financial circumstances. For those customers on a low income, the maximum arrangement to reduce arrears will match the Department of Work and Pensions (DWP) recommendation.
* Make customers aware of the possible consequences of non-payment including potential loss of tenancy and possible inclusion on the Manchester Move Rehousing review list.
* Signpost customers with financial difficulties/ welfare benefit issues to the internal Financial Inclusion Team or to an appropriate service provider for assistance.
* Comply with the stipulations in the pre action protocol for arrears, ensuring all notices are served personally to all tenants, Shared Owners and Leaseholders.
* Comply with the stipulations of the pre action protocol (PAP) for other non-rent related debts.
* Follow the regulatory framework relating to the recovery of charges owed specific to the terms of the contract.
* The Group will ensure we respect tenant’s and leaseholder’s rights to confidentiality and privacy, and we will use plain English and not jargon when communicating with them.
* Ensure that customers are informed in correspondence that we may use credit reference agencies (CRAs). CRAs do not require consent to process the personal data shared with them by WCHG. CRAs can use personal data without consent if there is a valid reason and as long as the customer has been told what is going to happen.
* Ensure that customers are aware that WCHG can share personal data with debt collection agencies without consent if there is a legitimate interest in recovering debt if it is owed.

**5.2** **Financial Inclusion**

The Group recognises that some of our customers face financial exclusion and are unable to access bank accounts and mainstream financial services.

We cannot directly increase the incomes of customers, but we can work with them to increase their economic wellbeing, and we are committed to ensuring that our practices are sympathetic to their circumstances.

To support the financial inclusion of our residents we will:

* Ensure rents are kept at affordable levels in line with Government’s ‘Rent Standard’.
* Provide information to residents on charges and payments so they are aware of their financial liabilities.
* Make customers aware of changes to the welfare benefits system, offering them advice and assistance in managing these changes.
* Assist residents in maximising their benefit uptake.
* Provide additional support to vulnerable customers.
* Promote a culture of prompt action and personal contact at the initial stages of debt.
* Complete risk based financial health checks for potential tenants to ensure the property that have expressed an interest in is affordable.
* Work with other Registered Providers and community organisations to support and develop local financial inclusion schemes and products.
* Work with the DWP to manage the transition process from employment or legacy benefits to Universal Credit.

The Group’s approach to financial inclusion will focus on providing customers with information and advice on how to avoid getting into debt and benefits advice. Where customers have queries with either of these then we will provide appropriate advice and guidance. See the Group’s financial inclusion strategy for more information.

**5.3. Partnership Working**

Wythenshawe Community Housing Group will strive to develop working relationships with all third sector agencies operating in our area of business:

* We are Verification Framework compliant with Manchester City Council in relation to processing Housing Benefit claims. Ensuring that all relevant WCHG staff complete the training required by MCC to verify documents that HB require to complete the benefit assessment.
* Work with Housing Benefit to exchange supporting information for a claim and prioritise cases where legal action has commenced.
* Identify and promote initiatives to address the issue of financial exclusion and worklessness.
* Advertise any agency offering welfare benefits and debt advice in the areas we operate.
* Work closely with support agencies and with our own tenancy support team to assist tenants with vulnerabilities.
* Identify and work with organisations that can offer services, such as insurance or energy supply, where there is a demonstrable benefit to our customers.
* Work with the DWP and local Job Centre Plus to assist customers with managing the transition from legacy benefits to Universal Credit.

**5.4** **Arrears Procedure, Performance Management and Continuous Improvement**

We will:

* Ensure all customers are treated equitably and consistently.
* Monitor the application of the current tenant, shared ownership and leasehold arrears procedure to ensure it is appropriately applied ensuring discretion is used where necessary.
* Ensure that customers are given every opportunity to address their arrears.
* Acknowledge customer obligations and responsibilities for their dependants.
* Use legal action to recover arrears where appropriate to do so.
* Set targets for the Group for the recovery of debts and publish recovery performance and arrears owed to the Group’s customers.
* Benchmark our performance and cost against other service providers and organisations.
* Research best practice and seek firsthand experience from practitioners delivering that service.
* Review our policies/procedures to comply with any legislative changes.

**5.5** **Priority Order of Debts owed to the Group**

The Trust will pursue debts owed by current or former tenants and leaseholders as part of the Group’s approach to income recovery. Where only one debt is owed then the Group will follow the relevant procedure to pursue the debt.

In the situation of more than one debt is owed to the Group by a tenant, shared owner or leaseholder then the Group will pursue action in accordance with the Group’s approach to income recovery, taking into account the following priority order of corporate debt for pursing the recovery of debts owed:

1 Rent owed (Tenants/Shared Owners) or in the case of leaseholder’s service charge owed.

2 Court costs – where there are multiple accounts for a tenancy/leasehold account these will be prioritised in the following way: rents, ASB and Repairs

3 Former Tenant Arrears

4 Housing Benefit/Universal credit overpayments reclaimed from the landlord.

5 Rechargeable Repairs – (see exception noted in 6.6)

6 Heating Charges

7 Gardening charges

8 Garage charges

WCHG will publicise the Corporate Debt Policy on its website and intranet site so that tenants, shared owners and leaseholders and the Group’s staff are aware of the corporate debt priority order and understand fully the potential implications of non-payment and the approach adopted in pursuing these debts.

Where there is credit available, on one of the accounts held by a tenant, shared owner or leaseholder, then this can be transferred to other accounts where there is a debt outstanding in accordance with the priorities set out above.

**5.6 Payment in Advance for Rechargeable Repairs**

In accordance with the Group’s approach to requests for rechargeable repairs the exception to the priority order for debts will be where a tenant pays in advance for a rechargeable repair to be completed.

Where there is a scenario of a tenant requesting a repair that is deemed to be rechargeable, but they also have rent arrears, court costs or housing benefit overpayment, the payment will be allocated to the cost of the repair. Any remaining balance for the cost of the repair will be managed in accordance with the priority of debts owed. We will look at the circumstances that has led to the rechargeable repair i.e. indications of domestic abuse and follow the relevant policy.

If the tenant is unable to pay the full amount of the rechargeable repair at the initial request, and contacts the Group at a later date, specifically asking to clear the remainder of the debt then the payment will be allocated to the rechargeable repair.

**6. Data Protection**

At WCHG, we take the safeguarding of information very seriously. One of the ways we do this is to adhere to the requirements of UK data protection legislation, including the General Data Protection Regulation (GDPR).

All data that flows into and out of WCHG are assessed to determine the legal basis under which that data is processed, and the results of the assessment are documented. We are satisfied that we will have a legal basis for holding the personal data we hold, and that we will also have a valid legal basis for disclosing this personal data to third parties where this happens.

Privacy notices have been drafted to comply with GDPR requirements (and to reflect the legal basis of processing). Our Group privacy notice is freely available on our website, and specific notices are made available when collecting personal data. We implement data processor agreements and data sharing agreements where required, and these are reviewed periodically.

**7. EQUALITY AND DIVERSITY**

WCHG will ensure that the Corporate Debt Recovery Policy and procedure is accessible to it all customers. We will make every reasonable effort to ensure that no-one is discriminated against directly or indirectly on the basis of any protected characteristic as defined by the Equality Act 2010. We recognise that some protected groups may be disproportionately impacted and will take additional steps in the application of this policy and make reasonable adjustments to ensure compliance with the Act. If you require this policy in a different format, translated, large print, easy read, braille, or an audio copy, contact us by phone on: 0300 111 0000 or: 0800 633 5500 or by email: [inclusionanddiversity@wchg.org.uk](mailto:inclusionanddiversity@wchg.org.uk)

*A screening document for this policy has been completed and reviewed by the Equality Impact Assessment (EIA) Panel. Following this review, a full EIA was not found to be necessary.*

**8. ASSOCIATED POLICIES/STATUTORY AND LEGISLATIVE FRAMEWORK**

* Housing Act 1985
* Housing Act 1988
* Human Rights Act 1998
* Data Protection Act 2018
* The General Data Protection Regulation (GDPR)
* Group Data Protection Policy
* Protection from Eviction Act 1977
* TSA regulatory code and guidance
* Landlord and Tenant Acts 1985 & 87 (as amended)
* Commonhold and Leasehold Reform Act 2002
* Allocations Policy
* Former Tenant Arrears Policy
* Rechargeable Repairs Policy
* Financial Inclusion Strategy
* Reasonable Adjustment Policy
* Equality and Diversity Policy