



Solihull
Community Housing
Shaping our neighbourhoods

Former Tenant Arrears and Credit Policy **2025**

Former Tenant Arrears and Credit Policy

Lead officer	Darren Smith
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Approval Chain:	Head of Service SCHape Panel SCH Executive Leadership Team
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1. Scope

This policy sets out Solihull Community Housing's (SCH) approach to managing **Former Tenant Arrears (FTA)** and **Former Tenant Credits (FTC)**. It applies to all former tenants of Solihull Metropolitan Borough Council (SMBC) properties managed by SCH.

Solihull Community Housing (SCH) manages and maintains council homes and delivers housing services on behalf of Solihull Metropolitan Borough Council (SMBC). Although SCH provides day-to-day housing services, the Council remains the owner of the housing stock and is your landlord. The Council retains the responsibility for ensuring your home is managed in line with the Consumer Standards.

The Policy aims to:

- Minimise outstanding rent and service charge arrears following tenancy termination.
- Ensure fair, consistent, and cost-effective handling of credits on closed accounts
- Align with legal and regulatory standards and current best practice.
- Support SCH's financial sustainability and compliance with legal and regulatory standards.

2. Definition

Former Tenant Arrears (FTA): Outstanding rent, service charges, garage rents, court costs, and other related debts remaining after tenancy termination.

Former Tenant Credit (FTC): Surplus funds remaining on a rent or sundry account after tenancy termination

Policy Objectives

Reinforce the importance of recovering FTA to protect service delivery.

Apply a proactive, fair, and cost-effective approach to debt recovery.

Tailor recovery methods to individual circumstances, ensuring value for money.

Engage third-party tracing and collection services where appropriate.

Ensure credits are refunded upon request, subject to debt clearance and confirmation from relevant benefit authorities.

Policy Statement

SCH will pursue former tenant debts promptly, balancing recovery costs with the likelihood of success. Vulnerable individuals will be treated with sensitivity, and debts may be written off where recovery is not viable. Credits will be refunded subject to debt clearance and confirmation from benefit authorities.

Recovery efforts will include early intervention, tailored repayment plans, and the use of third-party tracing and collection services where appropriate. The policy also outlines responsibilities for tenants and landlords, available payment methods, and links to related policies and procedures.

Performance will be monitored through key indicators and reviewed biennially, or sooner if required by legislative or operational changes.

3. Policy Detail

Vigorous and early pursuit of former tenant debt provides the best chance of successful collection and should be central to procedures supporting this policy. All staff advising customers on the termination of their tenancy or other agreement will advise customers of any debt or credit outstanding.

The costs of pursuing former tenant debt will be balanced against the likelihood of recovery and the level of debt involved. The cost effectiveness of pursuit and collection will be fully considered at all stages. Where it is considered that recovery of a debt is unlikely, or not cost effective, it will be written off according to agreement by SMBC.

We will work with third parties who are assisting former tenants with their affairs.

Where a former tenant is vulnerable, consideration is given to the most appropriate means of communication and collection, which may include consideration of recommending the debt for write-off.

Where a debt has been written off as unrecoverable, we may subsequently pass the debt to a further collection agency at any time to make further attempts to trace the debtor and recover the debt, subject to the statute of limitations. Any collections on this basis will go to offset our bad debt provision.

Where appropriate, and where this will improve efficiency, SCH will employ specialist tracing and collection agents.

SMBC or SCH does not condone or employ the use of distraint as a tool for collecting former tenant arrears, either directly, or via any employed agent.

If a former tenant debt has been written off as uncollectable, and the tenant concerned subsequently re-applies for housing and declares a previous tenancy, the debt will be re-instated if it is considered that there is a reasonable expectation of recovery. Similarly, if any other circumstances change which would make a previously written off debt recoverable, the debt will be re-instated and pursued, except where collection is already being pursued by an agent working on our behalf.

A recommendation to write off a former tenant arrear or credit will be made to SMBC for consideration.

If a tenant with rent arrears is transferred to a new SCH property on management grounds, for example, serious anti-social behaviour or domestic violence, due to the issue of a new tenancy or in accordance with our move with arrears policy then terms to clear the former tenant debt created by the move should be agreed and confirmed in writing before the transfer occurs.

Accounts in Credit

Any credit on the account will be refunded on request, subject to the clearance of any outstanding debts and, where applicable, obtaining confirmation from the Housing Benefit or Universal Credit administering authorities, that they do not intend to recover any monies from us in respect of overpayments.

In line with our current tenant arrears policy, we encourage our customers to take responsibility for meeting the terms of their tenancy agreement, including keeping their rent payments up to date. If an account shows a small credit balance, we may not always contact customers proactively, as this helps us manage costs and keep services efficient. When we do reach out to let customers know about a credit, we'll do so in a considerate and limited way. Please note that we're unable to cover tracing costs to refund a customer.

4. Equalities Statement

SCH recognises the needs and requirements of its diverse customer profile, and acts within the scope of the Equality, Diversity, and Inclusion Policy and the Equality Act 2010 to ensure that every tenant can access the same quality and consistency of service. This policy applies to all properties managed by Solihull Community Housing.

All staff are trained in Equality, Diversity, and Inclusion to embed understanding about where we may need to adapt normal policies, procedures, and ways of working to accommodate resident's individual needs

5. Tenants responsibilities

The term 'tenant' includes sole and any multiple tenants.

If two or more people have signed the Tenancy Agreement, they are jointly and severally liable for the payment of rent. This means that each person is fully responsible for the payment of rent and any arrears of rent, SCH will not apportion the debt.

Tenants have an obligation under the terms and conditions of their Tenancy Agreement to pay rent when due. Tenants have a responsibility to notify SCH of any change that may affect their ability to make payments.

Homeless customers who are eligible to pay fees and charges for Temporary Accommodation are supported by SCH's Home Options & Money Advice Team's to receive where applicable help with Housing Costs, budgetary advice and affordability.

6. Methods of Payment

- **Direct Debit** - Payments can be scheduled weekly, fortnightly, or monthly. This is the preferred method for ease and reliability
- **Kiosk** – Digital kiosks located at Solihull Connect offices accept cash and debit card payments. Opening hours are displayed at each location

- **Standing Order** - Customers may set up a standing order via their bank. It is the customer's responsibility to update payment details as needed. Payments should be made to:

(Solihull MBC Barclays account)

Account number: **20286079**

Sort code: **20-07-71**

Please ensure the correct 9-digit payment reference number is provided.

- **Telephone** - Payments can be accepted by credit or debit card via.

SCH Contact Centre: **0121 717 1515**

24-hour automated service: **0300 456 0502**

Both services are available 7 days a week.

- **Online** – Payments can be made securely via:

SCH's external website

Solihull Council's website

A valid 9-digit payment reference number is required.

- **Post Office** - Payments can be made by cash or card at any UK Post Office branch.
- **Pay Point** and **Pay Zone** - Payments can be made by cash or card at any participating outlet.

7. Support and liaison with other agencies

SCH is committed to delivering a fair, balanced, and effective approach to the recovery of Former Tenant Arrears (FTA), while recognising the individual circumstances of former tenants and the financial responsibilities of Solihull Metropolitan Borough Council.

SCH will provide a recovery service that is both equitable and proportionate, ensuring that individual needs are considered alongside the Council's duty to recover public funds.

Former tenants will be supported to establish affordable repayment plans. SCH will ensure that agreed amounts are realistic and sustainable, and that payments are made in accordance with the agreed schedule.

Where appropriate and cost-effective, SCH will utilise internal tracing processes and engage compliant third-party services or Debt Collection Agencies (DCAs) to locate and recover debts.

If internal efforts to trace or recover debts are unsuccessful, cases may be referred to a DCA. If no arrangement is made within three months, the case will be returned to SCH for further review.

The recovery process will be designed to minimise the accumulation of FTA and maximise income collection. Early intervention and proactive engagement will be prioritised.

8. Links to Other Policies

The Former Tenant Arrears and Collection Policy are the key policy document relating to income for the Housing Revenue Account. The policy is closely aligned but not limited to support the delivery of a range of strategic plans and their associated policy framework, including but not limited to:

- Income Management Policy
- SCH 5-year Delivery Plan
- Homelessness Strategy
- Bad Debt and Write-Off Policy
- SMBC Tenancy Policy
- Allocations Scheme
- Equality and Diversity
- Complaints Policy

9. Key Roles and Responsibilities

Role	Responsibilities
SCH Board	• Responsible for delegating approval of this policy to Executive Team. • Ensuring residents' voices are heard.
Chief Executive	• Responsible for approving this policy and overseeing compliance with this policy
ELT	• Overall responsibility for the implementation of this policy and ensuring that adequate resources are made available to enable the policy objectives to be met. • To ensure that appropriately qualified and suitably experienced people are employed to implement this policy.
Income Services Manager	• Responsible for overseeing the operational delivery Responsible for the implementation of this policy; management of the Income Services Team in applying the policy.
Rent Control team Leader	• Responsible for ensuring compliance with this policy, the management of the Rent Control Team in the application of the processes for Former Tenant Arrears and Credits function Collection and adhering to the legal parameters and legal framework.
Income Services Assistants	• Responsible for the collection of all income outlined in the policy • Responsible for the successful refunds of Former Credits in this policy • Responsible for ensuring compliance with this policy.

10. Monitoring & Review

Performance against Key Performance Indicators (KPI's) are reported regularly to the Executive Leadership Team, Our Board and Solihull Metropolitan Borough Council.

The Policy will be monitored by the Income Services Team Leaders/Line Managers and Income Services Manager.

This policy will be reviewed every **3** years by **Income Services Manager** unless there are any significant changes to current legislation or regulation, good practice or guidance, or as the result of the outcome of an incident review or Ombudsman determination.

Approved documents are valid for use after their approval date and remain in force beyond any expiry of their review date until a new version is available

11. Measuring Performance

Income collection is a vital element of measuring the financial viability of the Housing Revenue Account and is reported through the performance framework for Housing Operations Committees and the Council and is routinely reported through SCH's Executive Leadership Team and Board.

It is important to keep levels of former rent arrears under control and monitor performance, with a long-term aim of keeping FTA below the measures set out within the performance framework for Housing.

Weekly arrears figures are provided to housing management staff so that progress can be measured and trends quickly identified. We will monitor current (in year) performance against previous year's performance and make improvements wherever possible.

Several additional operational measures and reports are provided to enable staff to manage rent arrears.

We have a Complaints Procedure that is available to any customer who is not satisfied with the way in which their case has been dealt with. Details of the Complaints Procedure can be obtained from our website.

Glossary / Definitions

Throughout this policy document, it is inevitable that words or phrases are used that are readily understood by some readers, but which are new to other readers, and their meaning is not immediately apparent

Distrain - the seizure of someone's property to obtain payment of money owed