

# Northampton Partnership Homes



## Rent Arrears Recovery Policy



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## **1. Introduction**

Northampton Partnership Homes launched on 5<sup>th</sup> January 2015. It is an Arm's Length Management Organisation, wholly owned by Northampton Borough Council and created to manage the Council's housing stock of just under 12,000 homes.

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 aim of the policy is to support the delivery of an excellent service which maximises rental income and helps tenants meet their responsibility to maintain rent payments.

## **2. Scope**

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 sits within the scope of Northampton Borough Council's agreement with LGSS.

- Recharges - for which there is a separate policy

## **3. Policy Statement**

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.

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.

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.

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.

While Northampton Partnership Homes will seek to maximise rental income we aim to do so whilst also sustaining tenancies. We will therefore always seek to secure payment without using possession proceedings and only as a last resort will we seek to obtain possession of a property.

#### **4. NPH Responsibilities**

- To maintain and follow recovery procedures for the collection and recovery of rent 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 all tenants with a statement of account four times a year
- Investigate all arrears cases and take early action to recover arrears
- 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

## **5. Rent Payments**

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.

## **6. Joint Tenants**

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

## **7. Flexible Tenancies**

An extension of a flexible tenancy will not generally be granted where, at the time of review, rent payments have not been made as required under the Flexible Tenancy Policy.

## **8. Payments and Refunds**

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.

## **9. Garage Lettings**

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.

## **10. Transfers**

Under The Housing Allocations Scheme, tenants who qualify to join the housing register but have rent debt will be placed in the reduced priority band.

Where there is an overriding housing management need or where a tenant is subject to welfare reform and downsizing, the policy allows for a transfer with arrears to be approved.

## **11. Mutual Exchange**

Tenants applying to exchange will be required to clear any rent arrears before the exchange can proceed.

Where there is an overriding housing management need or where a tenant is subject to welfare reform and downsizing, a mutual exchange with arrears may be approved.

## **12. Abandoned Properties**

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.

## **13. Write Off**

Any write off of arrears, current and former is to be undertaken in accordance with

the Write Off Policy.

#### **14. Terminations**

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.

#### **15. Former Tenants Arrears**

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

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

#### **16. Vulnerable Tenants**

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

#### **17. Performance Monitoring**

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 Committee to the NPH Board. Indicators and targets will be reviewed annually in agreement with the Board.

#### **18. Complaints, Reviews and Appeals**

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

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.

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.

The Tenancy Policy sets out the circumstances in which a Flexible Tenancy may not be renewed if the tenant is in arrears with their rent. In circumstances where a decision is made not to renew a Flexible tenancy, the tenant is able to request a review of the decision, which will be carried out in accordance with section 107E Localism Act 2011 and associated regulations.

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

#### **19. Tenant Involvement**

Northampton Partnership Homes will work with tenants to develop its approach to the management of rent collection and arrears recovery using the mechanisms within the Tenant Involvement and Empowerment Strategy.

#### **20. Training**

To ensure effective arrears management, all staff in roles linked to this policy must have relevant awareness of the policy, arrears procedures and associated IT systems. As a minimum, training provision for those involved in specialist income collection roles will include:

- Welfare and Housing Benefits
- Money Management
- Interview Skills
- Court Presentation
- Legal Updates

Briefings and updates will be provided through team meetings. Individual training requirements will be identified through one to one supervision meetings.

#### **21. Policy Review**

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

#### **22. Associated Documents**

- NBC Corporate Debt Policy
- Rent Arrears Recovery Strategy
- Rent Arrears Recovery Procedure
- Housing Allocations Scheme
- Garage Allocation Policy
- Abandoned Property Procedure
- Rents Write Off Policy
- Tenancy Policy

#### **22. Legal Framework**

The policy and associated procedures will be fully compliant with all legislation and regulation, including:

- Housing Act 1985
- Housing Act 1996
- Localism Act 2011
- Housing Benefit Regulations
- Pre-Action Protocol for Possession Claims by Social Landlords.