



CHESHIRE  
PEAKS & PLAINS  
HOUSING TRUST

---

# The Trust

---

## Debt Write off Policy

---

Neighbourhood Management  
Team

---

Draft: Final

---

Effective Date: May2009

---

Affected Teams: All

---

## Contents

- 1 Introduction
- 2 Policy Statement
- 3 Implementation
- 4 Reinstating a Debt
- 5 Responsibility
- 6 Consultation
- 7 Monitoring and Review
- 8 Equality, Diversity and Access Implications
- 9 Debt Write Off Operational Risks  
**Write off Procedure and Process Map**  
**Performance Management**  
**Continuous Improvement**
- 10 Associated Documents
- 11 Policy Information



## 1 INTRODUCTION

- 1.1 Cheshire Peaks & Plains Housing Trust (the Trust) aims to collect the maximum amount of rental income, rechargeable repairs, other charges and debts promptly from tenants, former tenants and organisations, in order to protect the provision of services.
- 1.2 This policy relates to all debts due to the Trust where the recovery process of such debt has been exhausted. This policy document relates to other Trust policies, in particular the Rent Collection and Arrears Management Policy, Rechargeable Repairs Policy and the Repairs and Maintenance Policy.
- 1.3 A bad Debt is an outstanding sum of money owed to the Trust that has not been paid, despite repeated efforts to collect the debt.
- 1.4 Current rent arrears are not viewed as bad debts, as continued efforts are ongoing to collect any outstanding rent arrears monies.
- 1.5 There are two separate categories of Bad Debts, those relating to rent arrears and those relating to non rent arrears.

## 2 POLICY STATEMENT

- 2.1 Writing off a bad debt will only be considered when the recovery process has been exhausted.
- 2.2 The Trust will comply with the regulatory requirements of the Tenant Services Authority.
- 2.3 Debts will be passed for write off at the end of each financial quarter.

## 3 IMPLEMENTATION

- 3.1 When it is established that a debt is irrecoverable or uneconomical to pursue, the debt will be recommended for write off.
- 3.2 Debtors will be categorised as follows: -

### **Deceased Tenants**

Cases will be considered for write off where: -

- There is no response to letters to the next of kin/Solicitor/Administrator
- The next of kin/Solicitor/Administrator responds in writing that there were insufficient funds left in the deceased estate to clear the debt.
- Where no next of kin/Solicitor/Administrator is known.
- Where the tenant has died and there is no estate.



- **No trace**
  - Where there has been no trace of the debtor using both internal procedures and external agencies.
- **Value**
  - Where the value of the debt equates to less than £5.00.
  - Where the debt is considered uneconomical to pursue.
- **Exhausted**
  - Where all recovery procedures have been exhausted.
  - The debt is 6 years old or over

3.3 All debts being considered for write off will be written off in accordance with the Scheme of Delegation as detailed below on a quarterly basis.

Scheme of Delegation	Debt Amount	Debt type
Head of Housing	£5.00 - £1,000	Rent debts
Head of Finance	£5.00 - £1,000	Non rental debts
Director of Resources	£1,000 - £5,000	Rent debts & non rental debts
Board	£5,000 +	Rent debts & non rental debts

## 4 REINSTATING A DEBT

4.1 Debts previously written off will be reinstated where an address or contact has been established with the debtor.

## 5 RESPONSIBILITY

5.1 The responsibility of the implementation of this policy will lie with the Director of Resources.

5.2 Responsibility for the implementation of the procedures and effective daily operation of this policy lie with the Head of Service for the area of debt.

## 6 CONSULTATION

6.1 The Trust will consult via the Trust's established Resident Involvement Framework.

## 7 MONITORING AND REVIEW

7.1 The Trust will review its Debt Write off Policy every 2 years in consultation with its customers.



7.2 Regular reports will be submitted to the Board that will gauge performance against those standards expected by the Tenant Services Authority (TSA), Audit Commission and against the Trust's own targets and performance measures.

## 8 EQUALITY, DIVERSITY AND ACCESS IMPLICATIONS

8.1 See attached Equality Impact Assessment.

## 9 DEBT WRITE OFF OPERATIONAL RISKS

9.1 The Trust understands the risks surrounding ineffective management of debt write off's. The approach to managing debt write off's outlined in this document aims to manage and minimise these risks. The risks detailed below will be managed on an operational basis by the Income, Repairs and Finance Teams depending on the source of the debt. The identified risks are:

- Negative effect on the reputation the Trust with our funders
- Failure to comply with legal and regulatory requirements and performance standards
- Failure to act fairly and in accordance with the Trust's Equality & Diversity Implementation Plan
- Poor performance in writing off irrecoverable debts, leading to an increase in number.
- The potential for mismanagement and fraud of the Trust's assets
- Not fully utilising the Trust's resources in relation to rent collection
- Poor performance management
- Impact on staff morale through poor performance

### Debt Write off Procedure

Once all avenues of recovery have been exhausted each case will be entered onto a spreadsheet, which is saved in a central location, S drive/Peak Performance/Income/4.1/Write off's. The debtor's name(s), debt address, debt amount, start and end date of the tenancy and the rent account number and reason for the write off will be input onto the spreadsheet.

Two reports for write off's will be prepared using the information from the write off spreadsheet, 1 detailing all debts under £1,000, which will be written off by the Head of Service and 1 report for all debts over £1,000, which will be written off by the Director of Resources.

It is the responsibility of the relevant Service Manager to collate the write off report and pass to the relevant representative within the Trust as detailed above at quarter end.

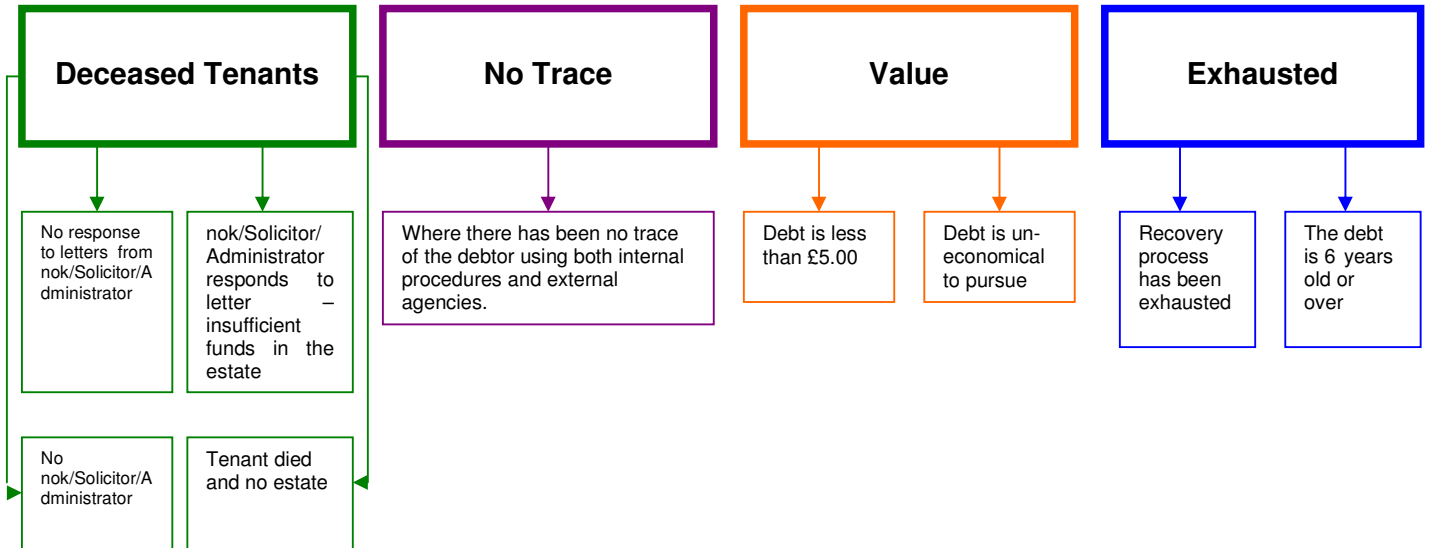
Description of debt	Service Area
Former Tenancy Arrears	Income



Other Commercial Income	Finance
Rechargeable Repairs	Repairs

Once the write off has been agreed, the account will be updated within 14 days of the write off by the Rent Accounting Officer.

### Debt Write off Process Map



The Debt will fall into one of the above categories. If the debt meets the criteria, it will be passed to the delegated representative on a quarterly basis for Write off.

Debtors accounts will be updated within 14 days of the write off's being agreed.



CHESHIRE  
PEAKS & PLAINS  
HOUSING TRUST

© CPPHTDebt Write Off Policy March 2009

## Performance Management

The Trust understands that strong performance management is essential in delivering an effective service. The following Performance Indicators (PI's) will be collected and reviewed as detailed in the following table. This approach will ensure both effective management and continuous improvement of the service as well as inform the strategic direction of the Trust.

The Trust will compare and benchmark its performance with both its local peer group and top quartile organisations.

The Trust will set annual performance targets in conjunction with its tenants.

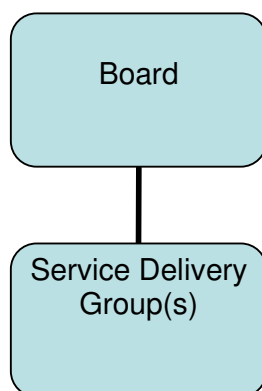
Team	Key Performance Indicator	Source	Frequency	Report to:
	<b>MANAGEMENT</b>			
Income/Repairs /Finance	Amount of Debt written off (£'s)	Team Manager	Quarterly	HOS, EMT, Team
Income/Repairs /Finance	Amount of debt re-instated (£'s)	Team Manager	Quarterly	HOS, EMT, Team
	<b>RISK MANAGEMENT</b>			
Income/Repairs /Finance	Identification, monitoring and management of service area risks	Performance Reports	Quarterly	PTS



## Continuous Improvement

The development of the Income Management, Repairs Management service is part of Trusts' approach to continuous improvement. Major reviews of the service will be incorporated into the Trusts programme for reviewing services.

The outcomes from the Service Delivery Group are incorporated into the Performance Management Framework and will be reviewed quarterly by both operational and management teams.



## 10 ASSOCIATED DOCUMENTS

Customer Care Policy  
Tenancy Management Policy and Staff Procedure Guide Handbook  
Rent Collection and Arrears Management Policy  
Former Tenant Arrears Policy  
Rechargeable Repairs Policy  
Tenants Handbook  
The Trusts Service Standards  
Corporate Debt Policy

## 11 POLICY INFORMATION

Policy Name:	Debt Write off Policy
Status:	Debt Write off Policy
Approved by:	Board
Area Owned By:	Head of Housing
Date approved:	April 2009
Next Review Date:	April 2011

