



DEBT MANAGEMENT POLICY

HEAT SUPPLY TO TENANTS' HOMES

1 Introduction

The Council supplies heat and hot water to housing stock it owns and manages via District Energy Networks. One of the benefits of this is that for tenants who obtain their heat and hot water via this system the cost of heating their home is generally lower than if heating were being provided by an individual gas boiler or electric heating. This is because the Council buys its gas supplies in bulk and can therefore produce heat at lower cost and charge tenants a lower tariff for heat.

This policy has been designed to ensure that tenants who are provided with their heat and hot water directly by the Council are provided with support in paying their heating charges where they qualify, and to reduce fuel poverty for our tenants.

This policy complies with all relevant legislation and industry good practice.

References to tenants in this policy may refer to an individual tenant or a household.

References to 'the Council' include a third party acting on the Council's behalf.

2 Billing

All tenants who receive their heating from a Council-owned District Energy Network and who pay based on usage will receive a bill and statement on a monthly basis for payment.

Those bills and/or statements will be issued in an electronic format as standard, or on paper where tenants opt in to receive bills in a paper format or where the Council has no electronic "address" for the tenant.

Any bill and/or statement issued by the Council or third party customer service and billing provider will be based on actual consumption, where this is not available estimated bills will be issued.

All billing will be carried out in strict accordance with the Heat Networks (Metering and Billing) Regulations 2014.

Unmetered tenants will be charged for heat alongside their rent on a weekly basis.

3 Payment methods

Tenants will be offered a wide range of methods to pay their bills including, but not limited to:-

- Direct Debit

- On-line payments
- Phone
- In Store (i.e. via World Pay or similar).

4 Online accounts

Tenants of metered flats will have a dedicated website to allow tenants to access an online portal in order to manage their accounts where tenants are able to:-

- View their daily, monthly, and yearly energy consumption in kWh.
- Amend their contact information.
- View and amend their payment information i.e. Direct Debit set up.
- Raise enquiries via email and webchat.
- Access FAQs list.
- Access a digital copy of the customer welcome pack which explains how the system works.
- View and download copies of their bills

5 Arrears and Debt

5.1 Communicating with tenants with regard to their arrears

If a tenant falls behind with their payments the Council or third-party customer service and billing provider will follow a standard procedure to chase up payment which will include the following: -

- Writing, in the first instance, to tenants if they get into arrears. We will send a minimum of 3 reminder letters. All letters will be clear and concise and set out what is required from the tenant. Tenants will be able to request communications to be in their preferred language. All correspondence will offer signposting to other organisations for free and independent advice on debt and financial inclusion, as well as offering advice from the Council.
- Where tenants do not respond to payment requests via letters, we will attempt to contact them by telephone, by calling them and by sending text messages where we have a contact number.

5.2 Financial advice

- We will provide advice and assistance through the Council's Financial Inclusion Team to:-
 - assist tenants, where appropriate, to carry out a welfare benefit check to identify other forms of benefit they may be entitled to.
 - Support tenants with budgeting advice Money Management workshops
 - Make a referral to external energy partnership program who would provide energy saving advice to the tenant
 - Provide support to tenants in difficulty with energy vouchers where possible
 - Assist with accessing grants and funds to help tenants reduce or clear energy debt.
- We will conduct face to face discussions with tenants to discuss the account. These meetings will ensure tenants understand the consequences of non-payment. They will also allow Council officers to undertake an assessment of a tenant's Income and Expenditure.
- Where we identify a tenant is vulnerableⁱ, we will make appropriate referrals to relevant agencies with the tenant's agreement.

- We will ensure our website has up to date information for tenants seeking financial support and advice and clear information about how to access this.

5.3 Managing arrears

Following the steps above, once the Council has been able to communicate with tenants with regard to their debt and ensured that tenants have had access to financial advice, if tenants are still in arrears, the Council will work with them to develop an arrangement to help them to pay off arrears in reasonable and manageable instalments.

5.4 Tenants who are not engaging with the Council

No statutory Code of Practice exists applying to recovery of the cost of the supply of heat to tenants; the CMA has however recommended that protection be given analogous to that applying to supply of gas or electricity, and this policy aims to do this.

If a tenant has not engaged with the Council and has not paid their bill following a minimum of three letters over a period of at least 28 days and attempts to contact the tenant, the Council will consider taking action to recover outstanding payments.

In the first instance, the Council will conduct a check on the tenant and household which may include:-

- Checking the property has not been abandoned.
- Undertaking checks to assess whether the tenant is currently not occupying the property (e.g. temporarily away on extended holiday, or hospitalised etc).
- Ensuring there is no immediate health and safety risk to persons in the dwelling.
- Reviewing any known vulnerabilities of the tenant or their immediate household members in accordance with the definition listed in endnote (i) below.
- Working with other service areas to identify if there are other debts owed to the Council by the household, which may indicate a wider range of financial challenges for which they require support.

Once these steps have been completed, the next steps we will take steps to recover the debt are:-

- Re-offering the option of payment of the debt through a payment plan, alongside information on the full range of support offered by the Council and access to the Financial Inclusion Team
- Switching the tenant to a prepayment meter as a last resort

5.5 Prepayment meters

Following the extensive steps listed above, tenants who still have outstanding debt due to not agreeing to a payment plan may move to prepayment meters.

Tenants with prepayment meters will need to buy their energy before using it. In some cases, this can help with budgeting, as tenants will be aware of exactly how much they are spending on energy.

If tenants have not topped up their meter as would have been expected, housing officers will be notified and a welfare check undertaken if necessary.

The council will make every effort to communicate with tenants with prepayment meters to ensure they are aware that the meter can automatically disconnect heat supply if the account is in debt. The Council will ensure that prepayment meters are programmed to include a number of 'friendly credit' options so that tenants will not be shut-off. Examples of these include:

- £[15] emergency credit so that the account will provide heat if in debt to <£[15]
- No shut-off at antisocial times e.g. between 11pm and 8am, weekends or Bank Holidays.

The Council reserves the right to alter the precise parameters of 'friendly credit'.

6 Disconnection/legal action

Where, despite support and assistance being offered and provided and all steps in this debt management process being followed, no payment is made and the tenant has refused installation of a prepayment meter, the Council reserves the right to take legal action to recover debts.

In these circumstances, the Council may seek full or partial disconnection of the heating supply.

Before considering full disconnection, the Council may restrict access to the heating supply to certain specified times of the day until payment is made or a prepayment meter is installed.

Section [Error! Reference source not found.] of this policy sets out when we will not consider restricting access to heating or disconnection.

Before the Council proceeds with any action to restrict access to heating or full disconnection it will:-

- ensure any legal approvals required for the disconnection are in place
- send a written notice to the tenant(s) at least 7 days before the disconnection
- ensure a senior Officer (Head of Service or above) has made reasonable attempts to speak to the tenant to explain why the Council is considering disconnecting the supply, what the tenant can do to avoid this measure being taken and to ensure that the tenant understands the consequences.

In practice, the Council will take reasonable steps to address problems of arrears prior to considering disconnecting tenants. The first priority will be to work with tenants to assist with financial planning and management and sustain heating and reduce fuel poverty.

Any decision to disconnect must be agreed by a senior officer (Assistant Director or above) and reported to the Cabinet member.

The Council will not disconnect the heating supply at any time of year if any permanent member of the household is known to be vulnerable according to the definition of the National Institute for Health and Care Excellenceⁱⁱ.

7 Additional support for Priority Service tenants

The Council will maintain a list of tenants who will benefit from additional 'Priority Service' support in dealing with their energy needs and managing their account.

Tenants will be eligible to be on the Priority Service list if they:

- have reached state pension age
- are disabled or have a long-term medical condition
- are recovering from an injury
- have a hearing or sight condition
- have a mental health condition
- are pregnant or have young children
- have extra communication needs (such as not speaking or reading English well)
- need to use medical equipment that requires a power supply
- have poor or no sense of smell (where there is a gas supply to the property)
- would struggle to answer the door or get help in an emergency.

Tenants might still be able to register for other reasons if their situation isn't listed. For example, if they need short-term support after a stay in hospital.

Tenants identified as being eligible for Priority Services will be provided with help in the following ways:-

- Help reading meters
- large-print letters and bills, where requested
- password protection so tenants know that the person calling is from the Council or the third-party customer service and billing provider priority reconnection if their supply is disrupted.

8 Further advice and information for tenants

Tenants will be signposted to some or all of the following services, provided by both the Council and external partners.

8.1 Energy Efficiency Advice

Shine London: The Seasonal Health Intervention Network (SHINE) is a fuel poverty referral network and free energy advice service for Londoners. SHINE London offers a dedicated helpline and affordable warmth interventions to ensure households get the help they need to reduce utility bills, tackle energy debt and ultimately stay well and warm.

Energy Saving Trust: provides tips and advice for quick and easy ways to save energy, lower bills and reduce carbon footprints.

Energy Advice London: a service provided by the Mayor of London

8.2 Financial Help and Advice

Haringey Council Financial Inclusion Team. The Financial Inclusion Team can provide access to affordable financial advice and digital services, and help to build skills and confidence.

[StepChange Debt Charity - Free Expert Debt Advice](#). Free confidential and expert debt advice online and over the phone and offers support whilst dealing with debt problems. Free telephone 0800 138 1111 (Mon-Fri 8am - 8pm, Sat 8am - 4pm)

[Fighting UK Poverty - Turn2us](#). A national charity that helps people in financial hardship to gain access to welfare benefits, charitable grants, and support services – online and by phone (free) 0808 802 2000 (Mon-Fri 8am - 6.30pm, Sat 9am - 1pm)

[Citizens Advice Haringey - Advice providers - Good Advice Haringey](#). Provides free confidential information and advice to assist with money, legal, consumer and other problems. Advice line 0300 330 1187 (Mon-Fri 9am - 5pm)

[Money Advice Service](#). Free and impartial money advice, set up by the Government. It provides an online health check by the Money Advice Service who provide free and independent advice and information on how to manage money better. Free telephone 0800 138 7777 (Mon-Fri 8am - 6pm, Sat 8am - 3pm webchat only)

[The government's www.gov.uk website](#) also offers financial advice, including [a benefits calculator](#), which can help tenants find out if they might be entitled to extra help.

Tenants can call the National Debtline free on 0808 808 4000 for debt problems (Mon-Fri 9am - 8pm, Sat 9.30am - 1pm).

ⁱ The definition of 'vulnerable' is taken from Homes for Haringey's Vulnerable Residents' Policy adopted March 2021, and is listed below:

A vulnerable resident is an adult aged 18 or over who:

- *has needs for care and support (whether or not the authority is meeting any of those needs) in order to sustain their tenancy,*
- *is experiencing, or is at risk of, abuse or neglect, and*
- *as a result of those needs is unable to protect himself or herself against the abuse or neglect or the risk of it.*

The definition also includes people who are vulnerable themselves as a consequence of their role as a carer for such a person.

Examples of vulnerable adults can include but are not limited to:

- *People with learning disabilities*
- *People with mental health issues*
- *Older people*
- *People with physical disabilities and physical health vulnerabilities*
- *People with medical vulnerabilities*
- *People with visual or sensory impairment*
- *People who rely on others for care and/or support*
- *People with hoarding issues*
- *People with dementia*
- *Vulnerable women, domestic abuse victims, and those with a Hearthstone referral*
- *People with other identified individual needs (blue flags)*
- *Young adults who have been in local authority care*

ⁱⁱ <https://www.nice.org.uk/guidance/qs117/chapter/quality-statement-2-identifying-people-vulnerable-to-health-problems-associated-with-a-cold-home>