

Title of policy:	Rent Arrears Policy
Version:	2
Updated:	January 2026
Next review:	January 2028
By:	Director of Housing

1. Introduction

This policy sets out North Star's approach to managing and recovering rent arrears in compliance with current legislation and regulatory standards. Our aim is to ensure effective income recovery processes that are fair, transparent, and supportive of tenants.

Rent arrears can arise from a range of factors, including low or irregular income, welfare benefit delays, or financial hardship. While we will always work to support tenants in genuine difficulty, we also have a duty to recover income owed in order to maintain service delivery standards.

Our approach is based on prevention, early intervention, and proportionate enforcement, using legal action only as a last resort.

The best method of arrears control is prevention, but arrears will occur and our approach will be based on the following:

- Emphasis on a firm but fair approach to arrears recovery where legal action is taken as a last resort.
- Consider all factors affecting payments.
- Make best use of all remedies for collecting rent arrears with eviction seen as a last resort.
- Keep a comprehensive profile of tenants in arrears.
- Know the reasons why arrears have accrued.
- Refer cases to our Welfare Benefits Officer/Tenant Support Worker where additional advice and support is needed as well as referring to external parties where there is a threat of eviction - such as Housing Options.

2. Aims and Objectives

- Prevent rent arrears wherever possible through early engagement and support.
- Maximise income collection to maintain service quality.
- Offer clear, accessible communication and multiple payment options.
- Provide advice and referrals for welfare benefits, budgeting, and debt support.
- Use enforcement measures proportionately and only when all other reasonable efforts have failed.

3. Regulatory and Legislative Context

This policy complies with and supports the following legislation and regulatory standards:

- **Housing Acts 1985 & 1996** – Grounds and procedures for possession.
- **Protection from Eviction Act 1977** – Ensures lawful possession and eviction procedures.
- **Landlord and Tenant Act 1987** – Section 48 address requirements for service of notices.
- **Homelessness Act 2002** – Duties of housing authorities and implications of intentional homelessness.
- **UK General Data Protection Regulation (UK GDPR) and Data Protection Act 2018** – Governing the lawful processing, storage, and sharing of tenant information.
- **Equality Act 2010** – Ensuring fair and non-discriminatory treatment, with due regard to vulnerabilities and protected characteristics.
- **Human Rights Act 1998 (Article 8)** – Right to respect for private and family life; possession actions must be proportionate.
- **Debt Respite Scheme (Breathing Space Regulations 2020)** – Observed in full when notified.
- **Pre-Action Protocol for Possession Claims by Social Landlords (2023)** – Requires early contact, information sharing, and support referrals prior to legal action.
- **Regulator of Social Housing (RSH) Standards** – Particularly the Tenancy Standard and Tenant Involvement and Empowerment Standard.

Related Policies

- Safeguarding Children and Adults Policy
- Vulnerability, Protected Characteristics and Reasonable Adjustments Policy
- Domestic Abuse Policy

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- Abandoned Property Policy
- New Tenancy Sign-Up Policy
- Data Protection and Information Governance Policy

4. Preventing Rent Arrears

At tenancy sign-up, we will:

- Explain rent responsibilities and the consequences of non-payment.
- Encourage direct debit as the preferred payment method.
- Support new tenants in making benefit claims and maximising income.
- Promote our Welfare Benefit and Financial Inclusion services.
- Signpost to independent advice (e.g. Citizens Advice, StepChange, Shelter).

5. Supporting Tenants in Rent Arrears

We recognise that financial hardship can occur. The Welfare Benefit Team will:

- Provide budgeting and benefit support.
- Carry out income and expenditure assessments.
- Explore repayment options tailored to affordability.
- Undertake pre-court visits to identify and address any vulnerabilities.
- **Liaise with support agencies, with the tenant's consent or lawful basis.**

Tenants with vulnerabilities, disabilities, or other protected characteristics will be given reasonable adjustments and appropriate support in line with the Equality Act 2010.

6. Rehousing Advice and Prevention of Tenancy Loss

North Star is committed to preventing tenancy failure wherever possible and recognises the importance of early intervention for tenants experiencing rent arrears.

As part of its approach to arrears management, North Star will ensure that tenants who may be at risk of losing their tenancy are provided with **timely, clear, and appropriate advice** on rehousing options and housing alternatives.

This will include:

- Early identification of tenants whose rent arrears place them at risk of tenancy enforcement action.
- Proactive communication with affected tenants to discuss their housing situation and available options.



- Provision of up-to-date information on **local rehousing alternatives**, including social housing options, private rented accommodation, supported housing, and homelessness prevention services where appropriate.
- Signposting and, where necessary, referral to relevant internal teams, local authorities, and partner agencies that can assist with rehousing or tenancy sustainment.
- Clear communication of rehousing options in a format accessible to the tenant, taking account of any vulnerabilities, support needs, or communication preferences.

North Star will ensure that staff responsible for managing rent arrears are trained and supported to provide accurate advice and that all actions and communications relating to rehousing advice are appropriately recorded.

This approach supports North Star's commitment to tenancy sustainment, early intervention, and compliance with the Consumer Standards.

7. Managing Rent Arrears

- Early personal contact will be made with tenants who fall into arrears.
- A preventative and staged escalation process will be followed.
- All actions and communications will be accurately recorded in compliance with data protection requirements.
- Affordability assessments will be conducted before legal action is considered.

During any **Breathing Space** period, recovery and contact will be paused as required by law.

We will only seek legal possession of a property as a last resort where other alternatives have failed or where the customer has wilfully failed to engage with us without reason. Where legal action has been taken and the court awards an order, we will also look to recover any costs incurred as part of the claim.

Legal Action and Possession

Legal action is a last resort. Before applying to court, we will:

- Serve the relevant **Notice of Seeking Possession (NSP)** in accordance with tenancy type.
- Complete and file a **Pre-Action Protocol Checklist**.
- Share rent statements and correspondence with the tenant.

Possession Outcomes

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- **Suspended Possession Order (SPO):** Rent plus arrears repayment, breach may result in eviction.
- **Postponed Possession Order (PPO):** Similar to SPO but requires court return for enforcement.
- **Outright Possession Order:** Only used for severe or unresponsive arrears cases.

Use of Ground 8 (Mandatory Possession)

Ground 8 will be used only in exceptional circumstances where:

- **Arrears are 8+ weeks' rent.**
- The tenant has failed to engage or make reasonable payment offers.
- No benefit claim is pending or expected.
- The decision is authorised by the Director of Housing and deemed proportionate under the Human Rights Act 1998.

8. Monitoring Performance and Review

- Arrears performance will be monitored through regular reporting and benchmarking.
- Targets will be set and reviewed annually.
- Compliance audits will ensure adherence to this policy and the Pre-Action Protocol.
- The policy will be reviewed every two years or earlier if legislation or regulatory guidance changes.

