



NORTHAMPTONSHIRE
PARTNERSHIP HOMES

Rent Income and Arrears Recovery Policy

January 2024

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1. Purpose and Context

- 1.1 This policy sets out Northamptonshire Partnership Homes (NPH) approach to the collection of rent and recovery of rent arrears. It provides the framework for delivery of a fair and comprehensive rent collection service. Through this Policy NPH aim to; maximise rental income, support customers in meeting their responsibility to maintain rental payments and sustain tenancies.
- 1.2 This policy applies to all introductory, secure, and non-secure tenancies for 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 remains with West Northamptonshire Council (WNC).

- Recharges - for which there is a separate policy

- 1.3 Rent as referred to in this document includes rent and any other associated charges.

2. Policy Statement

- 2.1 A tenant's failure to pay rent and other charges as required under the tenancy agreement ultimately has a detrimental impact on all tenants. Managing arrears removes resources from other housing management functions impacting the services tenants receive. Reduced levels of income resulting from arrears also negatively impacts the ability to finance services. Within this context, Northampton Partnership Homes will provide a fair and objective arrears recovery service which balances the needs of the individual tenant in arrears, with the interests of the tenant body as a whole, together with the interests of WNC and NPH.
- 2.2 WNC expects tenants to pay their rent on time and as required under the terms of their tenancy agreement. NPH will work proactively with tenants to prevent and minimise arrears, providing information, support, and advice. Where payment is missed NPH will have processes in place to contact tenants and ascertain the reasons

for the arrears. Where necessary, appropriate enforcement action will be taken.

- 2.3 We will offer support and advice to help tenants manage their rent account and 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 NPH aim to maximise rental income whilst sustaining tenancies and will therefore seek to work with tenants in debt in order to secure rental payments before instigating any possession proceedings.
- 2.6 We will ensure that customers and their representatives are treated equally, fairly and with respect.

3. Policy

3.1 Northamptonshire Partnership Homes - 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 NPH will have regard to the requirements of any corporate debt management policy introduced by WNC.
- 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 wide 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 or ad hoc statement on request, 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.
- Seek direct payment of rent from DWP where tenants are in receipt of Universal Credit Housing Costs and owe more than 8 weeks rent arrears.
- All tenant communication 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 and are realistic and affordable.
- 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, in all cases, NPH follow the Pre-Action Protocol for Possession Claims by Social Landlords
- Inform WNC's 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 Upon commencement of a new tenancy, 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
- Debt Relief Orders

3.3 Joint Tenants

3.3.1 Where there are joint tenancies, both parties 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 NPH 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 Allocations Policy, transfer applicants who qualify to join the housing register but have current 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 Recovery of abandoned properties will be prioritised, to minimise the accrual of rent debt.

3.9 Write Off

- 3.9.1 Write off of current and former tenant arrears is undertaken in accordance with WNC Write Off Policy.
- 3.9.2 All values written off in excess of £1k will be reported six monthly to the Finance Committee.

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 Tenant 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 NPH will liaise with colleagues in the WNC Recovery Team as necessary to assist with the recovery of former tenant debt.

3.12 Vulnerability

- 3.12.1 There is no standard definition of what is meant by the term 'vulnerable'. For the purpose of this Policy in addition to considering the protected characteristics within the Equality Act 2010, NPH Officers will consider whether the customer has capacity and or a disability which directly or indirectly affects their ability to pay their rent or arrears. NPH will respect individual need in the delivery of the rent management service and in determining the approach to enforcement action.
- 3.12.2 Some tenants may be less able than others to manage both their tenancies and financial affairs. Where this is the case, NPH will endeavour to provide appropriate assistance and support.

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 NPH's performance management framework. Performance is reported monthly to NPH's Executive Management Team and via the Operations and Resources Committee to the NPH Board. Indicators and targets are reviewed annually.

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 Tenants with an Introductory Tenancy can, following service of Notice of Proceedings for Possession, 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 Tenants subject to a possession proceeding in the County Court can use the appeals procedures available to them through the County Court system.
- 3.14.4 NPH will ensure that in all applicable circumstances, tenants are always made aware of their rights to seek reviews and appeals.

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 NPH recognises that the success and implementation of this policy is largely dependent upon the knowledge and ability of the Teams delivering it. NPH is committed to providing regular training to all rent income staff in order to ensure that they are suitably skilled and have the up-to-date legislative knowledge required to effectively deliver the requirements of the policy.
- 4.2.3 Briefings and updates will be provided through regular team meetings. Individual training requirements will be identified through one to one supervision meetings.

4.3 GDPR and Data Protection Act 2018

- 4.3.1 In the operation of this Policy NPH will ensure all data is:
- processed lawfully, fairly and in a transparent manner
 - collected for a specific and legitimate purpose and not used for anything other than this stated purpose
 - relevant to whatever the requirements are for which the data is processed
 - accurate, and kept up to date
 - stored for as long as required, in accordance with NPHs retention policy
 - secured to protect the data against unauthorised or unlawful processing and accidental loss, destruction, or damage

5. Guidelines

- 5.1 The policy and associated procedures will be fully compliant with all legislation and regulation, including:
- Housing Act 1985
 - Housing Act 1996
 - Equality Act 2010
 - Localism Act 2011
 - Welfare Reform and Work Act 2016
 - Homelessness Reduction Act 2017
 - Data Protection Act 2018
 - Coronavirus Act 2020
 - The Debt Respite Scheme (Breathing Space) Regulations 2020

- Housing Benefit Regulations
- Universal Credit Regulations
- Pre-Action Protocol for Possession Claims by Social Landlords

6. Review Date

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

