



Income Management Policy

Department: Housing Services

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1. INTRODUCTION

One Housing Group (OHG) recognises that an early and effective prevention strategy for arrears is essential to the smooth operation of its business, ensuring financial stability and increasing prospects for future development and expansion of its property portfolio and the services it provides. As a Social Landlord, rent and service charge arrears are always likely to represent its largest area of debt. OHG fully supports the rent arrears pre-action protocol, introduced in October 2006. OHG works to instil a payment culture to prevent rent arrears accumulating on new resident's rent accounts.

OHG has prepared this policy after consultation with residents and it should be considered in conjunction with the OHG **Income Collection Procedure**.

1.1 Definition

This policy covers income collection from residents with the following:

- General Needs Tenancies (Assured / Secure)
- Starter Tenancies (New residents)
- Key Worker Tenancies
- Joint Tenancies
- Garages / Parking Spaces

2. AIMS & OBJECTIVES

Aims:

- to develop a consistent, co-ordinated, measurable and effective approach to income management
- to establish good relationships with our residents
- to meet the level of customer service and operational management indicated in the Audit commissions 'Excellence' standard

Objectives:

- to provide clear and timely notification to residents in arrears
- to help residents whom fall into arrears access the most appropriate means of support
- to effectively communication within, and across, agencies, organisations and local communities in all local authority areas in which we operate
- to supply new residents with rent accounts and the means of payment before the tenancy commences
- to provided residents with clear rent account statements at least quarterly
- to producer clear, accurate and useful reports for rent arrears monitoring
- to operate effective rent accounting systems



3. POLICY STATEMENT

OHG is committed to ensuring a minimum level of arrears through the development of a strong rent payment culture and taking prompt action to prevent arrears occurring and accumulating. OHG will routinely publish its rent arrears policy and will inform residents of the severe consequences of non payment of rent while outlining the support that can be offered. OHG recognises that successful arrears management is a priority for the organisation, viewing it as pivotal to the Group's future enabling it to deliver quality housing management and repairs and maintenance services. OHG has introduced robust and effective methodology to its arrears recovery process. Its approach is based upon:

- effective communication between all staff involved in the recovery process
- delivery of an early and effective arrears prevention strategy
- delivering a sensitive approach to debt collection
- ensuring all staff are clear in their roles and responsibilities
- having clear processes for staff to follow and a robust decision making model
- having well trained staff specifically in the legal framework of rent arrears recovery
- seeking re-possession of a resident's home as a last resort

OHG has worked with front line income collection staff, key staff members and residents to develop this policy. Please refer to OHG's [Income Collection Procedure](#) for detail on the management of arrears collection.

General needs- residents will be considered to be in arrears when they have missed two period's payment unless they have an agreement in writing from OHG that allows a variation to this, and they have kept to it. OHG defines General Needs as Secure Tenancies, Assured Tenancies, and Shorthold Tenancies when the resident is not receiving additional support (One Support).

Starter Tenancies / Assured Shorthold- new residents to OHG will be given Starter Tenancies which will change to Assured Tenancies after a probationary period of 1 year as long as none of the conditions of the tenancy have been breached. Residents with Starter Tenancies will be considered to be in arrears when they have missed two periods' payment unless they have an agreement in writing from OHG that allows a variation to this, and they have kept to it.

Key Workers- are residents that have qualified for Key Worker accommodation whilst being employed in essential work professions, such as teaching or medicine. Key Workers will be considered to be in arrears when they have missed one month's payment, unless they have an agreement in writing from OHG that allows a variation to this and they have kept to it. City Style Living (part of OHG) has responsibility for the management of the OHG Key-worker units.



Joint Tenants- OHG will treat all joint tenants as jointly and severally liable for arrears. A request from a sole tenant to create a joint tenancy will not be agreed to if there are current rent arrears. Where a joint tenancy exists, one party can terminate the tenancy without the agreement of the remaining joint tenant(s). However, all joint tenants will remain jointly and severally liable for any arrears up to the date of the tenancy termination.

Garages / Parking Spaces- any resident will be considered to be in arrears when they have missed one week's payment (or have arrears totalling in excess of £25.00) for their 'Garage' unless they have an agreement in writing from OHG that allows a variation to this, and they have kept to it. OHG will use its virtually zero policy on arrears in respect of garages. The related termination of rental agreements with residents who fall into arrears in their housing rent or service charges is seen as a soft stick to encourage the development of a strong payment culture. In respect of Parking Space licences these will not be issued or renewed if the resident is in arrears.

Resources

In consideration of the Group's stance with regard to the collection of arrears, the cost of staffing and provision of resources such as IT are consistent with the financial benefits. Best Value reviews help inform this process, together with any global staffing reviews that take account of changing needs on service delivery.

4. SERVICE CHARGES

Service Charges are levied to recover the costs OHG incurs in providing services to a dwelling. The way in which the service charge is organised is set out in the tenancy agreement. The charge normally covers the cost of such matters as general maintenance and repairs, insurance of the building and, where the services are provided, central heating, lifts, lighting and cleaning of common areas etc. The charges may also include the costs of management by OHG as landlord and for contributions to a reserve fund. Details of what can and cannot be charged by OHG and the proportion of the charge to be paid by the individual will be set out in their tenancy agreement or lease. Please refer to the OHG [Service Charge Procedure](#) for operation procedures in this area.

5. RESIDENT SUPPORT

Welfare Benefit and Debt Advice

Routine welfare advice is incorporated for General Needs' residents at the tenancy sign-up stage. This provides the opportunity for the officer and resident to highlight any potential areas of concern and determine if additional support may be required. Such advice is available to all of OHG's residents whatever their tenure type. Settling-in visits take place within 6 weeks of all new tenancies commencing, providing further opportunity for the resident and officer to discuss rent management.



Payment Advice

Residents are advised of the different payment options available in the OHG **Income Management Procedure**. OHG is working towards establishing direct debit payments as its preferred payment option, but currently this service is not available to all residents. OHG will continually review its methods of rent payment in consultation with its residents, keeping abreast of current developments on the market, specifically in new technologies. Rent management will be the focus for all new residents.

Working with Individual Residents

OHG notifies all residents who fall into arrears as soon as possible. During the arrears recovery process they ascertain the full circumstances of the resident and where possible address any factors immediately contributing to the arrears. OHG communicates with residents using a variety of traditional methods, for example by telephone contact, letter and email. All correspondence is in Plain English (except where an alternative language is appropriate) and clearly outlines the resident's circumstances and the consequences for continued non payment of rent. OHG values personal contact, such home visits, as evidence suggests this is one of the most effective methods of helping residents in arrears. Where written correspondence is required this will preferably be by personal letter as it is more likely to generate a response. Once contact has been made frontline officers are empowered to negotiate realistic arrears repayment arrangements with residents. Any proposed legal action will be postponed if payment agreements are maintained.

Residents with Specific Needs

OHG will ensure that the specific needs of ethnic groups, people with disabilities, the infirm, residents of an old age and the housebound are met in implementing this policy. This may mean for example, the provision of interpreters at interview, translation of printed material, involvement of floating support teams, One Support (OHG's internal organisation supporting vulnerable residents) and home visits, where appropriate. Where it is not possible to liaise directly with residents, for reasons of age/health/language, OHG will utilize other known agencies to both accommodate the resident's needs and fulfil our legal obligations. OHG will utilize Language Line to communicate with residents as appropriate.

6. POSSESSION PROCEEDINGS

General Needs- For General Needs, action will be undertaken in accordance with the County Court's procedures. Acknowledging the benefit of this final County Court assessment to both resident and the Group, Ground 8 of the 1988 Housing Act - Assured Tenants will only be used in exceptional cases, e.g. where there is a long established lack of contact with the resident or there is a repeat of court action for possession in respect of rent arrears. Under no circumstances will Ground 8 be used in cases involving Island Homes residents as it is restricted under the transfer agreement. Ground 8 effectively removes the court's power to scrutinise and direct.



Adjournment of Possession Proceedings- There will be occasions when it is appropriate to ask for the case to be adjourned on terms, for instance where further investigation of housing benefit entitlement is needed or where the resident has entered into an agreement to repay the rent arrears and has kept to the agreed payment pattern.

Postponed Possession Order (PPO)- A postponed possession order will be requested when the resident has made an agreement to clear the arrears after possession proceedings have been instigated. Should the terms of the order be breached then the case will be referred back to the county court for a possession date to be fixed.

Suspended Possession Order (SPO)- An SPO is similar to a PPO, but if the terms of the order are breached then an application for a bailiff's warrant will be made without the need for any further referral back to court. SPOs are no longer widely granted.

Evictions- Where the court has decided to award outright possession and the resident faces eviction from their home, advice will be given to them to seek assistance from the Homeless Persons Unit of the relevant Local Authority and other appropriate agencies. In most cases, they will be given a final opportunity to pay the debt outstanding up to and including the date of the eviction (including rechargeable repairs, legal fees and any other associated costs) in full to avoid the eviction being carried out and thus ensuring that they do not lose their home. However, this opportunity is discretionary and the conduct of their tenancy in general would be taken into consideration.

Garage Arrears- There are no provisions under housing Law regarding the way a separate garage tenancy is terminated, although a landlord will be bound by law of contract and be expected to act reasonably. To simplify the management of garage arrears, garage rent accounts will be maintained separate from the dwelling rent account except where the garage is an integral part of a dwelling, in which case garage rent will be incorporated in the rent of the dwelling.

Court Costs- OHG will pass on all reasonable court costs relating to pursuing rent arrears to the resident.

7. TRANSFERS, MOBILITY SCHEMES & MUTUAL EXCHANGE

OHG will not consider a transfer for residents in arrears except in the rare case where there is an emergency need to be re-housed a transfer will be considered at the discretion of both the Allocations Manager and the Regional Manager. OHG will not refer residents to another landlord under a mobility scheme if there are any rent arrears, nor usually consent to mutual exchanges if either party has rent arrears. OHG does have discretion to approve exchanges in exceptional circumstances e.g. where a person's personal safety is at risk.



8. MESNE PROFITS

Where an outright possession order has been granted, or a resident breaches a suspended possession order, any payment made towards the outstanding debt will not be accepted as rent but classed as mesne profits. The resident will be written to and advised as such. In these situations the tenancy becomes insecure and payments received thereafter must not be referred to as 'rent', so as not to suggest that a new tenancy has been created.

9. ACCOUNTS IN CREDIT

Residents will be advised if their accounts are in credit on their quarterly rent statement. Income officers will also run quarterly reports to enable them to contact residents in credit.

10. COMMITTEE & BOARD MEMBERS WITH RENT ARREARS

A resident cannot remain or be re-elected as a Committee or Board Member on any of OHG's committees if they are involved in any legal proceedings concerning their tenancy, or involved in legal proceedings that raise a conflict of interest with OHG. If a Committee or Board Member is due to receive a Notice of Seeking Possession or Notice to Quit, they will be written to by the Chief Executive explaining that if legal proceedings commence, they will have to resign from their Board or Committee position.

11. LEGISLATION

Government legislation has an impact on how OHG can implement its Income Collection policy. Listed below are the key Acts to be acknowledged:

- Protection from Eviction Act 1977
- Housing Acts 1985 & 1988
- Data Protection Act 1998
- The Human Rights Act 1998
- The Disability Discrimination Act 1995

Disability Discrimination Act

In Section 22(3) of the Disability Discrimination Act 1995 it states: 'it is unlawful for a person managing any premises to discriminate against the disabled person occupying these premises by evicting a disabled person or subjecting him to any other detriment'. Discriminatory treatment may be justified if the discriminator can demonstrate justification under section 24(2)-(5). In summary this states that justification may be sought to protect the health and safety of any other person (which may include that of the disabled person).'

The definition of "disability" is wide ranging and covers the following issues:

- Depression
- Mental health issues
- Personality Disorder



If a resident is disabled and the reason why the landlord is seeking to take legal action relates to the tenant's disability, then the landlord must believe and demonstrate that the justification is objectively reasonable.

12. CONFIDENTIALITY

Under the Data Protection Act 1998 and the Human Rights Act 1998, all personal and sensitive organisational information, however received, is treated as confidential. This includes:

- anything of a personal nature that is not a matter of public record about a resident, client, applicant, staff or committee member
- sensitive organisational information

Officers will ensure that they only involve other agencies and share information with the consent of the resident concerned, unless:

- OHG is required to by law
- the information is necessary for the protection of children.

13. EQUALITY AND DIVERSITY

OHG recognises the needs of a diverse population and always acts within the scope of its own [Equality and Diversity Policy](#), the Human Rights Act 1998, The Disability Discrimination Act, and Race Relations Act.

OHG works closely with its partners to ensure it has a clear understanding of its resident community with regularly updated service user profiles. This process allows them to deliver to clients an appropriate service in respect of its income policy and procedures through a prioritisation of resources. The Performance Information Team is responsible for recording, analysing and monitoring information on ethnicity, vulnerability and disability.

14. MONITORING AND EVALUATION

The policy will be monitored against a defined spectrum of key performance indicators. When issues of under performance are identified, strategies will be developed, in consultation and partnership with OHGs regional residents' panels in order to rectify such matters. OHG will publish annually its action on rent arrears cases, including the number of evictions for non-payment of rent.

15. HEALTH & SAFETY IMPLICATIONS

Staff should refer to the OHG [Health and Safety Policy](#) and [Loan Working Policy](#) where appropriate.