



NORTHAMPTONSHIRE
PARTNERSHIP HOMES

Rent Income Management Strategy - 2025

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1. Introduction

1.1. Purpose

1.1.1 This strategy sets out Northamptonshire Partnership Homes (NPH) approach to managing rental income collection and arrears recovery.

1.1.2 The aim of the strategy is to maximise rental income whilst sustaining tenancies. Protecting rental income to the Housing Revenue Account (HRA) is essential to ensure it remains in a strong financial position. The health of the HRA directly impacts the funding of the housing service and therefore NPH's ability to deliver its high-quality services.

1.2. Key Links

1.2.1. Northamptonshire Partnership Homes – Vision, Mission and Values

The Vision, Mission and Values for NPH have been developed in conjunction with and in consultation with all stakeholder groups including tenants, employees, Board members, operating partners, contractors and West Northamptonshire Council.

Vision:

- NPH provides homes which enable people to live happy and healthy lives in enriched communities.

Mission:

- We improve lives by sharing a common purpose.
- We improve and maintain the quality of our homes.
- We provide services which endeavour to meet the needs and aspirations of all tenants and residents.
- We will provide the opportunity for people to influence the immediate and long-term futures for themselves and their communities.

Values:

- Open and Strong
- Listen and Respond
- Achieving more with others
- Aim High and Deliver

1.2.2. Corporate Plan (under review in 2025)

The Corporate Plan sets out NPH's strategic priorities which are:

- Provide quality homes and estates
- Be customer focused
- Provide opportunity and access for all
- Maximise partnerships
- Be an effective organisation

1.3. Scope

1.3.1. The focus of this strategy is the management of rental income from current secure and introductory tenancies.

1.3.2. Other sources of income not covered by this strategy include:

- Leaseholder service charges
- Garage rents
- Recharges
- HRA commercial units

1.3.3. Responsibility for the recovery of leaseholder service charges and former tenant arrears is retained by West Northamptonshire Council (WNC).

1.3.4. Rental income is also impacted by rent lost as a result of unlet dwellings, void loss. Void rent loss is managed through specific voids processes and is not considered within this strategy.

1.4. Finance and VFM

1.4.1. Activity related to rent income management is funded through service area budgets, derived from NPHs management fee. The benefits resulting from this investment are:

- Maintaining a strong HRA and ability to invest in the housing service
- Tenancy sustainment, resulting in associated social and financial benefits
- Minimising costs associated with enforcement and eviction
- Supporting resident's financial wellbeing
- Effective management of welfare reform and reduced impact on income
- Enhanced NPH reputation and customer satisfaction

1.4.2. Income management has over recent years focused on delivering an efficient and productive service which has had to manage increased caseloads due to the welfare reforms and the introduction of Universal Credit. Due to this, NPH has developed activity relating to arrears prevention and support. This has to some extent reduced the need for enforcement actions and evictions, consequently lowering associated costs. Where enforcement is required NPH Income Officers are fully trained to undertake all associated legal work including presentation at court. This saves substantial legal costs for both the organisation and residents. This work and by working effectively with partners, supports our ability to ensure that in so far as is possible, maximum value is derived.

1.4.3. Benchmarking of 2023/24 VFM data through HouseMark indicates NPHs income management service is providing good performance at low cost.

- 1.4.4. The data helps to understand the effectiveness of service delivery in this area of work, identifies risk and areas of weakness, which in turn informs service area planning.

2. Context

2.1. Income and Performance

- 2.1.1. Northamptonshire Partnership Homes manage 11,300 homes on behalf of West Northamptonshire Council. Rental income from these dwellings finances the HRA which in turn, through a management fee, funds the services delivered by NPH. Ensuring rental income is maximised and maintaining a strong HRA is therefore essential to the delivery of housing services.
- 2.1.2. Historically, a combination of Right to Buy sales and the governments policy of reducing rents by 1% every year between 2016 to 2020, had seen rental income reduce. In recent years, a change in government policy has since allowed rents to increase by CPI +1% annually for five years from 2020/21 and has reversed this trend. However, the recent changes in RTB rules in November 2024 has seen unprecedented numbers of people applying to buy their property, with the number of “live” applications exceeding 500.
- 2.1.3. Rent available for collection in 2023/24 totaled £57.8m, with £57.7m (99.76%) being collected. The rental debit has increased significantly compared to 2020/21 when there was £50.7m to collect. HouseMark benchmarking data shows this collection rate placed NPH in the upper quartile of performers in its peer group. Rent arrears at £1,688,279 (2.92% of the rent debit), benchmarked NPH in the upper median quartile of peer group performers.
- 2.1.4. Currently, the collection rate at Q3 is 101% and rent arrears are 2.72% of the debit, and these figures continue to outperform the equivalent period last year, despite there being an additional week’s rent to collect in 2024/25.

2.2. Welfare Reform

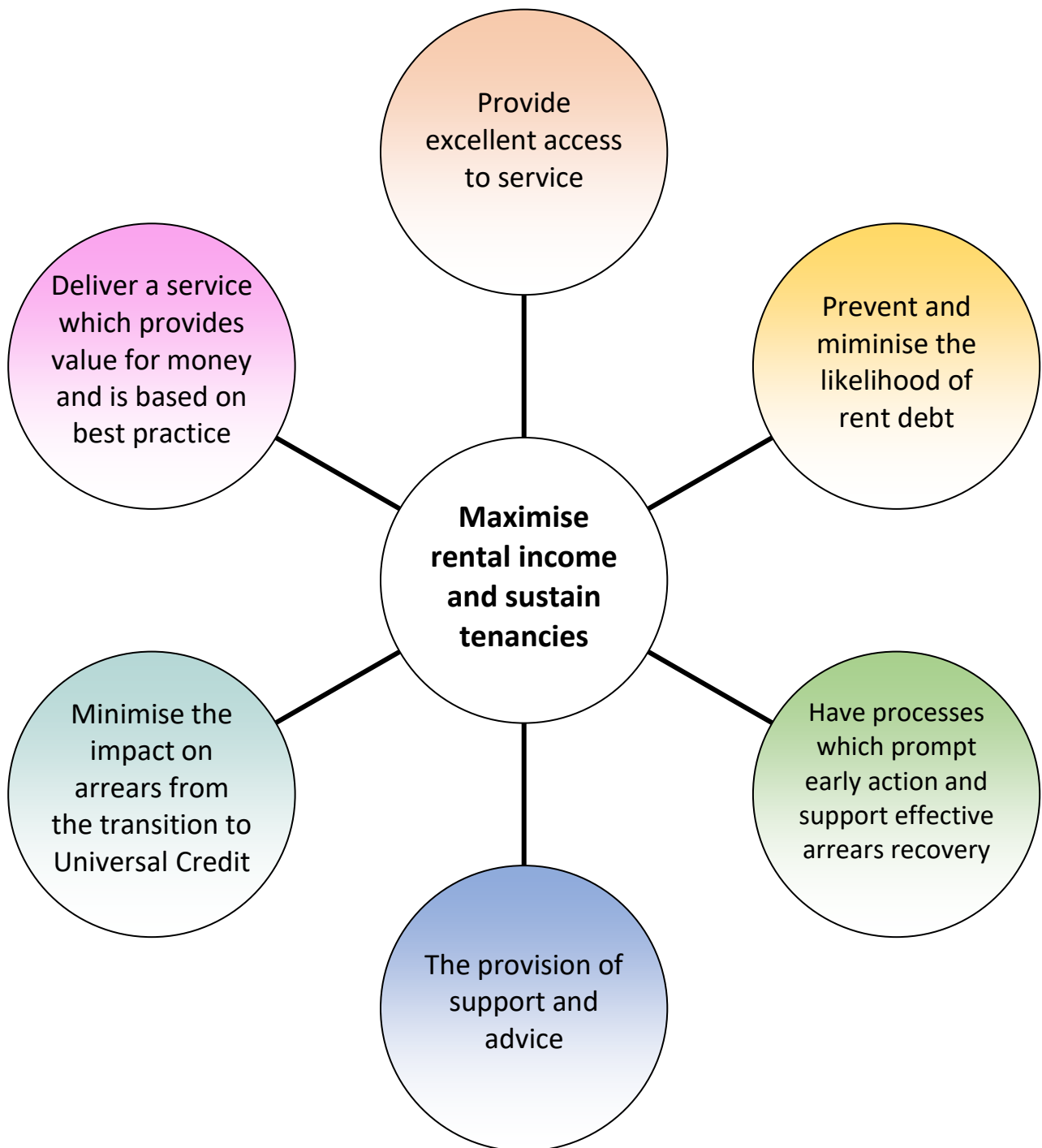
- 2.2.1. The most significant challenge for rent income management in recent years has been welfare reforms and specifically the implementation of Universal Credit (UC). Those receiving help with housing costs through UC are on average more likely to be in rent arrears and by a greater amount. The final phase of managed migration in Northampton (moving legacy benefit claimants to UC ‘en bloc’) commenced its rollout in January 2024 and by December 2024 there were 5,910 households in receipt of UC with numbers anticipated to increase to around 7,000 when UC is fully implemented. UC claimants account for nearly 84% of the overall rent arrears figure.

- 2.2.2. As numbers in receipt of UC increase so rent income received through Housing Benefit (HB) reduces. Housing benefit accounted for 30.59% of income for 2023/24, whereas comparing this to 2018/19 has seen a reduction from 51.8%. The reduction in income from Housing Benefit is important to note because HB is paid weekly in advance direct to a customer's rent account. The fewer rents paid in this way, means more rent to proactively collect with UC claimants being paid monthly in arrears.
- 2.2.3. For rent income management, together with the fallout from the pandemic required a subtle shift in direction and necessity to re-focus activity on support provision and a more flexible approach to debt management and this continues to remain in place.

3. Service Area Objectives

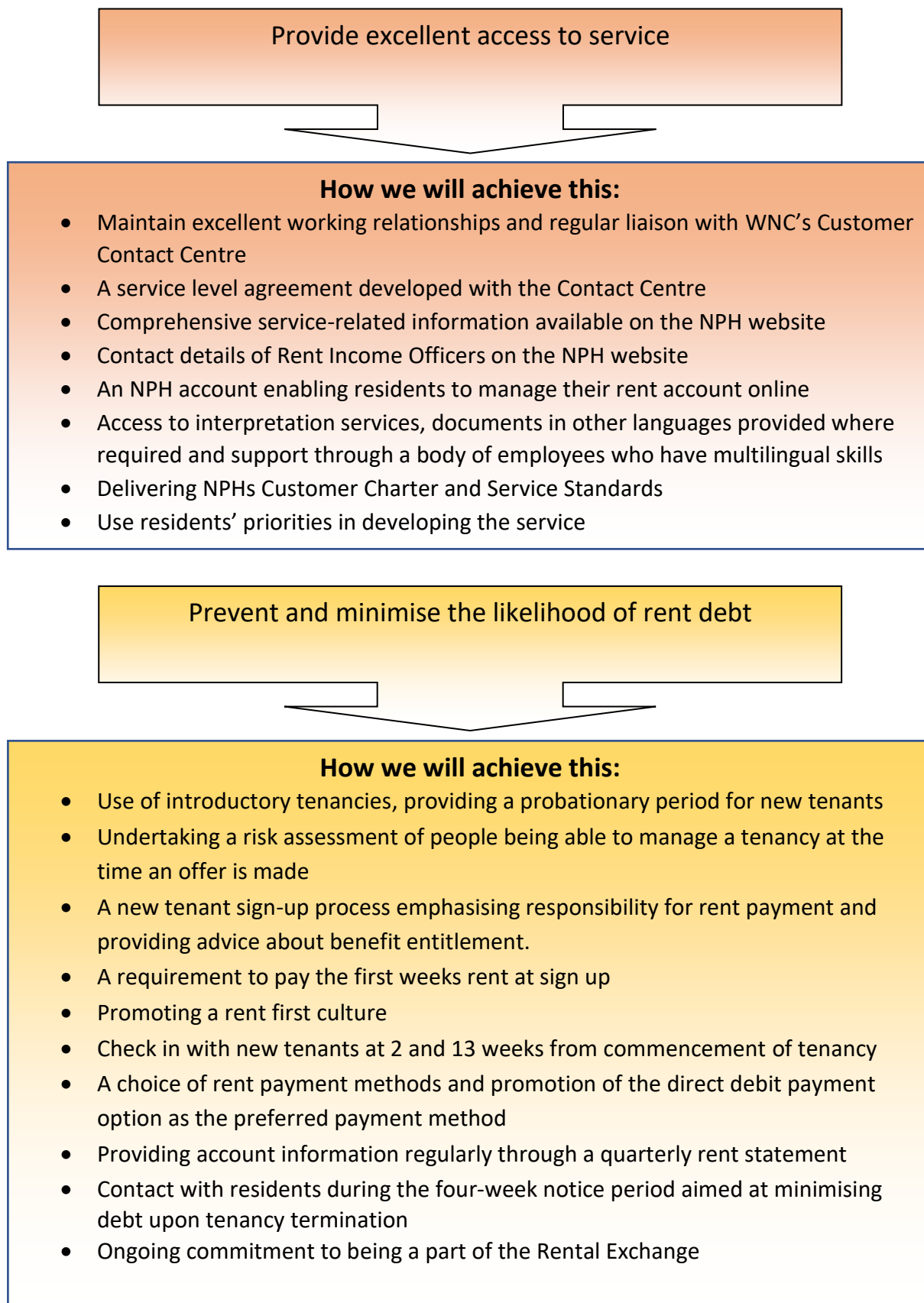
3.1. Objectives

3.1.1. To achieve our aim of maximising rental income and sustaining tenancies, NPH has set six associated objectives. These are:



3.2. Meeting Our Objectives

3.2.1. To support the delivery of each objective, corresponding actions have been identified. These are set out below and will be used to inform service area action planning.



Processes which prompt early action and support effective arrears recovery

How we will achieve this:

- A specialist rent income team
- Comprehensive, written arrears recovery procedures, regularly reviewed and updated
- Pro-active management of rent debt
- Optimisation of the income management modules within the CAPITA housing system
- Use of a bespoke specialist dashboard for arrears management to identify and prioritise recovery action
- Use of multiple contact methods and clear communications
- Ensuring repayment arrangements are realistic and based on individual circumstances
- Maximise use of rent direct payments from DWP
- Ensuring enforcement action is undertaken in a timely manner and in accordance with the Pre-Action Protocol for Possession Cases

Provision of support and advice

How we will achieve this:

- Promote our support services and encourage those in debt to seek advice
- Identify vulnerable residents and refer for support
- Promote financial inclusion using the NPH website, Resident Magazine and Roadshows
- Provide support through a team of specialist officers who can give budgeting and benefit advice
- Signpost and referral to independent advice agencies where there are serious or multiple debt problems
- Maximising use of Discretionary Housing Payments
- Agreed protocol with WNC for managing those tenancies where eviction is likely (Northamptonshire Pre-Eviction Protocol)

Minimise the impact on arrears from the transition to Universal Credit from legacy benefits

How we will achieve this:

- Regular monitoring of UC caseloads and impact on arrears
- Pro-actively contact households making new claims to Universal Credit to provide support and advice
- Assist residents to claim benefit
- Provide information to help residents understand the UC roll out program
- Make effective use of UC direct housing payments from DWP
- Develop effective working relationships with DWP
- Effective management of managed migration
- Targeted texting campaigns

Deliver a service which provides value for money and is based on best practice

How we will achieve this:

- Effective performance management through a suite of key performance indicators and benchmarking against other housing providers
- To work towards accreditation in income management
- Undertaking a training gap analysis for income team members and developing a training program
- Accessing industry best practice through membership of professional bodies such as HQN and HouseMark
- Learning from other housing providers via membership of groups such as the Midlands Best Practice Group and Northamptonshire Housing Management Forum

4. Performance Management

4.1.1. Performance in income collection and arrears recovery is monitored through corporate KPI's and additional local service area measures. Performance targets are reviewed and set annually. Corporate PI data is collected and reported monthly. Quarterly performance reports are provided to the Service Quality Committee and to NPH's Board. Local measures are collected both weekly and monthly depending on the measure.

Corporate measures

- Rent collected as a percentage of rent due
- Arrears as a percentage of the annual debit

Additional local measures

- Number of tenants paying by direct debit as a percentage of all tenants
- Arrears by Rent Income Officer area
- Number of Notices of Possession served
- Number of court applications for rent arrears
- Number of evictions due to rent arrears
- UC claims and percentage of tenancies in arrears.
- Former tenant debt
- Rent written off

4.1.2. PIs are benchmarked using the HouseMark, benchmarking service. This provides a measure of service area performance and VFM when compared against other housing organisations.

4.1.3. Informal benchmarking is undertaken through groups such as the Midlands Best Practice Group, Northamptonshire Housing Management Forum and HQN Rent Income Excellence Network.

4.1.4. Each Rent Income Officer is provided an individual arrears target. Performance against target is monitored weekly and managed through NPH's performance management framework.

4.1.5. Regular validation of performance information provides assurance of data quality.

5. Monitoring

5.1 Governance arrangements

- The strategy will be monitored by the Head of Rent Income.
- Regular review of the strategy objectives and implementation of associated actions will inform future service area development planning.
- Performance measures and service area activity will be reported monthly to NPHs Executive Management Team.

5.2 Review and evaluate

The Strategy will be reviewed every three years or before should circumstance indicate a more immediate requirement. Ongoing evaluation will be through performance measures.

DOCUMENT MANAGEMENT	
<i>Approved by: Board</i> <i>Date of approval: 12th February 2025</i>	<i>Next Review Date: January 2028</i>
<i>To be read in conjunction with:</i> <i>1. Rent Recovery Policy</i> <i>2. Rent Recovery Procedure</i>	<i>Contact Officer: Head of Rent Income</i>