

Income Recovery Policy

This Policy outlines Croydon Council's approach to delivering an effective Income recovery service for the council's owned and managed properties.

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1. Purpose

- 1.1. The purpose of this policy is to outline the council's approach to rent collection. Croydon Council will seek to maximise income through effective management of rent accounts including the prevention and recovery of current tenant rent arrears.
- 1.2. Rent Collection is an essential function that enables the council to secure income for the Housing Revenue Account. The income received allows the council to improve our stock, fund essential works, and provide a good quality service to customers.
- 1.3. Croydon Council promotes a positive payment culture which expects all tenants to maintain a clear rent account.

2. Statement of Intent

- 2.1. The Council intends to maximise rent collection by being proactive in the management, prevention, and reduction of rent arrears.
- 2.2. Our emphasis is on the prevention of rent arrears accumulating through early intervention; making prompt and meaningful contact with tenants to provide advice, take payments, agree repayment arrangements and signposting to appropriate support services and funds.
- 2.3. Where preventative measures fail, the council will act quickly and decisively to enforce the payment of rent in accordance with Croydon Council tenancy agreements, internal procedures and the pre-action protocol. ([Pre-Action Protocol for Possession Claims by Social Landlords – Justice UK](#))
- 2.4. We recognise the economic and social cost of eviction and therefore repossessions due to rent arrears will only occur after all other avenues of resolution have been explored.

3. Scope

- 3.1. The scope of this policy encompasses the management of income recovery for council owned and managed properties. The reference to rent throughout the Policy is inclusive of service charges where these are payable.
- 3.2. This policy applies to the collection of rent and arrears relating to rental accounts and occupancy charges. This policy does not apply to leaseholders who are covered under the 'Leaseholder Service Charge Collection' policy.
- 3.3. All staff within the income recovery team must maintain the standards outlined within this policy.

4. Legal Framework

- 4.1 We will collect our rent in line with best practice and legislation. The relevant legislation includes (but is not limited to) the following:

Legislation:

- Housing Acts 1985, 1988, 1996, 1998 and 2004
- The Landlord and Tenant Act 1985
- Protection from Eviction Act 1977
- Homelessness Act 2002
- Equality Act 2010
- Care Act 2014

We will also have regard to our standard tenancy terms and conditions and the terms of any tenancy or licence conditions in respect of temporary accommodation.

5. Arrears Recovery and Legal Action.

- 5.1 Rent arrears recovery will be based on a staged escalation process, from support at the sign-up stage to repossession for non-payment of rent where necessary.
- 5.2 The process is designed to promote a preventative approach that seeks to sustain tenancies by maximising our customers income, ensuring Housing Benefit and the Universal Credit (UC) housing elements are correctly assessed, and ensuring payments are made when due. Emphasis is placed on arrears at a low level to prevent escalation.
- 5.3 Croydon Council will use account data held on our housing management system to identify tenants who default on their rent accounts at the earliest possible stage.
- 5.4 Tenants are deemed to be in arrears where they have missed one weekly, fortnightly, four weekly or monthly rent payment. As part of their tenancy agreement, tenants are expected to maintain a clear rent balance at all times.
- 5.5 Income Recovery staff will use a variety of contact methods but will always aim to make direct contact with tenants either by telephone, text, email or in person to discuss rent payment problems at all stages of the income recovery process.
- 5.6 Where arrears occur, tenants will be encouraged to settle their debt in full. If this is not possible, the income recovery officer will negotiate a repayment plan affordable to the tenant that reduces the balance to zero as quickly as possible, considering the tenant's circumstances including their income, expenditure, and other outstanding debts.
- 5.7 We will offer tenants support to access all available funds and relevant welfare benefits to which they are entitled.

- 5.8 Where necessary, legal action will be taken as a last resort and in compliance with the pre-action protocol.

6. Payment Options

- 6.1 Tenants will be advised on the range of payment methods available to them, with Direct Debit being the council's preferred option, as this is the most efficient and simple way to pay rent.
- 6.2 Tenants can also pay by a variety of other means such as standing order, debit/credit card, or rent payment cards provided by the council. We will request direct or more frequent payment of the Universal Credit housing component via an alternative payment arrangement where appropriate.

7. Tenant Obligations

- 7.1 Tenants are responsible for paying their rent, including service charges, as outlined in their tenancy agreement as and when payment is due.
- 7.2 Tenants are also responsible for the management of their Housing Benefit and Universal Credit claims, and for complying with requests for information relating to benefit claims promptly,
- 7.3 Tenants who experience difficulty in paying their rent should notify the income recovery team immediately.

8. Performance Reporting

- 8.1 Performance on Income Recovery is monitored on a weekly basis and measured at Officer, Area, and service level. Corporate key performance indicators (KPIs) monitoring the percentage of debt on accounts and the proportion of rent collected are produced monthly, with commentary provided from the Head of Service.
- 8.2 Performance Information is obtained from the housing management system and presented through NEC and Power BI reports.

9. Roles and Responsibilities

9.1 **Head of Service**

The Head of Service will have overall responsibility for the implementation of the Income Recovery policy. They will develop, implement, and monitor the effective management of Income Recovery to ensure the Council delivers an efficient and value-for-money service, by exceeding key performance indicators (KPI's) and financial targets.

9.2 **Operational Managers**

The Operational Managers will monitor the effective management of rent recovery work undertaken by officers, ensuring the quality and volume of work carried out is to a high standard and that the Council delivers an

efficient and value-for-money service, by exceeding key performance indicators (KPI's) and financial targets.

9.3 **Income Recovery Officers**

Income recovery officers must: follow the Income Recovery Policy and related procedures; work with tenants whose accounts are in arrears to assist them in keeping clear rent accounts; and engage with tenants to try to sustain their tenancies. This includes making affordable repayment agreements, providing advice, and identifying available support. Where necessary, they will take prompt action in line with the pre-action protocol including the service of pre action letters, notices and commencement of legal action.

9.4 **Welfare Rights Advisors**

Welfare rights advisors provide in-depth support to customers on Welfare Benefits, including budgeting advice, to maximise tenant income.

10. Reasonable Adjustments

10.1 Croydon Council will make reasonable adjustments to support our residents' needs when they access our services. The term 'reasonable' refers to what we can do without compromising our resources, efficiency, or ability to practically fulfil requests. This does not include [Aids and Adaptations](#) to our properties and common parts of a building.

10.2 No resident should be at a disadvantage when accessing our services. The following statements offer a general overview to ensure that our services are adjusted to meet the needs of our residents where possible. This list is not exhaustive, and we will adapt our approach based on individual resident needs.

10.3 We aim to provide services that are accessible to all who require them. As a result of this, we will:

- Ensure our officers get to know our residents and their individual needs
- Provide a range of ways for residents to contact our officers including phone, mail, email and via [Housing Online](#)
- Provide alternative communication methods on request, such as Braille, foreign language interpreter, large print etc.
- Ensure residents are always able to select their preferred method of contact.
- Ensure our offices are fully accessible to visitors

10.4 We will continue to diversify our services to meet residents' needs where possible.

11. Equalities

- 11.1 The Council is committed to promoting fair and equal access to services and equal opportunities in employment, the procurement of goods and as a community leader. The Council's policies, procedures and day-to-day practices have been established to promote an environment which is free from unlawful and unfair discrimination, while valuing the diversity of all people.
- 11.2 Discrimination on the grounds of race, nationality, ethnic origin, religion or belief, gender, marital status, sexuality, disability, and age is not acceptable: the Council will take action to ensure no person using the council's premises or services receives less favourable treatment or is disadvantaged by requirements or conditions that cannot be justified. The Council will tackle inequality, treat all people with dignity and respect and continue to work to improve services for all service users.
- 11.3 The legal framework for the Council's approach is provided by the Equality Act 2010 and specifically by the Public Sector Equality Duty, under which a public authority must work consciously to eliminate discrimination, harassment, and victimisation, and to advance equality of opportunity and foster good relations between people with differing characteristics.
- 11.4 Further detail on the Duty, and the Council's approach to fulfilling its requirements, can be found on our website.

12. Complaints

- 12.1. Should there be a complaint from a tenant concerning any aspect of our income recovery process, this will be dealt with via the [Council's Corporate Complaints Policy](#).

13. Monitoring and Review

- 13.1 This policy will be reviewed every three years, or sooner if required by statutory, regulatory, best practice, emerging developments, or circumstances arising from reviews of other Council-wide policies.
- 13.2 Arrangement for a full internal audit of our Income Recovery processes will be undertaken by the Council's Internal Auditors. The full scope of the audit will be agreed upon.
- 13.3 Success of this policy and associated procedures is measured monthly against corporate KPIs monitoring the percentage of debt on accounts and the proportion of rent collected.

14. Document Control

- 14.1 This is a controlled document and should not be changed unless by authorisation of the policy owner.

Monitoring		
Approved Date:	31 October 2024	
Next Review Date:	1 April 2027	
Effective date:	1 November 2024	
Consultation Review		
Stakeholders review:	06.09.2024	
Legal review date:	23.09.2024	
Residents reading group:	21.10.2024	
Policy owner:	Director of Housing Management	
Ratified by:	Housing DMT on 31 October 2024	
Equality impact assessment:	The impact of this policy will be measured as it is implemented and used as part of a scheduled 1-year implementation compliance review.	
Version History		
Version Number	Summary of change	Author
1.0	New Policy	Developed with subject matter experts in Housing and Residents Reading Group