



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

**NEATH PORT TALBOT COUNCIL
SOCIAL SERVICES, HOUSING AND COMMUNITY SAFETY
CABINET BOARD**

18th April 2024

Report of the Head of Housing and Communities – Chelé Zandra Howard

Matter for Decision

Wards Affected All Wards

**POLICY ON RENT AND SERVICE CHARGE ARREARS
PREVENTION AND RECOVERY**

Purpose of the Report

To seek approval to implement a rent and service charge arrears prevention and recovery policy for tenants living in Temporary Accommodation (“TA”).

Executive Summary

This report requests permission to establish a policy with regard to preventing tenants going into arrears on their rent and service charges for TA, and to recover those sums where arrears have occurred.

Background

Neath Port Talbot Council (“the Council”) have a number of statutory duties under the Housing (Wales) Act 2014 in regard to the prevention and alleviation of homelessness.

Over the last 24 months, the Council has seen a significant increase in people requiring TA in order to alleviate their homelessness situation. This is due to multiple national and system wide factors that impact on people's ability to access and retain affordable housing, alongside new legislative and strategic requirements from Welsh Government ("WG") that have increased the range of people owed a statutory homelessness duty.

The Council's homelessness budget for 2023/24 is anticipated to overspend by £1.3 million, this overspend is driven by high demand for TA and this demand is anticipated to increase without putting in measures to prevent people from becoming homeless and to quickly move those that become homeless into permanent housing.

As part of improving budget management it is recommended that the Council implements an arrears prevention and recovery policy. This will also improve tenants' individual accountability as well as promote budgeting skills.

The process for debt recovery of sums owed would be in line with the Council's debt and enforcement process and in line with the Council's Charter for the Collection of Debts. This process would be overseen by the Council's Debtors' Team (Background Paper 1 and 2).

In addition, Landlords often require evidence that a prospective tenant has a good history of making regular rental payments. By promoting the prevention of arrears occurring, this policy will enable households to evidence their ability to make payments and maintain a tenancy to Landlords, which will help to prevent individuals from becoming 'stuck' in TA.

This policy will also help those households that may have developed rent arrears evidence to a new Landlord that they are now in a more stable position and can make regular payments against their debts, again enabling these individuals to be able to move out of TA and into a more permanent home more quickly.

The existing policy was first implemented in 2013 and reflected legislation at the time, namely Part 7 of the Housing Act 1996. The draft policy appended to this report has been updated to reflect current legislation, namely the Housing (Wales) Act 2014.

Financial Impacts

The high numbers of people currently in TA is creating a significant cost pressure for the Council and whilst the Council receives some income in way of Housing Benefit, this does not cover the full cost of TA provision.

The Council's homelessness budget for 2023/24 is anticipated to overspend by £1.3 million, this overspend is driven by high demand for TA and this demand is anticipated to increase without putting in measures to prevent people from becoming homeless and to quickly move those that become homeless into permanent housing. A strategy to reduce homelessness was presented to Members on the 25th January 2024 (Background Paper 3).

It is anticipated that the implementation of this policy will also contribute to the mitigation of homelessness budget overspend.

Integrated Impact Assessment

A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016). The first stage impact assessment has indicated that a more in-depth assessment was required.

An overview of the Integrated Impact Assessment has been included below in summary form only and it is essential that Members read the Integrated Impact Assessment, which is attached to the report at Appendix 1, for the purposes of the meeting.

The aim of the Rent and Service Charge Arrears Prevention and

Recovery Policy is to prevent debt from arising in the first place, reduce its occurrence and recover monies wherever possible. As such it promotes safeguarding of vulnerable clients and contributes towards service sustainability to meet the outcomes of a growing population with housing needs.

Valleys Communities Impacts

It is not anticipated that this policy will have any specific or disproportionate impact on valley communities.

Workforce Impacts

Establishing this policy will have a positive impact on the workforce as there will be a framework in place with regards to managing situations where a person is in arrears with their rent and/or service charges for TA.

Legal Impacts

The policy has been established in line with the Housing (Wales) Act 2014 and existing Council debt recovery policies and procedures.

Risk Management Impacts

Failure to implement the policy will leave vulnerable groups without support to prevent arrears accumulating in the first place or an adequate means of recovering debt when it has been accrued. It will also require financial savings to be made by other means, as well as:

- Risk to the Council's budget if debts are allowed to accrue;
- Risk of disenabling those that require TA and people losing daily living skills such as budgeting;
- Risk that people in TA may be unable to find long term accommodation due to an inability to evidence a history of paying rent or make payments towards debts.

Consultation

There is no requirement for external consultation on this item.

Recommendations

Having had due regard to the integrated impact assessment, it is recommended that the Council implement a Rent and Service Charge Arrears Prevention and Recovery Policy.

Reasons for Proposed Decision

To ensure that there is a transparent and equitable process to preventing rent and service charge arrears and to recover those sums where arrears have occurred.

Implementation of Decision

The decision is proposed for implementation after the three day call in period.

Appendices

Appendix 1: Rent and Service Charge Arrears Prevention and Recovery Policy;

Appendix 2: IIA Frist Stage Assessment.

List of Background Papers

Background Paper 1: NPT CBC Debt and Enforcement Policy -

<https://beta.npt.gov.uk/business/business-rates/debt-and-enforcement-agents/>

Background Paper 2: NPT CBC Charter for the Collection of Debts -

<https://beta.npt.gov.uk/business/business-rates/debt-and-enforcement-agents/charter-for-the-collection-of-debts/>

Background Paper 3: Housing and Homelessness Strategic Plan

2024-2027 - [App.1 Housing and Homelssness Plan 2024.pdf](#)
(npt.gov.uk)

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