



NORTHAMPTON
PARTNERSHIP HOMES

Rent Arrears Recovery Policy

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1. Purpose and Context

1.1 A key function of Northampton Partnership Homes is the collection of rent and recovery of rent arrears. This policy sets out Northampton Partnership Homes overall approach to the management of rent debt. The policy provides the framework for a fair and comprehensive rent collection service, which seeks to maximise rental income and supports tenants in meeting their responsibility to make rental payments in accordance with their tenancy agreement.

1.2 This policy applies to all introductory, secure, flexible, and non-secure tenancies and both general needs and sheltered housing. It applies to the payment and recovery of:

- Dwelling Rent
- Garage Rent
- Service Charges
- Heating Charges
- Use and Occupation Charges
- Court Costs

It does not apply to:

- Leasehold Service Charges
- Former Tenant Arrears

Responsibility for recovery of the above falls within the scope of Northampton Borough Council's agreement with LGSS.

- Recharges - for which there is a separate policy

2. Policy Statement

2.1 A tenant's failure to pay the rent and other charges as required by the tenancy agreement ultimately has a detrimental impact on all tenants. Dealing with arrears takes resources away from other housing management tasks and so affects the level of services that tenants receive. Reduced levels of income resulting from arrears will also negatively impact on the ability to deliver services. In this context Northampton Partnership Homes will provide a fair and objective arrears recovery service that balances the needs of the individual tenant with the interests of tenants as a whole, as well as those of Northampton Borough Council and Northampton Partnership Homes.

2.2 Northampton Borough Council expects tenants to pay their rent on time and as required under the terms of their tenancy agreement. Northampton Partnership Homes will have mechanisms in place to make contact with tenants as soon as rent is missed in order to ascertain the reasons for the arrears and to seek payment.

- 2.3 We will offer support and advice to help tenants manage their rent account and we will work with tenants to maximise their income, particularly in relation to the uptake of welfare benefits.
- 2.4 We recognise that for those tenants experiencing financial difficulty, it can be a stressful and anxious experience. We will therefore always seek to make payment arrangements that are realistic and affordable.
- 2.5 Northampton Partnership Homes aim to maximise rental income whilst sustaining tenancies and will therefore always try to work with tenants in debt in order to secure rental payments before making use of possession proceedings.

3. Policy

3.1 NPH General Responsibilities

- Maintain a comprehensive recovery procedure which will set out the recovery stages to be followed in circumstances where tenants fall into arrears.
- In recovering rent, service charge and other related debt Northampton Partnership Homes will have regard to the requirements and principles of Northampton Borough Council's Corporate Debt Policy
- Ensure that all new and existing tenants are aware of their responsibility to pay the rent and any other charges
- Make it easy for tenants to pay their rent by providing a range of different payment methods
- Ensure that all communications are clear, customer friendly and encourage contact
- Provide information to ensure tenants are aware of the consequences of non-payment and prioritise rent payments
- Provide a quarterly statement detailing account debits and payments or provide access for tenants to manage their rent account online
- Investigate all arrears cases and take early action to recover rent debt
- Offer support and advice to help tenants maximise their income and manage their rent account effectively
- Refer to specialist services for those requiring more intensive debt advice or housing support
- All interviews to be conducted in a sensitive and non-threatening manner with due consideration to privacy and confidentiality
- Ensure that all repayment arrangements are reached having considered the tenants individual financial circumstances
- Seek personal contact with tenants before commencing possession proceedings
- Take legal action where tenants have persistently failed to pay their rent or have not kept to repayment arrangements

- Ensure that in all cases Northampton Partnership Homes follow the Pre-Action Protocol for Possession Claims by Social Landlords
- Advise NBC Housing Options Team where eviction is being requested

3.2 Rent Payments

3.2.1 Rent payments are due weekly in advance on the Monday of each week. Any sums not paid as required by the tenancy agreement will be treated as arrears.

3.2.2 New tenants are required to pay one weeks rent in advance at their tenancy sign up. Applicants who do not provide payment may be refused sign up. In circumstances where the applicant is homeless and in temporary accommodation discretion may be applied. The following exceptions will apply:

- Where a Housing Benefit application is completed at sign up and indicates entitlement to full Housing Benefit.
- Transfers where the current rent account is already at least one week in advance at the point of sign up for the new tenancy.
- Mutual Exchange where the current rent account is already at least one week in advance at the Mutual Exchange date.

3.2.3 All payments to accounts will cascade to the component sub accounts in the following priority.

- Rent
- Service Charges
- Court Costs
- Warrant Costs
- Recharges

3.3 Joint Tenants

3.3.1 All joint tenants will be treated as individually and collectively responsible for the payment of rent and any arrears that accrue.

3.4 Payments and Refunds

3.4.1 All payments, such as incentives, or credit balance refunds due to a tenant will be offset against outstanding rent arrears before payment is made to the tenant.

3.5 Garage Lettings

3.5.1 Northampton Partnership Homes will not let garages to those who have rent arrears on their main tenancy. In situations where tenants who rent a garage subsequently

accrue rent arrears on their main tenancy, the garage tenancy will be subject to repossession.

- 3.5.2 In accordance with the Council Garages Policy, garage rents must be paid by direct debit and four weeks in advance.

3.6 Transfers

- 3.6.1 Under the Housing Allocations Policy, tenants who qualify to join the housing register but have rent debt will be placed in a reduced priority band.
- 3.6.2 Where there is an overriding housing management requirement or where a tenant is subject to benefit restriction through welfare reform measures and downsizing, a transfer with arrears may be approved.

3.7 Mutual Exchange

- 3.7.1 Tenants applying to exchange will be required to clear any rent arrears before the exchange can proceed.
- 3.7.2 Where there is an overriding housing management requirement or where a tenant is subject to benefit restriction through welfare reform measures and downsizing, a transfer with arrears may be approved.

3.8 Abandoned Properties

- 3.8.1 Once identified, abandoned properties will be prioritised for recovery in order to minimise the accrual of rent debt. Officers will follow the Abandoned Property Procedure.

3.9 Write Off

- 3.9.1 Any write off of arrears, current and former is to be undertaken in accordance with the Write Off Policy.

3.10 Terminations

- 3.10.1 All tenants who terminate their tenancy will be contacted within the termination period. They will be advised the date by which keys must be returned and the amount of any outstanding debts required to be cleared before the tenancy ends.

3.11 Former Tenants Arrears

- 3.11.1 We will aim to minimise the creation of former tenant rent arrears through preventative action and the implementation of effective current tenant arrears recovery procedures.

3.11.2 Northampton Partnership Homes will undertake regular liaison with colleagues in the LGSS Recovery Team in order to assist the recovery of former tenant debt.

3.12 Vulnerable Tenants

3.12.1 Some tenants may be less able than others to manage both their tenancies and financial affairs. Where this is the case, Northampton Partnership Homes will endeavour to provide appropriate support and assistance to help tenants meet their responsibilities.

3.13 Performance Monitoring

3.13.1 Performance will be measured through agreed key performance indicators and a range of local indicators. Performance will be monitored through Northampton Partnership Homes performance management framework. Performance is reported to NPH's Executive Management Team and via the Operations and Resources Committee to the NPH Board. Indicators and targets will be reviewed annually and agreed by the Board.

3.14 Complaints, Reviews and Appeals

3.14.1 All service complaints relating to arrears recovery actions will be dealt with through NPH's Complaints Procedure.

3.14.2 Following service of Notice of Proceedings for Possession, Introductory tenants are able to request a review of the decision to end their tenancy. The review will be carried out in accordance with section 129 of the 1996 Housing Act and associated regulations.

3.14.3 Any tenants subject to a possession action through the County Court are able to use the appeals procedures available to them through the County Court system.

3.14.4 Northampton Partnership Homes will ensure that in all applicable circumstances, tenants are always made aware of their rights to request review and appeal.

4. Policy Arrangements

4.1 Tenant Involvement

4.1.1 Northampton Partnership Homes will involve tenants in developing its approach to the management of rent collection and arrears recovery through the menu of options within the Resident Involvement Strategy.

4.2 Training

- 4.2.1 To ensure effective arrears management, all staff in roles linked to this policy should have relevant awareness of the policy, arrears procedures and associated IT systems.
- 4.2.2 Additional training provision for those involved in specialist income collection roles should include:
- Welfare and Housing Benefits
 - Universal Credit
 - Money Management
 - Interview Skills
 - Court Presentation
 - Legal Updates
- 4.2.3 Briefings and updates will be provided through team meetings. Individual training requirements will be identified through one to one supervision meetings.

5. Associated Documents

- NBC Corporate Debt Policy
- Rent Arrears Recovery Strategy
- Rent Arrears Recovery Procedure
- Housing Allocations Policy
- Council Garages Policy
- Abandoned Property Procedure
- NBC Write Off Policy

6. Legal Framework

- 6.1 The policy and associated procedures will be fully compliant with all legislation and regulation, including:
- Housing Act 1985
 - Housing Act 1996
 - Localism Act 2011
 - Welfare Reform and Work Act 2016
 - Homelessness Reduction Act 2017
 - Housing Benefit Regulations
 - Universal Credit Regulations Pre-Action Protocol for Possession Claims by Social Landlords

7. Review

- 7.1 The policy will be subject to review every two years or at any point where changes in legislation or working practice require a review to be completed.

DOCUMENT MANAGEMENT	
<p><i>Approved by: NPH Operations and Resources Committee</i></p> <p><i>Date of approval: 20th June 2019</i></p>	<p>Next Review Date: June 2021</p>
<p>To be read in conjunction with:</p> <ol style="list-style-type: none"> 1. Rent Recovery Strategy 2. Rent Recovery Procedure 	<p>Contact Officer: <i>Head of Income and Leasehold Services</i></p>