



**Our vision is
"to deliver excellent Housing Services"**

Corporate Debt and Income Management Policy

Newark and Sherwood Homes Limited



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1 Purpose of the Policy

1.1 The Corporate Debt and Income Management Policy provides the overarching framework for effective income and debt management. As the guardian of substantial sums of public money it is extremely important that there are the highest standards of financial probity linked to efficient and effective income and debt management. The scope of the policy covers debt management processes, for both company debt and that which is collected on behalf of the Newark and Sherwood District Council.

1.2 Key objectives of this policy are:-

- Defining service standards to debtors.
- Maximising income, subject to appropriate recovery of costs.
- Ensuring processes for managing the recovery of debt are appropriate and cost effective.
- Exploring and developing new income generating opportunities that are compatible with existing business operations.

2 Availability of the Policy

2.1 The policy sets the context for other complimentary sources of information such as the Company's Rent Policy, the Company's Service Standards leaflets etc.

2.2 Those areas of the policy that most directly affect tenants and other service users will be publicised, in a clear and understandable manner, as part of our overall Communications Strategy, subject to change over time, through media such as the Tenant Magazine, service standards leaflets and the website.

3 Corporate Debt and Income Management

3.1 In managing income the Company will:-

- Operate effective charging structures that are consistently applied.
- Meet the terms of the Management Agreement with the Council, including timely collection of Council based debt thus ensuring that the Management Fee income is maximised.

- Seek opportunities to provide services to third parties consistent with existing skills and not to the detriment of existing core business.
- Improve company efficiency through the generation of new business that fully charges for its costs including an appropriate contribution to corporate overheads.
- Raise invoices on a timely and accurate basis.
- Maintain accurate records.
- Ensure that effective management and monitoring of related SLAs is consistent with the requirements of this policy.

3.2 In managing corporate debt the Company will:-

- Ensure that costs to the Company associated with the recovery of rents and service charges and all other debt represent a value for money investment in recovery processes.
- Ensure these debts are identified, validated and recovered expeditiously.
- Set standards and targets for recovery of debts, these targets and standards, and the monitoring arrangements to ensure compliance, being subject to review from time to time by the Finance Director.
- Debt will be written off only as an when all reasonable collection methods have been applied and records maintained to enable future recovery of funds should the debt become recoverable at a later date

4 Inter-relationship of the Company's and NSDCs' Policy Position

The Company will apply its debt management processes to Company debt and tenant debt managed on behalf of the Council. The Company will liaise closely with the Council and monitor the effect of the policy. Particular consideration will be given to vulnerable people within the community and appropriate methods of assisting people meet their financial liabilities. The Company will direct tenants to appropriate sources of advice in relation to their debt management.

5 New Sources of Income

Provision of new services will not initially comprise more than 5% of overall income. The Company will also ensure that there is no adverse impact on the

delivery of core services to the Council. Any new services will be consistent with the delivery of Social rented housing services and sensitive to the needs of tenants and others service users. New business will be comprehensively costed to ensure a fair rate of return is achieved.

6 Other Debts

- 6.1 The Company will ensure that where goods or services are provided it will apply rigour in raising invoices for payment in line with agreed contract arrangements and will recover such debts in a manner that is consistent with best practice, minimising Corporate Debt.
- 6.2 The Company will ensure that there is effective and consistent management of debt across different parts of the Company.

7 The Principles Underlying Tenant Debt Management

These are as follows:-

- The tenants have a responsibility under the terms of the Tenancy Agreement to meet the obligations of their financial debts.
- The Company will assist tenants by ensuring they apply their funds to meet the highest priority debts first. These are the debts that are required to maintain a person in their home. The staff will explain the consequences associated with the non-payment of each debt to the Customer.
- Tenants will be advised of debt promptly so that significant arrears do not build up that may become unmanageable.
- Early intervention will be taken to avoid excessive debt accumulating and payment plans will be offered where this is effective.
- Tenants will be encouraged to minimise debt and be provided with guidance on maximising sources of income, including relevant benefit entitlements, and to develop money management skills.
- Tenants will be directed to other agencies that can provide additional specialist advice appropriate to their circumstances.
- The Company will ensure its own staff have the full training required in relation to debt management, customer care and diversity issues.

- The Company will provide guidance to tenants on the debt recovery process and the help available. This includes leaflets, the web site and Home from Homes.
- The Company will give tenants the opportunity to be involved in monitoring the development of policies and procedures affecting arrears recovery through the Housing Management Monitoring Group.
- The Company will work closely with the Council on Council debt, including rents, overpayment of Housing Benefit and the recovery of service charges to leaseholders.
- The Company will work with other agencies to detect and reduce fraudulent benefit claims.
- The Company will liaise closely with the Housing Benefit section of the Council to facilitate the speedy recovery of excess Housing Benefit.
- The Company will assess its performance against internally set performance targets and benchmark against other organisations.
- Action will be taken against tenants that consistently fail to pay

8 Contact with Tenants

The Company will:-

- Contact its tenants through all possible methods including letters, phone calls, personal visits, or interviews.
- Review debt on a weekly basis and undertake appropriate recovery action.
- Encourage tenants to contact the Company as soon as an arrears situation arises.
- Encourage tenants to pay regularly.
- Establish and utilise tenants preferred method of contact wherever possible.
- Keep tenants advised of actions being taken to recover the debts due.

- Ensure communications to tenants are accurate relevant and easy to read.
- Ensure the tenants are involved in how the service is managed through the Housing Management Monitoring Group.
- Provide feedback to Tenants on performance through the Housing Management Monitoring Group.
- Provide facilities to enable tenants to discuss their debts in a confidential manner.
- Offer home based appointments to discuss the rent account.
- Provide information on alternative sources of debt management and income advice, through posters, letters and leaflets.
- Deal with complaints through the Company Complaints Matter process.
- Respond to correspondence on rent accounts within 5 working days.
- Be prepared to provide official Company information on debt in alternative forms, in recognition that standard documentation may not be effective in communicating with all tenants. E.g. Braille, large print, or audio-tape for example.
- Ensure vulnerable tenants at risk of being the subject of legal action to recover debt or, under Notice to Seek Possession have visits about arrears. All relevant information will be provided for them. For individuals without support, they will be referred to agencies such as Framework, Citizens Advise or the NSDC Homeless Team.

9 Recovery of Arrears

The Company will:-

- Have a clear set of procedures in relation to effective collection of arrears and debt.
- Ensure collection methods used are in line with accredited Quality procedures.
- Promote a wide range of payment methods that are convenient and accessible, while concentrating on the most cost effective.

- Consider a variety of sanctions to recover the debt having regard to legislation and regulation at all times
- Provide clear and concise information on the consequences of non-payment of debt.
- Negotiate realistic payment plans.
- Confirm negotiated agreements to pay and payment plans in writing.
- Ensure debt recovery proceedings are not escalated while an existing repayment plan is being adhered to.
- Have clear write off procedures and maintain records so that debt that becomes recoverable in future will be "recalled".
- For accounting purposes a provision will be made for outstanding debt at the year-end based on the age of the debt. Debt invoiced within 2 months of the year end will be assumed to be fully recoverable, debt invoiced 2-4 months before the year end will be 50% provided for. Debt invoiced over 4 months before the year-end will be provided for in full. (Rent debt provision for NSDC is determined by defined and separate CIPFA standards.)

10 Other Debts

- 10.1 Where the Company is providing services to third parties, it will ensure that there is a contract, order or other agreement in place to govern the nature of the work done, the price and the payment terms. Guidance is written for the effective management and recovery of the debt and when it should be written off.
- 10.2 Every effort is made to ensure that employees are not overpaid on termination of their employment with the Company. In the event that an overpayment occurs in the final salary payment, the Company reserves the right to recover the overpayment by whatever means are necessary.

11 Use of Debt Collection Agencies

The Company may use Debt Agencies to assist in the collection of debt. In so doing it will:-

- Involve tenants in the selection of the Agencies used.

- Ensure agencies selected are members of the appropriate professional body and operate within the code of conduct of that body.
- Ensure Agencies comply with the Company's Equality and Diversity Policy.
- Monitor complaints received about Debt Collection Agencies.
- Monitor the performance of Debt Collection Agencies.

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