

Income Management Policy

Linked strategies	Finance and VFM Framework
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Policy level	2
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Policy Owner	Head of Housing and Neighbourhoods



1 Policy Statement

- 1.1 The effective management of our income is crucial in terms of maximising the resources available to us to deliver our business objectives, maintain our stock, provide a high level of customer focused services, and respond to changes in the external operating environment
- 1.2 The overarching aim of this policy is, therefore, to recover all income that is due to Greatwell Homes. The overriding principles of this policy are “prevention, support, responsibility and enforcement”.
- 1.3 We will adopt a firm, fair and supportive approach, when recovering arrears of rent and all other charges, with a particular emphasis placed on early identification of debt, early contact with the customer and comprehensive advice.
- 1.4 We will adhere to the National Housing Federation (NHF) eviction pledge and support for residents as outlined below.
- 1.4.1 **Keeping people secure at home.**
No one will be evicted from a housing association home because of financial hardship, where they are working (or engaging) with their housing association to get their payments back on track
- 1.4.2 **Helping people get the support they need.**
We will help customers access benefits and other support to alleviate financial hardship, including supporting people to get into work where possible.
- 1.4.3 **Acting compassionately and quickly where people are struggling.**
We will work with customers who are struggling to pay rent and make arrangements that are manageable for them in the long term. Legal action will only be taken in serious circumstances – for example as a last resort where a resident will not agree a plan with us to pay their rent, or where it is needed urgently in cases of domestic abuse or of antisocial behaviour that is putting other residents or communities at risk.

2 Scope

- 2.1 This policy applies to the management and recovery of all monies owed to



Greatwell Homes by customers of any tenure or former customers including:

- Property Rent
- Service charges
- Support charges
- Former Tenant Debt
- Life-line accounts
- Major works Costs
- Court fees
- Re-chargeable repairs
- Administration charges
- Garage rent

3 Definitions

3.1 Current Rent arrears

We define current rent arrears when a customer owes Greatwell Homes any outstanding rent or associated charges for their property as set out in their tenancy agreement, lease, or licence.

3.2 Former Tenant Debt

We define former tenant debt as any debt or sub account debt owed to Greatwell Homes by a former customer

3.3 Static Debt

Static debt is a debt of more than £10 and we will consider enforcement action when an account is in static debt over £200.

3.4 Support Charges

These charges are a provision in our independent living schemes where the customer will pay for access to a call centre and independent living officer to be able to provide 24/7 support. We have three levels of support charge, these are categorised as low, medium and high dependent on the personal need of the customer.

3.5 Major Works costs



Major works are a substantial repair, redecoration, replacement or improvement made to a building or the area around a building.

4 Policy Principles

4.1 Our income management policy will always reflect good practice and meet legal and regulatory requirements. The following principles apply:

4.2 **Prevention** – we will:

4.2.1 Ensure staff receive comprehensive training in order to offer good quality advice on housing and other welfare benefits. We will work to develop a coordinated approach to income management adopting a performance culture where debt recovery and financial inclusion are given a high priority across the whole business.

4.3 **Pre-Tenancy Work**

4.3.1 We will make use of use of customer data to identify those customers who may require additional support upon commencement of tenancy or may have difficulties sustaining a tenancy for financial reasons.

4.3.2 We will carry out a pre-tenancy assessment for all new customers, which will seek to identify issues around affordability. As per the Allocations Policy Nominees assessed as 'medium' or 'high 'risk will be referred to Housing and Income Services Manager (or the relevant team leader in their absence) to agree on what measures. We will provide welfare benefit advice and information either directly to the customer, or through a referral to appropriate partner agencies. Should the tenancy be deemed to be financially unsustainable, the Housing and Income Services Manager will refuse the application and inform the Lettings team.

4.3.3 We will ensure we communicate with customers in a clear and consistent manner and where possible, we will communicate in line with their stated preferences.

4.3.4 We will offer an extensive range of payment methods which are convenient, accessible, and flexible to meet the needs of customers. Payment by Direct Debit will be the preferred and promoted method of payment. Alternative methods include:

- Bank Standing Order



- Internet
- Phone payment with debit or credit card
- Pay at pay point venue with their Allpay card (upon request only)

4.3.5 We will ensure that the tenancy is started on the best possible footing by taking an advance payment of one week's full rent or one month's full rent (depending on payment frequency) unless there are exceptional circumstances. Care leavers and previously homeless customers would be exempt and would be advised to pay weekly, fortnightly or in monthly instalments until a minimum of a week's or months credit was obtained.

4.3.6 We will provide access so customers can see their rent account online 24/7 and make paper copies available upon request.

5 During the Tenancy

5.1 We have a dedicated income recovery officer who manages the first 12 months of a starter tenancy. This allows a consistent approach to all starter tenancies allowing them to all have the same advice and help where required. Careful consideration would be given prior to serving a Ground 8 NOSP or S21 due to mandatory possession implications. If any breaches of tenancy or issues arise during the first 12 months, the starter period would be extended for 6 months to allow the income recovery officer and/ or the Neighbourhood housing officer to work with the customer to address those issues.

5.2 Referrals will be made to our in-house Money & Benefits Advisor for all customers who are experiencing financial difficulties. A full benefit check will be completed to ascertain income maximisation along with budgeting advice where required.

5.3 **Support** - We will:

5.3.1 Offer practical support and advice to new customers, (including a pre-tenancy assessment on affordability, assistance with welfare & benefit advice and claims and money management), to ensure their tenancy is financially viable

5.3.2 Offer practical support and advice including, providing payment, arrears and money management throughout the term of a tenancy or lease. This may be directly or through appropriate partner agencies who have the requisite skills and expertise. We will offer advice in accessing free debt and money advice services



- 5.3.3 Provide pro-active support in terms of assisting the delivery of appropriate Housing Benefit (HB) and Universal Credit (UC) claims, and advise on other benefit claims, at sign up and as required by customers
- 5.3.4 Monitor for prompt assessment and payment of HB/Universal Credit cases
- 5.3.5 Liaise closely with Housing Benefits and other Welfare Benefit agencies to ensure that customers' income is maximised.
- 5.3.6 Adopt an approach that ensures customer needs are considered, referring vulnerable customers or those with multiple debts to specialist support providers or debt counselling services as soon as possible and maintaining communication (in accordance with Greatwell Homes Data Protection Policy).

Whilst we accept that vulnerable customers may need additional support, we still expect rent and other charges to be paid on time and any debt to be paid within a reasonable time frame

- 5.3.7 Customer Assistance Pot - The Customer Assistance Pot is designed to support customers facing financial difficulties by providing essential aid for food, white goods, furniture, or carpets. This assistance aims to alleviate financial strain, enabling customers to prioritise and maintain their rent payments. By offering targeted support, the fund helps prevent arrears and promotes long-term financial stability for those in need

5.4 **Responsibility** – We will:

- 5.4.1 Promote a positive payment culture that expects payment of rent and other charges in line with the agreement e.g., tenancy/lease.
- 5.4.2 Ensure that new and existing customers have a full understanding of the connection between making payments and our ability to provide high quality services to all customers and the consequences of not paying.
- 5.4.3 We will assess an applicant's ability to pay the rent due and where the applicant cannot afford to pay the rent we will not grant a tenancy.



5.4.4 Apply the full legal costs and charges associated with pursuing any legal proceedings and recharge these back to the relevant customer

5.5 **Enforcement** – we will:

5.5.1 Adopt a robust and effective escalating income and debt recovery procedure that will continue to expect payment alongside any legal action.

5.5.2 Inform customers when debts are arising through contact as early as possible and take appropriate action, including further support and advice, and legal action when required.

5.5.3 Expect customers to clear their debt in full. Where this is not affordable, instalments will be offered by agreement, and we will offer assistance to ensure the agreed repayment plan is affordable. Generally, we will not agree repayment schedules that exceed one year in duration unless under severe financial strain as evidenced by an affordability calculation.

5.5.4 Ensure that all provisions of the HM Courts and Tribunal Service Pre-action Protocol for Possession Claims based on rent arrears have been complied with before and during any legal action for possession.

We will tailor our approach to ensure we use the best method of recovering debt and each case will be looked at individually. This will be by either Possession Claims Online (PCOL) or Money Claims Online (MCOL) where a debt is static or under 8 weeks of arrears.

5.5.5 Ensure that property repossessions are only used as a means of last resort.

We will seek possession of a property using the appropriate discretionary and/or mandatory grounds as laid down in Schedule 2 of the Housing Act 1988, as amended by the Housing Act 1996. We will consider using Ground 8 in certain cases) and Section 21 notices on assured shorthold and fixed term tenancies.

5.5.6 We will not normally allow tenants with rent arrears to transfer homes unless exceptional circumstances apply which will be determined by us

5.5.7 Provide notice to any mortgage lender, in accordance with the terms of the relevant lease, of our intention to commence legal proceedings against a lessee for rent or



service charge and/or other arrears. Rent payments made by lenders to protect their security will be accepted by the Association

- 5.5.8 Act promptly to recover debts owed by garage tenants using all means of communication. If debts continue to increase, and four weeks debts has accrued, we will serve a Notice to Quit. We will refuse a garage application from any Greatwell Homes customer who is in rent arrears on their property. Where a customer rents a garage and a property and owes more than 4 weeks rent for the property and is not maintaining an acceptable re-payment agreement, we will end the garage license. This is in recognition that the property rent must always take priority

6 Insolvency Arrangements – We will

- 6.1 Ensure that where a customer has an insolvency arrangement and continues to live in their home they understand that they remain liable to pay current rent.
- 6.2 Consider on a case-by-case basis as to whether we will write off rent debt where bankruptcy has occurred.
- 6.3 Ensure where a customer has a Debt Relief Order (an order that prevents a creditor from pursuing debts for a period of 12 months) the customer understands that they are still liable to pay rent and any rent debt after the order has been granted
- 6.4 Breathing space – we ensure a parker is added to the tenancy for the period breathing space is granted (following official confirmation) this is to ensure we do not contact them during this period – we do speak to them if they initiate the conversation but pause any formal action

7 Partnership working

- 7.1 We will work with organisations to ensure we give the best opportunities to our customers to strengthen tenancies and financial issues
- 7.1.1 **Commitment to Refer**
- 7.1.2 We will refer an individual or household to the local authority if they are threatened with homelessness. Reasons for considering a referral include:



- Customer facing court proceedings for eviction.
- Relationship/family breakdown leading to someone having to leave the family home.
- Hidden homelessness such as sofa surfing or other informal living arrangements (including illegal occupancy)
- Unforeseen circumstances such as the death of the tenant, where there is no right to succeed to the tenancy for a family member

7.2 North and West Northamptonshire Council

7.2.1 We will liaise with the NNC and WNC to seek Discretionary Housing Payments (DHP) for any customer who is facing financial hardship due to:

- Under occupying and can evidence financial hardship for non-payment
- Customers who are facing legal action and can evidence financial hardship and/or crisis preventing them from paying rent
- To cover rent shortfall if benefits have been reduced of an overpayment.

8 Former Tenants-recovering money after a tenancy has ended - we will

8.1 Seek to prevent former tenant debt by expecting debt to be cleared prior to when a tenancy is terminated. When a tenant gives notice of termination, we will expect rent and other charges to be paid until the termination date and any re-chargeable works to be paid in full and in advance of the termination date.

8.2 Where tenants leave in debt to the Association, we will contact at their forwarding address (or if not known we will trace all liable parties) and offer an extensive range of payment methods, to make it as convenient as possible for former customers to pay their rent and other charges still owing in full.

8.3 Where contact is made but agreements are not made or made and not kept the Association will inform the former customers of the intention to recover through legal action.

8.4 Where a former customer does not reach a satisfactory agreement or fails to maintain an agreement to pay off the debt, we will select the most appropriate legal remedy available. We will utilise tracing agencies to find the addresses of former customers.



8.5 When all of the recovery methods available have been exhausted and it is thought that the debt is unrecoverable through, inability to trace, proven financial and social hardship, no estate on death, or that the level of debt is not economically viable to pursue further, a debt can be considered and approved for write off in line with our procedures in line with our Financial Regulations.

8.6 Where write-offs are approved this will be done in a timely manner ensuring the account is cleared and enabling accurate provision for bad debt.

8.7 Following the write-off of a debt we will accept payment from a former customer in respect of that debt and it will be written back into our accounts once the full debt has been paid.

9 Implications for customers and staff (data protection info sharing and confidentiality)

9.1 The chart below details the implications for our customers arising from the PIA arising from this policy.

Outcome	Action
Arrears balance incorrect	Rent accounting procedures
Wrongful pursuit/recovery	Income management procedure

9.2 A PIA and EIA have been completed for this policy and are available on request.

10 Performance Management

10.1 We will make use of the following performance indicators to monitor and report on the effectiveness of the service. Depending on the specific indicator, they will be reported to and discussed at the appropriate forum.

- Current tenant arrears as a %
- Current tenant support charges collected YTD as a %
- Former tenant arrears as a %
- Leasehold service charges collected YTD as a %
- Rent collected as % annual rent debit



11 Responsibility and Decision Making

11.1 The table below illustrates the structure for responsibility and decision making in relation to this policy

Person Responsible	Scope
Head of Housing and Neighbourhoods	<ul style="list-style-type: none">• Overall responsibility for ensuring that all activities are undertaken, and all performance measurements are met
Housing and Income Services Manager	<ul style="list-style-type: none">• Responsible for the day-to-day application and adherence to this policy• Responsible for ensuring the income recovery team are aware of this policy where it impacts on the teams delivery• Training is provided to staff, to enable them to fully understand our approach to income management and debt recovery both in terms of the technical aspects of arrears recovery and our commitment to high quality customer service, support and sound advice.• Staff also receive regular training and updates regarding changes in welfare benefit legislation and have basic skills in identifying more serious debt and financial



	issues which are then referred to our appropriate partner agencies.
Lettings Officer	<ul style="list-style-type: none"> • Responsible for ensuring appropriate affordability checks are in place and that new customers are set up on the best possible footing •
Income Recovery Officers	<ul style="list-style-type: none"> • All members of staff are responsible for promoting a payment where appropriate and raising concerns regarding any customer they perceive to be at risk of tenancy failure.
Neighbourhood Housing Officer	<ul style="list-style-type: none"> • All officers will discuss rent payments during their visits with our customers and offer support and advice where required.

12 Review

- 12.1 This Policy will be reviewed every three years or in line with changes in legislation, whichever is the sooner, updates or recommendations for changes will be presented to EMT



Associated Policies	Associated Procedures
	Income Management Procedure
Allocations Policy	Management Move Procedure
Rent Setting Policy	Rent Setting Procedure
Rechargeable Repairs Policy	Rechargeable Repairs Procedure
Service Charge Policy	Service Charge Procedure
Leasehold Management Policy	

