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Sponsor	Kate Farley
Author	Lee Steele



## ORBIT

### MOVING CUSTOMERS WITH ARREARS POLICY

<b>Executive Summary</b>	This document outlines Orbit's Moving Customers with Arrears policy and replaces the Moving Customers with Rent Arrears policy.
<b>Approved by</b>	Orbit Customer Services SMT – November 2016
<b>EA completed</b>	EA completed on 27 October 2016 and was considered medium risk. An action plan was completed which included building in exemptions for people that needed urgent moves due to threat of violence or medical grounds. This has been completed.
<b>Explain how customers have been involved.</b>	Customers from the Income Service Improvement Groups have been consulted on this policy.
<b>Consultation</b>	Orbit Independent Living, Income Services
<b>Applies to</b>	Head of Orbit Independent Living, Housing Manager, Area Manager, Housing Team Manager, Housing Officer (Independent Living), Extra Care Manager, Sheltered housing assistance/scheme assistant, Head of Income Services, Head of Housing, Area Community Manager, Housing Team Manager, Housing Officer, Housing Assistant, Accounts Officer, Recovery Officer, Income Services Manager, Income Services Team Manager, Miscellaneous Income Manager.

**SCOPE:** This policy sets out the circumstances in which we may approve a move to another Orbit property when a customer has rent arrears on their existing and/or a former tenancy.

## **1. INTRODUCTION**

- 1.1 Rental income is Orbit's primary source of income. Where customers owe us money we will not generally consider offering them a tenancy at another property until their financial and other obligations under their existing agreement have been met.
- 1.2 As a non-priority debt, former tenancy arrears can be difficult to recover, and as such we will seek to minimise any potential former tenancy arrears when considering a customer request to move to another property.
- 1.3 There may be circumstances where the current property becomes unaffordable, and a move would be beneficial to ensure that customers reduce their outgoings and sustain a tenancy.
- 1.4 There may be other circumstances where we will agree to offer a customer a move which would be mutually beneficial to Orbit and the customer.
- 1.5 Separate guidance is available in the **Fixed Term Tenancy Procedure** regarding when to issue a new tenancy following the expiry of a fixed term tenancy where arrears exist.
- 1.6 The **Allocations and Lettings Procedure** sets out circumstances under which we will let a property to a former customer who owes us or another landlord money.

## **2. DEFINITION**

- 2.1 For the purposes of this policy rental income refers to rent, service charges, court costs, support charges or other amounts owing to Orbit in connection with their tenancy or other occupancy agreement, or any former tenancy held with Orbit.

## **3. POLICY STATEMENT**

- 3.1 Where a customer approaches us to seek a transfer to another of Orbit's properties, we will request that any consideration will be subject to clearing any outstanding debts owed to Orbit. This will also apply where existing customers are nominated to us through local authority nomination or choice based lettings schemes.
- 3.2 There may be circumstances under which we will waiver this requirement, but these will be exceptional. In all cases where an exception applies we will obtain a written acknowledgement of the debt and a repayment agreement before any transfer may proceed. We will seek an income and expenditure statement from the customer which should demonstrate an ability to meet their new rental obligations and a suitable repayment amount towards their existing arrears.

- 3.3 A move under these circumstances will only take place with the approval of a middle manager. A move in circumstances not described in this policy will only take place with the approval of a Head of Service or Senior Management Team Member, and decisions will be clearly documented for future reference to ensure there is consistency in decision making.
- 3.4 **Under Occupation** – The Welfare Reform Act 2012 introduced restrictions on the amount of Housing Benefit or Universal Credit that a customer can receive. Where they are deemed to be under occupying their home by one or more bedrooms, their benefit entitlement will be reduced. This could potentially leave the customer unable to afford their existing property.
- 3.4.1 Where under occupation occurs, we may consider a move to a smaller property, which would be more affordable. We will not consider a move which would not make a customer better off in terms of being able to meet their new rental liability, and will not generally agree to a move where the customer would still be under occupying their home.
- 3.4.2 In exceptional circumstances we will consider a move where under occupation may still occur (for example moving from under occupying two bedrooms to one bedroom) if the move will significantly improve the customers circumstances and an income and outgoing statement clearly demonstrates this. An example of this may be where a customer will be downsizing and moving closer to work.
- 3.4.3 We will not consider a move due to under occupation where advanced recovery stages (such as a warrant application) have been reached due to the non-engagement of the customer. Other obligations of the tenancy will also be considered, such as the condition of the property and any potential tenancy clause breaches.
- 3.4.4 The **Moving customers with arrears due to welfare reform guidance** will be followed in all cases of this nature, demonstrating that the customer has engaged with us and tried all other available options to meet their rent payment obligations.
- 3.5 **Urgent moves due to the threat of violence** – Where a move would be advisable due to the recommendation of a third party statutory body such as (but not limited to) the police or social services, due to the threat of violence or abuse, we will consider an urgent move to another property. In rare cases, statutory agencies may not be involved, but we may genuinely believe that there is a real threat.
- 3.5.1 Where a move is considered under these circumstances, we will not consider a move within the immediate locality due to potential threat of harm. Further guidance is available in the **Management Move Procedure**.
- 3.6 **Desirable property** – where a customer is willing to move, and it is in Orbit's interest to recover the property (for example, to dispose of it or carry out major refurbishment or improvement works) then we will consider approving a move for the customer, subject to a suitable repayment agreement being in place.

3.7 **Good payment history** – If a customer is in genuine need of a move (i.e. has a particular housing need, rather than just a desire to move), and has maintained payments strictly in accordance with a repayment agreement for a period not less than six months (twelve months if subject to a court order), we may consider a move if the debt is below £1000.00. If payments have been erratic, or not maintained, then a move will not be considered as this could indicate that the chances of recovering the former tenancy debt would be low. Where balances have increased over the prior six months, perhaps due to erratic benefit payments, then we will not consider a move unless the customer can demonstrate that these were genuinely beyond their control, which is supported by the local authority or other benefit administering authority.

3.8 **Mutual Exchange** – arrears in themselves are not sufficient reason to withhold consent for a mutual exchange. However, where a Notice of Seeking Possession has been served, or a court order is in place, we will not approve a mutual exchange until current tenancy arrears have been cleared. Former tenancy arrears relating to a previous tenancy are not grounds to withhold consent for a mutual exchange.

3.9 **Other circumstances** – there may be other circumstances, such as urgent medical needs, where we will consider allowing a customer to move to another Orbit property when arrears exist and the good payment history criteria cannot be met, but these are expected to be rare. These cases will always be considered on their individual merits and will be at the absolute discretion of Orbit. Such cases will be approved by a Head of Service or Senior Management Team member. Decisions will be based on:

- the customer's ability to sustain a new tenancy
- the payment history
- the reasons why the arrears arose and the customers engagement with Orbit to resolve the situation
- the specific circumstances in which the customer requires an urgent move to another property

#### 4. **EQUALITY AND DIVERSITY**

Orbit policies are developed in line with our **Equality and Diversity policy** approach. An Equality Analysis has been conducted and the details can be accessed via myPolicy. If you do not have access to myPolicy please contact the Policy and Standards team who will be able to provide you with a copy.

#### 5. **COMPLAINTS**

Anyone is able to make a complaint about the service they have received and this is managed under our **Complaints Policy**.

#### 6. **PRIVACY STATEMENT**

Orbit are collecting information ('personal data') so that we can manage and support our relationship with our customers, comply with legal obligations, improve our services and achieve our legitimate business aims. We are committed to complying with data protection legislation when handling customers' data. Customers have rights around their data, including the right to access their data, and to object to the

way it is processed. For more information on how and why we process customers' data, and how customers can exercise their rights, please see our full Privacy Policy on our website at [www.orbit.org.uk/privacy-policy/](http://www.orbit.org.uk/privacy-policy/).

## **7. MONITORING AND ACCOUNTABILITY**

Members of the Orbit will monitor the effectiveness of this policy and recommend policy changes to improve service delivery.

## **8. REVIEW**

We will carry out a fundamental review of this policy every three years or sooner subject to legal, regulatory changes or if internal changes require