

**Report for:** Cabinet 15 October 2024

**Title:** **Adopting a new Housing Income Collection Policy and Housing Arrears Policy**

**Report authorised by:** **Jonathan Kirby**  
Director of Placemaking and Housing

**Lead Officer:** Jahedur Rahman

**Ward(s) affected:** All

**Report for Key/  
Non Key Decision:** Key

## **1. Describe the issue under consideration**

- 1.1 The Council is transforming landlord services for its own tenants and leaseholders. To support that process, the Council is undertaking a full review of all policies relating to its tenants and leaseholders in its role as the landlord.
- 1.2 The new Housing Income Collection Policy sets out how the Council manages its housing income collection effectively by describing what the Council will do to collect and support tenants to pay their rent.
- 1.3 The new Housing Arrears Policy explains the Council's approach to minimising rent and service charge arrears. It has been designed to highlight the Council's supporting measures in place to minimise arrears if timely payment cannot be made.
- 1.4 The two policies have been prepared as separate documents to make them as concise and easy to understand. The housing income collection policy has been written separately from the housing arrears policy to emphasise the Council's support of a 'Rent First' approach. The Housing Arrears Policy demonstrates the Council's supporting measures in place to minimise arrears if timely payment cannot be made.
- 1.5 This report seeks approval from Cabinet for adoption.

## **2. Cabinet Member Introduction**

- 2.1 We are committed to ensuring that our 20,000 tenants, leaseholders, and their families live in safe, well-maintained homes where they can thrive. The Housing Income Collection and Housing Arrears policies are an important next step in the transformation of our landlord services. They align with our broader plans to enhance housing services for tenants and leaseholders and to improve the quality of our council homes, as outlined in the Housing Strategy 2024-2029 and the Housing Improvement Plan.
- 2.2 These new policies will enable us to manage housing income more effectively by reducing rent and service charge arrears, while offering support to tenants to swiftly address late payments and therefore sustain their tenancies. The housing income we receive is vital for funding the management, maintenance, and modernisation of Haringey's council housing, making it essential that rents are collected in full and on time.
- 2.3 The government's Social Housing Regulator outlines the responsibilities of both tenants and landlords. Council tenants are responsible for paying their rent and other housing-related charges on time, while the Council has a duty to assist tenants who may be at risk of, or are already in, rent arrears. As a landlord, we must be transparent with tenants, treating them with fairness and respect so they can access services, raise complaints when needed, influence decision-making, and hold us accountable. I am confident that we have met the standards set by the regulator, with a strong focus on early intervention to prevent and reduce arrears, as well as actively involving residents in shaping these policies.
- 2.4 The insights and experiences of our residents, particularly through the Resident Voice Board, have played a key role in shaping these policies. This Board, comprising 15 residents from diverse tenures, reports to the Council's Placemaking and Housing Board, ensuring ongoing resident engagement and co-creation in housing policies. I want to express my gratitude to the Board for their invaluable input, which helps our policies better reflect the needs of our communities.

### **3. Recommendations**

- 3.1 Cabinet is recommended to approve the draft Housing Income Collection Policy and the draft Housing Arrears Policy to come into effect from 25 October 2024.

### **4. Reasons for decision**

- 4.1 These newly drafted clear and accessible policies will outline the Council's approach to income management for Council tenants and for their wider households.

- 4.2 The new policies will help the Council meet the Social Housing Regulator's consumer standards, specifically the Tenancy Standard and the Transparency, Influence and Accountability Standard.

## **5. Alternative options considered**

- 5.1 **We could continue to not have policies in place for this service.** This option was rejected because it would not meet the Council's needs or those of its tenants. Introducing these new policies will assist the Council to meet the Social Housing Regulator's Transparency, Influence and Accountability Standard requirement to deliver fair, reasonable, accessible and transparent policies. This option would also not meet our commitment to introduce updated policies in the Housing Strategy 2024 – 2029 and the Housing Improvement Plan 2023.
- 5.2 We could have prepared policies without any of the new main features such as promoting the Council's incentive for tenants to pay their rent by Direct Debit in the new housing income collection policy. This option was rejected because this is the easiest way to pay and supports promotion of the payment culture at the core of the policy.

## **6. Background information**

- 6.1 In June 2022, the Council brought most of the landlord and housing services back in house that had been run on its behalf by Homes for Haringey, its Arm's Length Management Organisation. The Council immediately began a process of reviewing that service provision and in April 2023 Cabinet adopted a comprehensive Housing Improvement Plan backed by significant financial investment. Amongst many other commitments, that plan committed to reviewing housing policies including income management.
- 6.2 The Regulator of Social Housing's Standards requires that Registered Providers of Social Housing (RPs) must demonstrate that they understand the following:
- a. The Tenancy Standard requires RP's to support tenants, to provide services that support tenants to maintain their tenancy or licence and prevent unnecessary evictions.
  - b. The Transparency, Influence and Accountability Standard requirement to deliver fair, reasonable, accessible and transparent policies
- 6.3 The Council has included thorough research into best practice in social housing, and engagement in an interactive process of policy development with key stakeholders across the Council.
- 6.4 Council officer service leads from Estates and Neighbourhoods, Income Management, Tenancy Management, Home Ownership and Support and Wellbeing were all involved in the development of these policies.

- 6.5 Council tenants and leaseholders were engaged in the design of the policy's content as part of the new resident engagement structure, which is overseen by the Resident Voice Board (RVB). The RVB is the resident forum that assists the Housing Service by providing strategic influence on customer-facing housing strategy and policy as well as giving a resident perspective on the quality of housing services with the aim of improving customer satisfaction and organisation performance (housing services).
- 6.6 The RVB inputted to the development of both policies from an early stage with broad outlines and approach agreed in February 2024 by the Board. Proposals for both policies were well-received and generated a range of feedback and recommendations that have been incorporated into the policies. This included:
- Signposting vulnerable tenants/licensees to appropriate support or advice with welfare benefit applications where necessary.
  - To guide new tenants on how to make timely payments, one week's rent in advance will be requested as a standard approach in line with the Council's tenancy agreement. Unless the tenant is entitled to full Housing Benefit or Universal Credit. If so, the Council shall have an expectation that at sign up, a token payment of £10 or non-HB/UC eligible charges such as heating (whichever is higher) is paid to cover the first week. Tenants will then be expected to maintain these payments every week until their benefits have been assessed and paid if applicable.
  - The importance of the Council supporting tenants who receive Universal Credit with issues that they may encounter.
  - The need to proactively support vulnerable tenants/licensees was also emphasised with the aim of helping them to avoid falling into arrears and to prioritise this support.
- 6.7 In May 2024, the Resident Voice Board reviewed and approved the newly developed policies incorporating their recommendations.

### **Key provisions of the draft Housing Income Collection Policy**

- 6.8 The aim of the draft Housing Income Collection Policy is to detail the Council's approach to managing its housing income collection effectively. The housing income this relates to is all Council tenants/licensees in rented or licensed property where the Council is responsible for rent collection. This includes charges for temporary accommodation, garages and travellers sites as well as tenancy service charges invoiced to tenants by third parties on the Council's behalf (e.g. for metered heating and hot water).
- 6.9 The draft policy sets out a series of objectives to support the Council in managing its housing income collection effectively. These include the Council explaining how much rent tenants/licensees need to pay, providing regular rent statements every three months or 24/7 online on the Council's website by registering for the Council's 'My Account' showing how much rent tenants/licensees are required to pay. It also confirms that a range of different

payment methods are available including by Direct Debit, online, standing order, by phone and at the post office.

- 6.10 This is followed up with a section to confirm the tenant obligations. This highlights that tenants/licensees are responsible for paying their rent and licence fees, including any service charges. It further notes that tenants/licensees should tell the Council if they experience difficulties with paying their rent or fall into arrears and discuss this directly with their Income Management Officer.
- 6.11 It explains the approach at the pre signup stage with the aim being to set the ethos of rent and income collection on first contact with the prospective tenant. The policy details that the Council will advise on rent payments and encourage tenants/licensees to complete any benefit claims and provide all necessary information promptly at the pre signup stage. Following this the policy outlines the approach when tenants are signing up with a new tenant/licensee required to pay one week's rent in advance.
- 6.12 A significant change that the policy introduces is a new quarterly prize draw for two winners each quarter to win £250 each (totalling £2000 cost to the Housing Revenue Account across 8 prize winners per year). This will be a saving to the HRA and replaces the existing incentive of £10 credit that all new Direct Debit payers currently receive in their rent account.
- 6.13 The aim of the prize draw is to encourage Council tenants to pay their council housing rent by Direct Debit, based on the following criteria:
- For Council tenants only.
  - Unless they choose to exercise their right to opt-out, all Direct Debit paying tenants will be automatically included in the prize draw.
  - Eligible accounts must have been on Direct Debit for at least 12 months and in credit. If tenants are in arrears this must show a reducing balance.
  - Previous prize draw winners shall be exempt and not eligible to be part of the draw within 2 years.
  - Head of Service/Assistant Director to pick a number from the tenants paying by Direct Debit for each quarter.
  - Once the winners are picked, we will notify tenants, and arrange for the £250 winnings each to be sent to the tenant's bank account. If tenants are in arrears, the winnings will be credited to tenant's rent accounts.
- 6.14 A section of the policy focuses on promoting a payment culture with a range of steps listed designed to encourage early payment and prevent tenants/licensees falling into arrears such as closely monitoring accounts to identify problems at an early stage. The policy also commits to taking steps to maximise tenants'/licensees' income,

including promoting benefit take-up, highlighting initiatives and referring to work coaches for training and employment support.

- 6.15 Charges for heating and other utilities have their own section in the policy which explains how these charges are included in a tenant's/licensee's rent. This notes that the Council may from time to time use a third party to invoice for some charges on its behalf (e.g. metered heating and hot water). Where this is the case, the Council will explain where payments should be made as necessary.
- 6.16 Other sections to note include those on recharges and on tenant/licensee credits.

### **Key provisions of the draft Housing Arrears Policy**

- 6.17 The draft Housing Arrears Policy sets out how the Council will aim to minimise rent and service charge arrears and covers how the Council will approach arrears and take enforcement action for non-payment. This covers arrears for current/former rent, garage, service charges and rechargeable works.
- 6.18 The draft policy sets out a series of objectives to achieve this starting with a commitment to being proactive in the control, management, prevention and reduction of rent arrears. It also highlights that the Council will act in line with the Council's ethical debt policy and adopt a firm but fair approach. In practice, this means that the Council will consider as far as reasonably practicable, other debts that are being recovered from tenants/licensees through attachments to benefits. This is designed to ensure we are considerate of financial pressures on households in rent arrears.
- 6.19 It confirms that tenancy sustainment is a core part of the Council's role. The policy is clear about the high economic and social cost of eviction and seeks to address this through a preventative and proactive approach to dealing with rent arrears and sustaining tenancies. In practice, the objectives explain how this means signposting the benefits' uptake and financial inclusion support available to vulnerable and low-income households and an approach to arrears recovery that uses a range of methods such as face to face meetings.
- 6.20 If arrears do arise, the policy confirms that the Council as a landlord will engage with the tenant/licensee to identify and support them to address the causes. An income and expenditure assessment will inform any agreement for repayment of arrears as well as help us to identify other debts.
- 6.21 A section on prevention explains the steps that the Council will take to help prevent or reduce tenants/licensees falling into arrears. This includes that the Council will always support tenants/licensees with rent arrears in a confidential, sympathetic way and explain what will happen if the debt continues to increase. The policy confirms help will be provided to clear arrears by entering into a reasonable and realistic agreement with the

tenant/licensee. There is also confirmation that advice and information on welfare benefits will be provided along with signposting to agencies able to provide debt advice before taking court action

- 6.22 This is followed by a section on how the Council will support those tenants or licensees in arrears. This notes that if arrears do arise, the Council will engage with the tenant/licensee to identify and support them to address the causes and agree a plan for clearing their debt with the Council. A section on repayment arrangements is clear that as a Social Landlord, the Council recognises that tenants/licensees may sometimes suffer exceptional financial hardship. The policy states that in these circumstances the Council are prepared to accept reasonable repayment agreements based on a mutual assessment of what the tenant/licensee can afford.
- 6.23 A section on vulnerable tenants and licensees highlights that they may be entitled to various forms of financial assistance that they may not be aware of and have not applied for. The policy states that the Council prioritise working in partnership across the Council and with other organisations to provide wide ranging support to vulnerable tenants and licensees where there is a record of their vulnerability. It does note that issues of vulnerability would not prevent the Council from taking recovery action if appropriate.
- 6.24 Taking enforcement action is covered in its own section. This states that, where necessary, legal action will be taken to deal with rent arrears. It also emphasises that the Council will support tenants to sustain their tenancy before taking any action and continue to while any enforcement action is taking place.
- 6.25 The section of the policy on former tenants focuses on aiming to minimise losses from former tenants and licensees who leave owing rent by:
- Being pro-active and intervening early while the tenant/licensee still lives in council housing and
  - Making every effort to ensure that when a tenancy/licence is terminated the debts are cleared and a forwarding address is received.

## **7 Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes’?**

- 7.1 The recommendations in this report will support the Corporate Delivery Plan’s theme 5, “Homes for the Future”, and in particular its commitment to provide reliable, customer focused resident housing services and to undertake a full review of all policies relating to our tenants and leaseholders in our role as their landlord.
- 7.2 The recommendations in this report will also support the 2024-2029 Housing Strategy’s second strategic objective, *improving housing quality and resident services in the social housing sector*, in particular commitments around

*transforming services to our tenants and leaseholders, and designing those services with them.*

## **8 Carbon and Climate Change**

8.1 The recommendation to adopt these new policies may contribute to maintaining consistent collection of funds into the Housing Revenue Account. This will enable the Council to carry out maintenance and services to our housing stock resulting in improved levels of living for our tenants. This may then contribute to the delivery of the Affordable Energy Strategy (Objective 2) by improving housing energy performance and therefore reducing fuel poverty, cold homes and overheating.

## **9 Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)**

### **Finance**

9.1 This report recommends adoption of housing income collection and housing arrears policies.

9.2 This ensures consistency in approach, and it reflects good practice in the industry.

9.3 A key feature of the income collection policy is the replacement of current £10 incentive for direct debit take up with quarterly prize draw.

9.4 It is anticipated that this will encourage more residents to take up direct debit.

9.5 Both policies are subject to regular reviews to improve the collection service and provide better support to residents.

### **Assistant Director of Legal & Governance**

9.6 The Assistant Director of Legal & Governance has been consulted in the preparation of this report and comments as follows.

9.7 The policies at Appendix 1 and 2 demonstrate how the Council will meet the Social Housing Regulator's consumer standards, in so far as they relate to rent collection, and are therefore lawful. In addition to following its own policies, the Council will need to comply with the Pre-action protocol for possession claims by social landlords before taking any legal action to enforce any arrears of rent in residential premises.



- 9.8 The prize draw proposed at paragraph 6.13 of this report is a free draw, where all entries are free. It is not a lottery as defined in section 14 of the Gambling Act 2005 (the Act), because there is no payment for entry as defined in schedule 2 of the Act. The proposed draw is therefore lawful and falls outside of the ambit and control of the Act. In designing the scheme, officers have obtained advice from the council's Information Governance team so as to ensure that it will comply with the council's duties under the Data Protection Act 2018 and the General Data Protection Regulations.

## **Procurement**

- 9.9 Strategic Procurement have been consulted in the preparation of this report.
- 9.10 Strategic Procurement note the recommendation in section 3 of the report is for Cabinet to approve the draft Housing Income Collection Policy and the draft Housing Arrears Policy, along with any recommended amendments. The recommendation does not include a procurement decision.
- 9.11 Strategic Procurement have no objections to the recommendations in the report.

## **Equality**

- 9.12 The Council has a Public Sector Equality Duty (PSED) under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
  - Advance equality of opportunity between people who share protected characteristics and people who do not
  - Foster good relations between people who share those characteristics and people who do not

- 9.13 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex, and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 9.14 Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.
- 9.15 The policies considered here will apply to Council tenants and leaseholders. Haringey Council's tenant population shows the following characteristics compared to the wider borough population:
- a significantly higher proportion of young people (under 24) and older people (over 50).
  - a significantly higher proportion of individuals who have a disability under the Equalities Act.
  - a slightly higher proportion of individuals who report their gender identity as different from sex registered at birth.
  - a significantly lower proportion of individuals who are married or in a registered civil partnership.
  - a significantly higher proportion of individuals who identify as Muslim, and slightly higher proportion of individual who identify as Christian, Buddhist or another religion. This is countered by a significantly lower proportion of tenants who don't associate with any religion or identify as Jewish, Hindu or Sikh.
  - a significantly higher proportion of female individuals.
  - a significantly lower proportion of individuals who report their sexual identity as something other than Straight or Heterosexual.
- 9.16 A full analysis of the impact of the policies on people with protected characteristics is contained in the Equality Impact Assessment found at Appendix 3 and Appendix 4.
- 9.17 The Housing Income Collection Policy confirms that:
- There are a variety of payment options available for anyone who is digitally excluded and not able to pay their rent online
  - The Council will identify any communication needs that arise in relation to disability and race and provide information in alternative formats as required.
  - The Council will take steps to maximise tenants/licensees income, including promoting benefit take-up, highlighting initiatives, referring to work coaches for training and employment support, referring to appropriate agencies where necessary for debt advice and assistance.
- 9.18 The policy will have a positive impact on the protected characteristics of age, disability and race. It will have a neutral impact on those with other protected characteristics.

9.19 The Housing Arrears Policy confirms:

- The Council will signpost the benefits' uptake and financial inclusion support available to vulnerable and low-income households.
- The Council will prioritise working in partnership across the organisation and with other organisations to provide wide ranging support to vulnerable tenants and licensees where we have a record of their vulnerability. Our approach focuses on early intervention in line with our vulnerable tenants and leaseholders policy.
- A recognition of the economic and social cost of eviction and taking a preventative and proactive approach to dealing with rent arrears and sustaining tenancies. This includes exhausting all other options first before any evictions.
- Linkages to the Council's translation and interpretation policy with the aim that language should never be a barrier to accessing services.

9.20 The policy will have a positive impact on the protected characteristics of age, disability and race with both a negative and positive impact on socio-economic status. It will have a neutral impact on those with other protected characteristics.

## **10. Use of Appendices**

Appendix 1 — Housing Income Collection Policy

Appendix 2 — Housing Arrears Policy

Appendix 3 — Equality Impact Assessment of the Housing Income Collection Policy

Appendix 4 — Equality Impact Assessment of the Housing Arrears Policy

## **11 Background papers**

- **Haringey Housing Strategy 2024 – 2029:**  
[https://new.haringey.gov.uk/sites/default/files/202405/haringey\\_housing\\_strategy\\_2024 - 2029.pdf](https://new.haringey.gov.uk/sites/default/files/202405/haringey_housing_strategy_2024_-_2029.pdf)
- **Housing Services Improvement Plan:**  
<https://www.minutes.haringey.gov.uk/documents/s138660/Appendix%201.pdf>