

<b>Income Management Policy</b>	
<b>Document Owner:</b> Director of ICT & Change	<b>Document No:</b> IM-PL-003
<b>Date Approved:</b> July 2024	<b>Review Date:</b> July 2027

## Contents

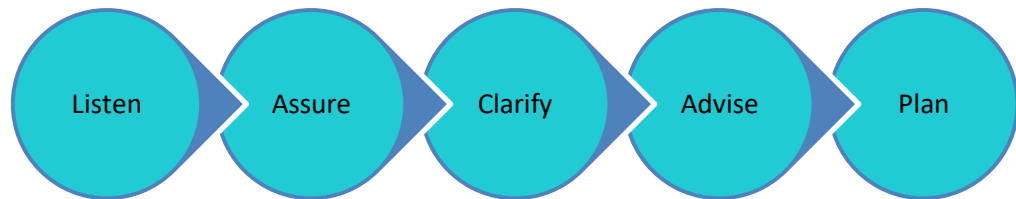
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## 1.0 Purpose

- 1.1 Beyond Housing must maintain an efficient rent collection service in order to provide a wide range of services for our customers. We recognise the economic and social cost of evictions and we will take a preventative approach to managing rent arrears. As a responsible landlord we want to help our customers to be financially stable and sustain their tenancies.
- 1.2 This policy sets out our approach to rent collection, arrears prevention and debt recovery to enable customers to stay in their home or have access to housing with Beyond Housing. It sets out clearly the service customers can expect from us ensuring they receive our support in the prevention and collection of arrears. It will detail when and how we will help customers to seek independent, impartial advice.
- 1.3 We will contribute to our vision **to help our customers and communities to succeed and thrive** and will clearly demonstrate our values to be **considerate, collaborative, ambitious and accountable**.

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During our interaction with customers they can expect us to:



We will seek to maximise income and minimise debt through the prompt collection of rent, service charges and other tenancy related charges whilst being sensitive to the circumstances and individual needs of our customers. We aim to prevent rent arrears, either occurring or increasing, and we will minimise arrears by adopting a firm, fair and consistent approach.

1.4 We will take action to evict customers only where all other courses of action have not worked and arrears are not reducing.

## 2.0 Scope

The objective of this policy is to:

- help customers to sustain their tenancy,
- detail the service offer customers can expect from us,
- offer a consistent and proportionate approach to rent arrears recovery,
- ensure we comply with relevant legislation, regulation and guidance.

## 3.0 Definitions

3.1 **Rent and service charges:** the amount of rent charged for the property together with any associated costs for managing the property, such as caretaking services, grounds maintenance.

3.2 **Tenancy related charges** – this includes but is not limited to reach and respond charges and stairlift charges

3.3 **Arrears:** debt that is accrued as a result of non-payment of rent.

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- 3.4 **Guarantor:** a person who commits to making rent payments should the customer not do so. For the purpose of this policy a Guarantor will be treated as a customer.
- 3.5 **Housing Benefit:** an amount of money paid by the local authority to help towards rent payments.
- 3.6 **Housing Costs:** an amount included within Universal Credit to help towards rent payments.
- 3.7 **APA:** alternative payment arrangements whereby housing costs can be paid direct to the landlord.
- 3.8 **PTC:** pre tenancy check.

#### 4.0 Responsibilities

- 4.1 The Chief Operating Officer has overall responsibility for the effective implementation of this Policy.
- 4.2 The Director of Customer Services & ICT is responsible for ensuring that employees involved in rent collection are trained in our procedures and are skilled to implement them.
- 4.3 The Customer Income Manager, supported by the Customer Income Team Leaders, is responsible for ensuring the Policy is adhered to and that all colleagues are appropriately trained.
- 4.4 Customer Income Advisors and Former Customer Advisors must act in accordance with this Policy.

#### 5.0 Legislative and statutory requirements

- 5.1 Protection from Eviction Act 1977
- 5.2 Housing Act 1985 (as amended by the Housing Act 1996)
- 5.3 Housing Act 1988 (as amended by the Housing Act 1996)
- 5.4 Homelessness Act 2002.
- 5.5 Pre-action Protocol for Possession Claims Based on Rent Arrears, Civil Procedure Rules, Ministry of Justice, 2006
- 5.6 Financial Regulations 2019

#### 6.0 Policy detail

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## 6.1 Arrears prevention

- 6.1.1 We will ensure colleagues are knowledgeable and trained in welfare and housing benefit and are able to refer to other agencies where appropriate.
- 6.1.2 We will ensure colleagues are skilled, knowledgeable and competent to provide advice and guidance
- 6.1.3 We will use a variety of communication methods to engage with customers but will aim to use digital means whenever possible. We will provide information in other formats such as braille, audio or translate into another language should the customer need this.
- 6.1.4 Arrears prevention will begin prior to a new customer signing their tenancy agreement. An assessment will be carried out with the customer to highlight under claiming of welfare benefits and if necessary they will be signposted to services that can improve their financial situation such as our Employability Service. An affordability assessment will be carried out based on income and expenditure and proof of income and expenditure can be requested.
- 6.1.5 An allocation may not be made if it is apparent the customer will not be able to pay their rent liability. In these circumstances it will be recommended to the customer that they cannot afford the property. They will be signposted to services that can help them improve their financial situation.
- 6.1.6 Where it is identified the new customer will not receive full housing costs from Universal Credit or housing benefit new customers are expected to pay their rent by direct debit. If a customer does not have access to a bank account they will be provided with information on how to open one.
- 6.1.7 Whilst direct debit is our preferred method of payment existing customers can also pay by recurring card payments, bank transfer or cash at a pay point.
- 6.1.8 Rent balances and statements are available from the customer portal or upon request from the customer.
- 6.1.9 Customers will receive an annual notification advising them of their rent change for the following year.
- 6.1.10 All new customers will be invited to a sign-up interview during which their responsibility for rent payments will be explained. If they are not entitled to housing benefit, they will be expected to make payments in advance of their next payment date to ensure their

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rent account remains in credit. This will have been explained during the PTC with the income advisor for that patch.

- 6.1.11 If, due to a new Universal Credit claim, the customer does not have the means to pay their rent up front they will be offered a Universal Credit Payment Promise. During this time, we will not take recovery action or send requests for payments. We will agree future payments and negotiate repayment of the rent arrears accrued during this time. If it is identified that a customer is to going to receive full housing costs from Universal Credit, we can consider asking UC for direct payment to landlord (APA) as soon as they sign up.
- 6.1.12 We will work closely with all customers claiming Universal Credit to ensure they are regularly receiving their correct Universal Credit payments.
- 6.1.13 We will aim to identify vulnerable customers to ensure that rent payments and recovery procedures are tailored to their needs and that any additional support needs are met. There will be close liaison and co-operation between Beyond Housing and third party support agencies including housing options teams to assist vulnerable customers to sustain their tenancies and manage their rent account.
- 6.1.14 We will offer specialist benefit casework for those customers who need to challenge adverse welfare benefit decisions and will represent them at tribunals if required to.
- 6.1.15 We will manage arrears on a risk-based approach using income analytics with some targeted campaigns and we endeavour to raise awareness when there are changes to benefits or legislation that affect our customers. We will use social media, text messages and email to do this.

## **6.2 Arrears recovery**

- 6.2.1 We will make early contact with customers whose accounts go into arrears to prevent the debt escalating. We will try to contact them personally so that we can understand the difficulties they are experiencing, offer support and agree a reasonable repayment.
- 6.2.2 At the end of every contact the customer will understand the action they need to take and what support they can expect from us.
- 6.2.3 As an alternative to enforcement we will consider applying for direct deductions from benefits or alternative payment arrangements, including third party deductions, from Universal Credit.

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- 6.2.4 We will be sensitive to customers changing circumstances and will undertake a financial assessment of these circumstances to provide support and advice as required. With the customer’s permission, we will seek help and advice from other agencies to maximise their income and assist customers in regaining control of their finances. We recognise that every customer has differing needs, and we will work with them on an individual basis to reach an agreement to repay arrears.
- 6.2.5 We will signpost to partners for such things as debt advice and during the period they are engaging with our partners we will not take recovery action if attempts are being made to make rent payments.
- 6.2.6 Any rent paid over and above the weekly rent due will be used to repay any outstanding debt in the following order:
- Rent arrears
  - Legal fees
  - Former customer debt
  - Rechargeable repairs
- 6.2.7 We will accept awarded compensation towards payment of arrears should the customer request it.
- 6.2.8 We will rely on either mandatory Ground 8 or discretionary Grounds 10 and 11 of Schedule 2 of the Housing Act 1988 (as amended by Section 151 of the Housing Act 1996), for possession on the basis of rent arrears, that is:

Ground 8 – if rent is payable weekly at least eight weeks rent is unpaid

Ground 10 - Some rent lawfully due from the customer (a) is unpaid on the date on which proceedings for possession are begun; and (b) except where sub-section 1(b) of section 8 of this Act applies (notice has been dispensed with), was in arrears at the date of the service of the notice under that section relating to those proceedings.

Ground 11 - Whether or not any rent is in arrears on the date on which proceedings for possession are begun, the tenant has persistently delayed paying rent which has become lawfully due.

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Should we rely on mandatory Ground 8 the customer will be offered the right to appeal the decision to serve the Notice.

- 6.2.9 In respect of customers with assured shorthold tenancies we will give two months' notice in writing if it is our intention to get a court order for rent debt. This will be in line with schedule 2 of the Housing Act 1988 (as amended by the Housing Act 1996).
- 6.2.10 We will endeavour to help customers to remain in their homes but as a last resort eviction action may be taken. We will liaise with housing options teams and third parties prior to eviction so the customer is offered independent advice. Customers will be advised and encouraged to seek independent legal advice if contact is not made by the housing options team.
- 6.2.11 We will liaise with the County Court Bailiff and attend all evictions.
- 6.2.12 The Customer Income Team leaders will consider all applications for eviction warrants.

### **6.3 Garages**

- 6.3.1 Accounts in arrears will be reviewed regularly and action taken in line with the garage rent arrears recovery procedure. Records will be kept of all actions taken.
- 6.3.2 Repossession of a garage will be carried out where no successful agreement for repayment has been reached.

### **6.4 Former customer debt**

- 6.4.1 Pre-termination discussions will be carried out to inform the customer of any rent or other housing debts, the implications of leaving prior to the expiry of the notice period and to set up a payment plan. A forwarding or contact address will be obtained and a final account will be sent to the former customer.
- 6.4.2 Former customer rent accounts will be regularly reviewed. Where an application for housing is made by an applicant who has debt outstanding from a former tenancy, sanctions will be applied in line with the allocations guidance. Details will also be given where we are asked to provide a reference by another housing provider.
- 6.4.3 Tenancy end and start dates can have a significant impact on customers' entitlement to Universal Credit. If ending the tenancy has a negative impact on the customer we will speak to them and negotiate a longer notice period.

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- 6.4.4 Efforts will be made to trace customers who leave without giving a forwarding address and all attempts to trace will be recorded.
- 6.4.5 We may refer the debt to a collection agency if attempts to recover the debt have failed.
- 6.4.6 If no contact is made with the former customer or agreements are not made or kept to, legal action will be considered.
- 6.4.7 Debts will be written off in line with our agreed Financial Regulations and Procedures.

## 6.5 Conflict of interest

- 6.5.1 A conflict of interest may arise when we are advising or acting on behalf of a customer, their partner or someone else living in their household and another customer contacts us for advice related to the same matter. It may also arise if the advisor and the customer know each other.
- 6.5.2 If an advisor and customer know one another – good practice is to appoint another advisor.
- 6.5.3 When we are advising a customer and another party contacts us for advice relating to the same matter, then we cannot normally advise both parties. In this instance, only general advice and information will be given or preferably signposting elsewhere.

## 7.0 Underpinning procedure

- Current Customer Rent Arrears
- Assured Shorthold: Empty Homes & Equitable Tenancy Rent Arrears Procedure
- Former Customer Rent Arrears Procedure
- Leasehold Shared Ownership Arrears (including rent and buy)
- Garage Rent Arrears Procedure

## 8.0 Controls and reporting

Control	Line of defence (1st, 2nd or 3rd)	Responsible (Job role)	Reported to:
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Monthly quality assurance check – 2 cases per advisor	1st	Customer income team leaders	Customer income manager

## 9.0 Consultation

- 9.1 We will communicate this Policy through the tenancy agreement, the website, the Customers Handbook and to all new customers at the start of their tenancy.
- 9.2 Colleagues will be fully trained to deliver this Policy.

## 10.0 Approval and revision

- 10.1 We will monitor the effectiveness of rent collection procedures using agreed performance indicators and targets.
- 10.2 This Policy will be subject to review every three years and the review may be brought forward if necessary, for example to take into account any changes in legislation.

<b>Accountable:</b>	Chief Executive
<b>Responsible:</b>	Director of Customer Services & ICT
<b>Approval body:</b>	Senior leadership team

Version	Date	Information
4	July 2024	Back stop review
4	February 2026	Partial review approved – removal of reference to housing costs in section 6.1.10