

### Income Management Policy

Version Control						
Version	Date drafted	Date approved	Approved by	Date reviewed	Next review date	Owner
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2024 Review				21.05.2024	21.05.2027	Operations Director

## 1. Introduction

- 1.1. Westmoreland Supported Housing Limited (WSHL) is a registered provider of supported social housing for adults where the care and support is usually provided by a Care Provider.
- 1.2. Our rental income is mainly from Housing Benefit, but also from customers or their representatives, as self-funders. We also receive income from Care Providers for void periods that we invoice monthly for in line with our Service Level Contracts and from rechargeable repairs.
- 1.3. This policy establishes WSHL's commitment to an effective and efficient income management service which maximises income due and collectable, from rent and service charges as well as Care Provider void income and rechargeable repairs. It applies to both current and former tenants.

## 2. Purpose

- 2.1. The overall aim of this policy is to outline the approach to collecting payments owed to WSHL, to maximise rent collection, minimise debt and enable our customers to maintain their tenancy. In addition, this policy will maximise the collection of former customer arrears and sundry debts (such as rechargeable repairs) owed to WSHL.
- 2.2. To maintain the financial stability of our organisation and continue to provide high-quality services to our customers, its essential that we collect payments in a timely and efficient manner and provide transparency and accountability in the Income Collection process.
- 2.3. WSHL aims to improve its performance in relation to Income Collection management and to reduce the percentage of debt owed. It has set staff targets to work towards achieving and give regular feedback about progress to staff in meeting these targets.
- 2.4. A rent arrears procedure has recently been written to help deliver this policy.
- 2.5. The Income Collection service delivered by WSHL will be achieved within the context of our legal and regulatory obligations and other related policies and procedures.



- 2.6. Our person-centred approach is moving towards a proactive encouragement of engagement to enable us to provide more support for people to pay their rent and sustain their tenancy.
- 2.7. WSHL recognises that some of its customers may have difficulty in understanding legal and financial matters. It also recognises that a significant proportion of its customers do not have any direct involvement in managing their own finances.
- 2.8. This policy reaffirms the 2022-2023 pledge of the National Housing Federation: “No one will be evicted from a housing association home as a result of financial hardship, where they are working with their housing association to get their payments back on track.”

### **3. Scope**

- 3.1. This policy applies to all current and former tenancies and covers pre tenancy, the period of the tenancy and post tenancy.
- 3.2. For the purpose of this policy, ‘arrears’ includes all rent arrears and sundry debts including current rent and service charge arrears, former customer arrears, housing management sundry debts including rechargeable repairs and court costs, utility payments, and Care Provider void income.
- 3.3. This policy is not designed to cover the technical details of specific service delivery but to present the overall approach and methodology of managing income collection.
- 3.4. This policy outlines the procedures and guidelines for collecting income in a fair, transparent, and efficient manner. It ensures that all employees involved in the income collection process understand their roles and responsibilities and comply with the policy.

### **4. Legal and regulatory responsibilities**

- 4.1. This Policy is designed to comply with our legal and regulatory responsibilities.
- 4.2. The Ministry for Housing, Communities and Local Government’s Policy Statement on Rents for Social Housing sets out the Government’s policy on rents. The Regulator for Social Housing Rent Standard April 2020 sets out the regulatory requirements for rent and rent setting. The Regulator has also published a separate Addendum to the Sector Risk Profile for lease-based providers that highlights concerns around the setting and therefore collection of the correct rent.
- 4.3. The Regulator for Social Housing 2023 Rent Standard sits alongside the 2020 Rent Standard. The setting of rent for supported housing must continue to comply in full with all the requirements and expectations set out in the 2020 Rent Standard.

4.4. Legal requirements that apply to income collection are outlined in:

- Housing Act 1985, 1988 and 1996
- Equality Act 2010
- Localism Act 2011
- Welfare Reform Act 2012
- Landlord and Tenant Act 1985
- Homelessness Reduction Act 2017
- General Data Protection Regulation (GDPR)
- Civil Procedure Rules
- Pre-Action Protocol for Possession Claims for Social Landlords 2021
- Protection from Eviction Act 1977

## **5. Our approach to customer income and debt**

- 5.1. We will deliver a person-centred approach to income collection by working collaboratively with customers and their representatives to establish a good rapport and a trusting relationship.
- 5.2. We will ensure a firm but fair, professional, consistent, and timely approach to debt recovery. By providing clear and consistent communication with customers about their outstanding balances, the income collection policy aims to improve customer relationships and tenancy sustainability.
- 5.3. We will work in partnership with external agencies/partners to ensure that debt is managed in accordance with legislative provisions and best practice.
- 5.4. We will advise customers of their account balance through annual rent statements, through arrears correspondence and on request.
- 5.5. We will offer various payment methods by which customers can pay their rent or outstanding debt to us. We will continue to promote Direct Debit as our preferred payment method to enhance our chances of increasing income into the business whilst reducing debt owed.
- 5.6. We will operate a 'telephone first culture'. Telephone calls allow for a more personal touch compared to sending a letter. This can help build trust and rapport with the customer, as well as provide a better understanding of the customer's needs and concerns. Correspondence will still be sent to customers where attempts to contact by telephone have not been successful and will emphasise the importance of keeping up to date with rent payments. The correspondence will clearly indicate that failure to do so may result in further action which could result in the loss of their home. It will also offer contact details for customers to seek advice where necessary.



- 5.7. We will take the needs of our potential customers and existing customers into consideration and referrals to the appropriate support agencies will be undertaken when appropriate to do so.
- 5.8. We will work in partnership with external agencies to enhance our changes of increasing income into the organisation, maximising income for our customers all whilst reducing debt and sustaining their tenancy. This includes but is not limited to, social services, local authorities, Citizens Advice Bureau, and debt counselling charities.
- 5.9. We will communicate with customers using any of the following means: telephone calls, emails, text messages, letters, and home visits.
- 5.10. We will look to avoid legal action to recover debt, however, there will be instances where there is no other sustainable option and legal proceedings may be issued, when customers are not engaging with us and not reducing their debt.
- 5.11. For the avoidance of doubt, a 'refusal to engage' includes, but is not limited to, the complete or persistent failure to cooperate with us, meet with the staff, or respond to communication from our staff.
- 5.12. We will minimise customer debt through pre tenancy affordability checks and achieving a balance between supporting customers and their representatives when they are in difficulty.
- 5.13. Our specialist team will manage Housing Benefit claims directly with the Local Authority to ensure that all claims are made on time, documents are submitted, claims are paid to their maximum and directly to us.
- 5.14. Our specialist Housing Benefit Team will manage any housing benefit suspensions, cancellations, reconsiderations, complaints to local authorities and/or appeals.
- 5.15. Where a customer is not paying the rent that they are contractually obliged to, we will take steps to ensure that the customer can repay the debt and make agreements to repay that are affordable to the customer and protect our income.
- 5.16. If the customer or their representative fails to engage or does not keep to an agreement, we will follow our rent arrears procedure and appropriate warnings will be issued and legal action taken if necessary. Any legal action will be in line with the pre-court action protocol. Legal action will always be a last resort after all other avenues and support are exhausted.
- 5.17. When a customer wishes to end their tenancy, as part of the exit process we will discuss any outstanding debt and make an affordable agreement. If the debt is not repaid as agreed, we will continue to chase the debt and will take legal action if appropriate.
- 5.18. To support customers, we will set our rent and service charges appropriately and give clear and timely information to show the breakdown of all costs.



- 5.19. From our first contact with customers, we will promote a positive payment culture through the offer of early and appropriate support and guidance as to how they can reduce debt, maximise their income and sustain their tenancy.
- 5.20. Our staff will be trained to effectively deal with rent debt, including prevention, intervention, and legal proceedings.
- 5.21. If a customer's debt is created through no fault of their own, or is uncollectable for any reason, we will consider writing it off in line with our financial regulations.

## **6. Care Provider Charges and Debt**

- 6.1. Our service level agreements with Care Providers allow us to charge Care Providers for the periods that a property is void. Each agreement has different free periods and amounts we can charge.
- 6.2. We will invoice Care Providers at no longer than monthly intervals for any void periods, in line with the terms of the service level agreement.
- 6.3. Where Care Providers do not pay within the payment terms, we will work with Care Providers to answer any queries and if appropriate agree a repayment plan.
- 6.4. If Care Providers do not pay their account in full within a reasonable period of time, and all queries have been answered, we will send a 7-day legal warning. If the payment is not received, we will initiate legal action by the appropriate means such as winding up order, the small claims court or civil action.

## **7. Rechargeable Repairs**

- 7.1. Where it is identified that a customer has caused damage to a property and it is not through fair wear and tear, we have the right to charge them for the cost in line with their tenancy agreement.
- 7.2. If it is deemed appropriate to charge for a repair, the customer will be informed and given any support as required with the support of the Care Provider to rectify any damage.
- 7.3. If there is a charge to be made to the customer, an invoice will be produced and sent to the customer along with any evidence of the damage and costs incurred.
- 7.4. If we deem it necessary to take legal action to recover the costs, we will do this in line with the terms of their tenancy agreement and the pre-court action protocol.



## **8. Other Documents**

8.1. This policy is linked to the following documents, and they should be read in conjunction:

- Rent and Service Charge Policy

## **9. Policy Review**

9.1. Customer and Care Provider income collection and arrears will be reported to Board monthly as part of the performance scorecard.

9.2. This policy will be reviewed every three years unless changes to internal policies or legislation require a review to be carried out sooner.