



HRA Income Recovery and Debt Management Policy

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1. Introduction

1.1 Dover District Council (“the Council”) rely on the income of its rental properties to ensure its housing service is viable. This Policy sets out the main principles to maximise the income from rent by being proactive in income recovery. The Council understands that coping with debt can be an anxious experience and the Income Recovery Team will endeavour to provide support and assistance to tenants, former tenants and non-tenants with use and occupation charges.

1.2 The Income Recovery team are responsible for maximising income and will work with other social housing providers, voluntary organisations and debt advice agencies to coordinate the provision of welfare benefits and debt advice and help to reduce all corporate debt.

2. Definitions

2.1 For the purposes of this Policy:

- ‘We’, ‘ours’ and ‘us’ refers to Dover District Council
- ‘Staff’ refers to members of staff who provide housing related services, including housing management, housing options, strategic housing, and property services.
- ‘Tenants’ refers to an individual or individuals who have an active tenancy agreement with the Council and live in and rent a Council-owned property.
- ‘Former Tenant Arrears’ (FTA) refers to a debt of unpaid rent or charges, remaining on a rent account when a tenancy has been ended.
- ‘Property’ refers to the home (the address of which is detailed on the front of the tenancy agreement or former tenancy) plus any garden, yard, balcony, outbuilding, fence, wall or driveway let with it. This does not include any shared area or facility.
- ‘Shared area’ refers to areas within a building that all tenants can use, for example entrance halls, stairwells, landings, communal lounges, communal laundry rooms, kitchens and bathrooms. They can also be external areas, such as a shed, storage, and communal gardens and play areas.

3. What is the Housing Revenue Account (HRA)?

3.1 The HRA is intended to record expenditure and income on running the Council’s own housing stock and closely related services or facilities, which are provided primarily for the benefit of the Council’s own tenants. Any local housing authority that owns 200 or more social dwellings are required to account for them within their HRA.

3.2 Rental income from tenants is the main source of revenue for our HRA.

4. What is a rechargeable work?

4.1 We define a rechargeable work as a sub account charge for the cost of any works that we have carried out that were the tenant’s responsibility as per the tenancy agreement, further information on this can be found in the tenant handbook.

4.2 Tenants can be charged for any repairs or maintenance required where damage has occurred, or where the condition of the property has deteriorated (i.e., neglect as well as damage) and:

- The tenant(s) is responsible for the repair, but we have had to carry them out because they have not done them.
- The tenant(s) have not complied with the terms of any permission granted.
- The tenant(s) did not obtain our written permission.

4.3 We can also charge for repairs, rectification, cleaning, redecoration, clearance, disposal or storage undertaken and paid for by the Council at the end of the tenancy (see para 8.28).

4.4 We can also recharge for services such as the welfare of animals if the tenant has not made appropriate arrangements.

5. Legal duties

5.1 Ground 1 of Schedule 2 to the Housing Act 1985 provides grounds for possession where a secure tenant has not paid the rent owed or an obligation of the tenancy has been broken or not performed.

5.2 The Housing Act 1996 gives local housing authorities grounds to operate an introductory tenancy regime. The trial period is for one year and can be extended by 6 months. A landlord can begin possession proceedings at any time during the trial period (and any extension). Where the landlord extends the trial period or serves a notice of possession proceedings, the landlord must set out the reasons for this decision, these include rent arrears.

5.3 The Social Housing (Regulation) Act 2023 introduced revised consumer standards which social housing landlords must comply with, this includes that registered providers must support tenants to maintain their tenancy or licence. Where a registered provider ends a tenancy or licence, they must offer advice and assistance to affected tenants.

5.4 Additionally, registered providers must communicate with tenants and provide information so tenants can use landlord services, understand what to expect from their landlord, and hold their landlord to account. This includes rents and service charges that are payable by tenants.

6. Policy purpose and scope

6.1 The purpose of this Policy is to set out how we will recover monies owed to us so that we can continue to provide high quality services for our tenants.

6.2 This Policy applies to all tenure types within our housing stock and relates to tenants as defined in section 2, former tenants and individuals who owe money to the Council due to use and occupation charges (see para 8.64). This Policy sets out how we will manage the recovery of:

- Residential rental arrears
- Housing benefit / Universal Credit payments and overpayments
- Use and occupation charges
- Rechargeable works and services

7. Policy aims

7.1 The overall aim of this Policy is to maximise income streams relating to residential rent arrears and rechargeable works and services orders. The specific aims are that:

1. Accounts are managed efficiently and effectively.
2. There is a firm but fair and equitable approach when dealing with money owed to the Council and income recovery.
3. We have a professional, consistent and timely approach to recovery action for which we are responsible.
4. We focus on debt prevention and promote a payment culture for both new and existing tenants.
5. The connection between paying rent and being able to provide high quality services is recognised.

8. Policy statements

Methods of payment

8.1 Payments can be made by the following means:

- By monthly direct debit on the 7th, 15th, 21st, or 28th
- Any frequency of standing order via their bank
- By debit card or credit card over the 24-hour payment line or online via the website or over the phone with the Income Recovery Team if necessary.
- By payment card which is available to use at the Post Office and Payzone.
- Via bank transfer, enter the following information as required:
 - Bank: National Westminster Bank plc
 - Address: Market Square, Dover
 - Account number: 59272864
 - Sort code: 60-07-04
 - Reference: payment reference number

Communication

8.2 We will provide tenants and former tenants with clear and prompt information and guidance about the monies they are being asked to pay and the methods which will be applied to recover the debt. Written correspondence will be in plain English, avoiding the use of jargon, and will include:

- A full breakdown of the debt outstanding or rent statement;
- The total amount and/or the instalments due and the date(s) payment is required by;
- How to make payment and where payments can be made;
- Contact telephone numbers for relevant Council staff;
- Photographic evidence of why rechargeable works costs that were raised.

Working with outside advice agencies

8.3 Information about debt advice will be made available, especially where it is apparent that the tenant or former tenant is in severe financial difficulty. Officers will encourage them to obtain specialist advice and help, which will include providing details of local

and national free debt and money advice agencies or residents can refer to our website.

- 8.4 Where a statutory benefit / Universal Credit entitlement potentially exists in relation to a particular debt, Officers will ensure the individual is made aware of such opportunities and encourage an application.
- 8.5 We will stress the importance of paying priority debts before non-priority debts and will follow Citizens Advice Bureau guidance as follows:

Priority debts	Rent arrears Mortgage arrears or secured loan arrears Council tax arrears Gas or electricity bills Phone or internet bills TV licence payments Court fines Overpaid tax credits Unpaid child maintenance Payment for goods bought on hire purchase or unconditional sale Unpaid income tax, National Insurance or VAT
Non-priority debts	Credit card or store card debts Catalogue debts Unsecured loans including payday loans Unpaid water bills - the supplier cannot cut off water supply Overpayments of benefits - apart from tax credits Unpaid parking tickets - these are called Penalty Charge Notices or Parking Charge Notices Money owed to family and friends

Income recovery

- 8.6 We recognise that many of our tenants will be the most vulnerable in society. We will ensure a balance between effective rent recovery and supporting our tenants to enable them to meet their payment obligations.
- 8.7 We will establish early contact with tenants to resolve outstanding debts by:
 - Contacting all new tenants to explain their responsibilities, recognising potential vulnerabilities at that time
 - Contacting existing tenants as soon as possible to stop arrears from escalating
 - The Benefit and Money Advisor is a role within the Council, they can:
 - Provide benefit advice and ensure they are claiming all the benefits which they might be entitled to
 - Signpost to debt management organisations, for example, StepChange
 - Contact all tenants new to Universal Credit to explain the process and their responsibilities
 - Help to maximise income by completing financial assessments and benefit checks
 - Work with individuals on use and occupation

- 8.8 We will tailor our approach to different types of tenants as those in general needs accommodation may differ to those in our supported accommodation.
- 8.9 We will be mindful of our tenant's ability to make payments before making any agreement ensuring that an agreement is not setting someone up to fail.
- 8.10 Should it prove difficult to establish an agreement or a tenant is not engaging, a referral will be made to our Benefit and Money advisor to assist the tenant in finding an appropriate agreement plan. The Benefit and Money advisor will also assess their income and expenditure to provide advice and support to meet their rental payments and any arrears accrued.
- 8.11 Rent must be paid (which may include service charges as part of the rent) and it must be paid on time. Rent is due every week from the date at the beginning of this agreement and must be paid every Monday in advance. If a tenant prefers to pay rent fortnightly or monthly, it must still be paid in advance.
- 8.12 We recognise that the transition from housing benefit to Universal Credit can be a significant change to our tenants. We will offer support to tenants who may be affected.
- 8.13 We will work in partnership with Revenues and Benefits and the DWP to ensure effective liaison and efficient administration.
- 8.14 We will ensure a professional, consistent and timely approach to recovery action and offer a range of payment methods but emphasising on Direct Debit as a preferred method of payment.
- 8.15 We will meet the correct legislative regulations and procedures. We will always be mindful of the requirements of the pre-court action protocol when taking any court action. Court action may lead to eviction.
- 8.16 We will ensure that information recorded is relevant and up to date and will adhere to our rent management procedures.
- 8.17 We will always start from a position of requesting payment in full. Where a tenant is unable to do so, we will make arrangements for the tenant to repay the money due within a reasonable timeframe, if possible and this should be on a regular basis. If we cannot come to a reasonable arrangement, then arrears recovery action would commence.
- 8.18 We will consider the cost of the action when determining recovery route to ensure it is cost effective but also not excessive compared to the debt outstanding.
- 8.19 We may consider recovery of debts by means of direct deductions from Department of Work and Pensions (DWP). With Universal Credit we will use this action as a default for any tenant in rent arrears of more than two months.
- 8.20 We will support and work with the Housing Options Team to assist them in fulfilling their duty to prevent homelessness.
- 8.21 We will support and work with Social Services where it is recognised that a tenant is vulnerable and ensure that individual and exceptional circumstances are taken into consideration.

8.22 We will ensure that appropriate options for escalation exist where prevention has been unsuccessful and to make use of the full range of enforcement powers available for debt recovery.

8.23 We will seek for repossession where it is reasonable and proportionate to do so.

8.24 All correspondence will be written in plain English and encourage prompt communication.

Notification to tenants

8.25 We will provide information to tenants that explains any changes in rent and service charges.

8.26 We will also notify tenants of the revised rent that will be payable at least one month prior to the implementation date.

Rechargeable works and services

8.27 As per section 4 of this Policy, the tenancy agreement stipulates what is the tenant's responsibility and if we carry out remedial works because of the tenant not adhering to their responsibilities, we can recharge the costs incurred to the tenant (including administration costs). This includes (but not limited to):

- Repairing damage because of the property not being adequately secured, the property not being adequately heated, or the water not being turned off at the mains during long period of absence during cold weather
- Costs incurred for the welfare of animals
- Not complying with terms of any permission granted or not obtaining written permission
- Clearing a garden
- Removing an abandoned vehicle from Council-owned assets within the HRA
- Clearing any household waste, rubbish or recycling that has not been disposed of correctly in shared areas and Council-owned assets within the HRA
- Repairing damage because of forced entry if this is due to the tenant's carelessness and negligence
- Repairing damage to the property caused by the tenant
- Any other rechargeable cost within the scope of our tenancy agreement

8.28 At the end of tenancy

- Changing the locks if keys are not returned (and /or charged rent until they are returned)
- Repairing any damage (see para 8.30 for exemptions)
- Rectifying any alterations or additions made without our permission or which have not been carried out correctly or to the correct standard
- Cleaning, redecoration, clearance, disposal or storage
- Disposal of any items that are left in the property
- Removing any greenhouse, garage, shed, decking or other structure or filling in garden ponds, unless it was agreed that they can be left
- Rehoming an abandoned pet

8.29 Creating a recharge

- We will send an invoice(s) for the rechargeable work or services; this will state what we are recharging for and the total cost payable. We will raise an invoice even when

we do not have a forwarding address to ensure that we have accurate records of the costs associated with the rechargeable work.

- Where necessary, we will use all tracing services available to us to ascertain a current address.
- Any cost recharged will be fair, accurate and reasonable, and will be substantiated with documentary evidence including photos. We will make every effort to obtain the tenant's agreement that they accept responsibility for the damage or work needed prior to ordering this work.
- Tenants will be invoiced according to a schedule of costs for rechargeable works that sets out the cost of each type of repair or work. Tenants will also be expected to pay an administration fee and, where applicable, VAT will be added at the current rate.
- We may decide to waive a recharge using our discretion on a case-by-case basis, this will require managerial approval and reasons for this will be recorded.
- Where a decision has been made to waive the recharge, it will still be recorded to ensure accurate accounting with regard to the rechargeable work. The cost of the work will be met through the repairs budget.

8.30 Exemptions

There may be circumstances when we decide not to recharge a cost mentioned above. Staff will exercise discretion before deciding on whether to recharge. This will be clearly documented. Examples of when we may exercise this discretion are:

- The tenant has passed away and there is no estate to pay the cost.
- When a tenant goes into residential care and has no means to pay, proof of which would need to be provided.
- The tenant has been a victim of a serious crime and has reported this to the police. This must be substantiated by a crime reference number and can provide supporting evidence from the police.
- The tenant has been a victim of domestic abuse and was unable to prevent damage being carried out to the property. We will ask for supporting evidence where appropriate.
- It is evident that required work is due to fair wear and tear of the property or we have agreed to the items left in the property.
- Where permission to carry out improvements and alterations to the property had been granted and approved by us.

Collecting rechargeable works and services

8.31 Wherever possible all tenants will be required to agree to a recharge prior to us instructing a contractor to attend, prior to any works being undertaken; this allows us to document the agreement and assists with the collection of the recharge. This also provides an opportunity for the tenant to challenge the decision before the work is carried out and avoid a potential dispute later. An exception to this would be any work needed to rectify a health and safety risk, which will be dealt with immediately.

8.32 We may pursue debt enforcement recovery action (for example, seek a judgement from the courts) where we have not received payment for rechargeable work and services.

Disputes and appeals

- 8.33 We operate an appeal process for dealing with any disputes, which may arise regarding a decision made to recharge before or after the works are carried out. If a tenant or former tenant wishes to have their liability for the cost of a repair reviewed, they must make their request to the relevant department. Individuals will have 14 days to make this request from the date which the letter (detailing the recharge) is sent.
- 8.34 We will investigate the case and if the appeal is upheld, then the rechargeable works or service will be cancelled. If it is not upheld, we will issue the invoice.
- 8.35 This appeal is not a part of our formal complaints process. If the tenant is not satisfied with the decision, they have the right to make a complaint through our formal complaints process (see section 9).

Collection of monies due from former tenants

- 8.36 We recognise that Former Tenants' Arrears (FTAs) together with monies owed in respect of rechargeable works are amongst the most difficult debts to collect.
- 8.37 The most effective way to manage FTAs is to take all possible steps to prevent them from arising in the first place. This will be achieved through efficient and effective management of current tenant arrears.
- 8.38 Particular attention will be given to ensuring that any arrears are collected on mutual exchange of tenancies, or on transferring to another property. We will maintain comprehensive documentary evidence in respect of all terminations, transfers and exchanges of tenancies, including information in respect of rent arrears and other debts legitimately due from the former tenant.
- 8.39 FTAs should therefore only arise due to:
 - Abandonment of property
 - Eviction
 - Termination of tenancy with arrears or rechargeable works and services still outstanding
 - Death of the tenant
- 8.40 The Housing Options team will check all housing applications to identify whether the applicants have any outstanding housing related debt with the Council or any other Council or Housing Association. Any applicant who is being rehoused by us that has a former tenant debt including any rechargeable work order will normally be required to clear this in full or to show that the outstanding debt is being paid regularly and has reduced considerably since their previous tenancy ended before they will be considered for re-housing.
- 8.41 In cases where a tenant accepts another Council tenancy but still owes money from a previous tenancy with us, a payment arrangement to clear the former tenancy arrears will be made and included in the new tenancy agreement and monitored. If this agreement is not adhered to, then those arrears can be transferred from their previous tenancy onto their current consolidated rent account, and they would be expected to clear those arrears in addition to payment of current rent. This applies whether a tenant moves directly from one tenancy to another (transfer) or whether they left the property some time ago.

8.42 Additionally, tenants seeking to mutually exchange or transfer outside of the Dover District must clear all outstanding arrears prior to a move taking place.

8.43 Legal action may be taken to recover former tenant debts. Consideration will always be given to the size of the debt, available options, and the cost effectiveness of pursuing legal action.

8.44 We will firstly re-confirm the outstanding balance allowing for any housing benefit or Universal Credit adjustments, overpayments or direct payments from DWP for Universal Credit.

8.45 Payment arrangements will be based on the former tenant's ability to pay back the debt.

Former tenants with a known forwarding address

8.46 Methods of contact:

- Via telephone (call and/or text)
- Letter to be sent out if telephone number is unknown or there is no response to initial contact. We will attempt calling if a telephone number later becomes available.
- Via email
- Visit the former tenant at their new address

Former tenants without a known forwarding address

8.47 If no forwarding address is provided on the termination form and no information is provided by the Housing Officer, if there is a telephone number to call/text or email, we will attempt to contact the tenant to get an address and then update the records.

8.48 We may use a variety of methods to trace the individual, including:

- Checking all records available to the Council
- Tracing the former tenant using tracing tools such as Experian Citizen view
- The use of external tracing agencies
- Contacting other local authorities for former tenants who may have moved out of the area

8.49 We will review each case individually and decide whether tracing would be cost effective.

Deceased tenants

8.50 When a tenant dies, a personal representative should be appointed who will settle debts from the estate (if funds are available). Generally, personal representatives are either:

- 'executors' where the deceased left a will
- 'administrators' where the deceased did not leave a will (died intestate) for example, this may be the 'next of kin' if there is one recorded with us.

8.51 The personal representative(s) cannot be compelled to distribute the assets of the estate until at least one year has elapsed from the date of death.

8.52 We may seek to make a claim against a deceased tenant's estate. However, the personal representatives of the deceased are likely to be close relatives / friends and must therefore be dealt with sensitively.

8.53 If telephone numbers are available, we will call the personal representatives. If there are no phone numbers available, then a letter will be sent. We will request a copy of bank/building society statements to verify whether there is any money left in the estate to pay for any outstanding debts where the personal representative informs Officers there are insufficient funds.

Returned correspondence

8.54 Where correspondence is returned by Royal Mail marked 'gone away' or 'addressee not known' the following action will be taken:

1. The reason for the correspondence return will be noted
2. A trace will be completed using a tracing provider
3. Update and continue the recovery process.

Further recovery action

8.55 If, after exhausting all of the stages set out above, the arrears still remain outstanding, we will review each case individually to decide whether further recovery action would be cost effective.

8.56 For any debts over £50.01, we may issue proceedings, if no defence, we can request a judgement which we can then enforce.

8.57 Referral to Debt Collection Agency may be an option for debts over £300.

8.58 Relevant pre-action protocols will be observed.

Referral to a debt collection agency

8.59 Consideration will be given to the use (where appropriate) of debt collection agencies to recover former tenants' arrears/rechargeable works orders. Agencies used will be selected by us. They will be paid based on a percentage of the payment collected.

8.60 Agencies would only be used if the tenant does not engage or reach an agreement, or we are unable to trace the tenant. Debt collectors are not Court officials and do not have the same powers as bailiffs. Recovery action where cases are referred to debt collection agencies will involve them:

1. Writing to the former tenant(s) to request payment;
2. Telephone calls to request payment;
3. Visiting tenants at their home to discuss payment of the arrears.

8.61 Consideration will also be given to the cost effectiveness of selling former tenant debts to a collection agency.

Disputed arrears

8.62 Where a former tenant or their personal representative disputes the arrears due or a rechargeable works order raised, we will be responsible for managing the dispute and provide all necessary supporting information within 10 working days of the request. If this is not possible, they will be notified and provided with a revised date for resolution.

Bad and doubtful debt provision

8.63 We will ensure there is adequate provision for bad and doubtful debt. This is done in accordance with CIPFA Code of Practice on Local Authority Accounting in the United Kingdom – A statement of recommended practice. Staff should refer to internal procedures for specific guidance.

Use and Occupation agreement

8.64 A Use and Occupation charge is applied where a person or persons occupy a property without a formal tenancy agreement being in place. For example, this might occur where a person or persons remains in a property after their partner, who was the tenant, has died while either succession eligibility is investigated or they find alternative accommodation. The person or persons are not a tenant, but they are treated as having liability for the use and occupation of the premises whilst they are there.

Record keeping

8.65 We will ensure that adequate records and documentation relating to income recovery and debt management are recorded clearly and accurately. We will only keep personal data for as long as is necessary or for as long as required by law in accordance with the Council's Data Protection Policy. The time periods which we must retain certain types of records for are set out in our Housing Service Retention Schedule: <https://www.dover.gov.uk/Corporate-Information/Retention-Schedules/Housing-Service-Retention-Schedule-2020.pdf>

Performance reporting

8.66 Income recovery (current tenants)

- Housing Manager for Income and Systems will monitor performance which will cover:
 - Total current tenant arrears including court costs
 - Total current tenant arrears including court costs, as a percentage of annual rental income

The Housing Manager for Income and Systems will provide an analysis of current tenant arrears as and when requested by the finance team. Quarterly performance figures will be provided.

8.67 FTAs

The Housing Manager for Income and Systems will monitor performance which will cover:

- Total former tenant arrears including court costs
- Write offs processed; and
- Write offs year to date.

The Housing Manager for Income and Systems will provide an analysis of debts that have been written off as and when requested by the finance team. Quarterly performance figures will be provided.

9. Implementation, monitoring and review

9.1 Monitoring is necessary to ensure that the Council delivers the aims and objectives set out in this Policy. Housing Management and Property Assets will be responsible for ensuring that staff are complying with this Policy, procedures and national guidance.

9.3 This Policy will be reviewed every three years, or in response to relevant changes in legislation, organisational structure, development of good practice, or to address operational issues.

9.3 Any minor amendments required will be made by Officers of the Council. Any significant amendments required as a result of changes to legislation or regulation, or Council operations, will be approved by the Council's cabinet. Where significant changes are required, relevant Officers and teams will be consulted before these are implemented.

10. Complaints

10.1 The Council's definition of a complaint is:

"An expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the organisation, its own staff, or those acting on its behalf, affecting an individual resident or a group of residents."

10.2 The Council takes complaints made about any service it provides, officers who work for the Council or contractors who provide our services, seriously. Our Complaint Policy sets out how a resident can make a complaint about a service they have received, a Council officer or contractor. More information can be found on our website: [If you are unhappy \(dover.gov.uk\)](http://If you are unhappy (dover.gov.uk)).

10.3 All complaints received will be dealt with in accordance with our Policy and Procedure.

10. Equality, diversity and inclusion

10.1 We are committed to promoting equality of opportunity and to eliminating unlawful discrimination on the grounds of race, age, disability, gender, sexual orientation, religion, belief, financial status, and any other difference that can lead to discrimination or unfair treatment considering the principles of the Equality Act 2010. Please see our [Equality Policy](#) for more details.

10.2 A full Equality Impact Assessment (EIA) was conducted for this policy in accordance with our Public Sector Equality Duty (PSED) when carrying out our duties (s149 of Equality Act 2010). The EIA has identified no negative impacts to the protected characteristics. The reason for this is the Policy is designed to make a positive impact through reasonable adjustments to services and provide additional support to vulnerable individuals, which will greatly increase access to housing services.

11. Data protection and confidentiality

11.1 We process personal data in compliance with data protection legislation including the Data Protection Act 2018 & General Data Protection Regulation 2016. All processing of personal data will be done in line with the data protection principles and where appropriate the necessary exemption applied.

11.2 Full details of how we store and use personal information about our residents can be found on our website and in our privacy statement at www.dover.gov.uk/privacy. This will also contain contact information if you have any questions or require assistance from the data protection/information governance team.

12. Version control

Approval date	January 2026
Approved by	Cabinet
Policy owner	Housing Services
Scheduled review	January 2029

Policy controls sheet		
Date	Summary of change	Author and approver
		Author: Approver(s):