

# Income Management Policy

## Contents

1. Our Purpose
2. Overview
3. Aims and Objectives
4. Impact Assessments and Key Considerations
5. Definitions
6. Our Policy
7. Scope of Policy
8. Roles, Responsibilities and Duties
9. Monitoring and Reporting
10. Quality Assurance
11. Communication, Training and Implementation
12. Legal and regulatory framework
13. Information Sharing and Confidentiality

## 1. Purpose

We're proud to be able to support tens of thousands of people across England by providing affordable housing and care to help people live independently.

Everything starts at home, and we are privileged to be able to do work which makes a real difference to the lives of people in our communities. Everything we do is about people – whether that's providing a good quality, safe home or providing care which helps someone to live an independent life.

We live and breathe this social purpose.

## 2. Overview

This policy applies to income management within GreenSquareAccord. We aim to provide the highest quality of service to our residents. Non payment of rent or service charges affects our ability to provide high quality services and potentially has serious consequences for customers.

The business streams this Policy covers include:

- ◆ Affordable rent
- ◆ General needs
- ◆ General needs 55+ Cat 2
- ◆ Mortgage rescue
- ◆ Assured shorthold tenancies
- ◆ Rent Plus

### 3. Aims and Objectives

#### 3.1 For our customer and future customers

- ◆ We aim to collect the maximum amount of rental income and other charges promptly and economically from our customers in order to protect the provision of services and maintain our financial stability.
- ◆ The aim of this Policy is to create an arrears prevention and payment culture and ensure that income is collected quickly and effectively, to support our customers with financial inclusion and the ability to manage their money. This Policy sets out our objectives around the collection of current and former tenant debts and how we will do this.
- ◆ We will work to support all customers according to their needs, making provision for customers with vulnerabilities

#### 3.2 For our communities

- ◆ We understand how Welfare Reform, and the migration to universal credit (UC) has affected communities. We are committed to supporting our customers through these times, as well as building on a rental payment culture.
- ◆ We will provide tenancies and terms of occupation which are compatible with the purpose of our housing stock, the needs of the individual, the sustainability of the community and the efficient use of our homes

#### 3.3 For our colleagues

- ◆ We will ensure our colleagues have the relevant training and support to manage income effectively as well as supporting customers in financial difficulties

#### 3.4 For our stakeholders

- ◆ We will meet the requirements set out by our regulator.
- ◆ We will work with Local Authority and other partners to help support debt and money advice for customers
- ◆ We will participate in local agreements and initiatives to support economic resilience

### 4. Impact Assessments and Key Considerations

#### 4.1 Customers

- ◆ This policy will be applied to our customers to ensure they have equal access to our services, information and that we respect their different needs. All customers will have access to this document upon request or from our website. This document and accompanying leaflet can be translated or provided in alternative formats (e.g. Braille, large print, audio) upon request.

- ◆ Across GreenSquareAccord, we work in partnership to maximise opportunities in order to achieve value for money and choice for customers. Customers' options are often limited by affordability so we are able to grant a range of homes to help us make most efficient use of our housing stock whilst giving customers options which suit their circumstances
- ◆ We will ensure that no person or group of persons will be treated less favourably than another person or group of persons on account of any diversity strand or protected characteristics.
- ◆ We will also ensure our customers have fair access to our services and will provide translation services when required.

#### 4.2 Communities

- ◆ Tenancy sustainment lies at the heart of our approach to income management, ensuring that eviction for debt is as a last resort
- ◆ We are committed to work with local community organisations and representatives to ensure that debt and money advice support services are managed in ways help sustain tenancies. Emphasis will be placed on working with applicants prior to becoming our customers in terms of tenancy sustainability, to ensure the right people are housed in the right properties

#### 4.3 Planet

- ◆ To support our move to carbon neutrality and to be as responsive to customers' needs as possible we aim to collect email addresses and mobile phone numbers of our customers so we can communicate effectively and with reduced printed paperwork, we will seek to reduce travel wherever possible

#### 4.4 Governance

- ◆ Head of Housing operations approval is required for this Income Management Policy
- ◆ We will review this Policy in line with any changes to the standards as published by the RSH and in line with prevailing good practice
- ◆ We will ensure that in handling the personal data of our customers and applicants we will abide by the UK GDPR and Data Protection rules.
- ◆ We have the skills and expertise to conduct most possession claims for rent arrears work in-house. We will seek external legal support where this is required

#### 4.5 Partners

- ◆ Across GreenSquareAccord, we will work in partnership to maximise the opportunities for our customers to access income, money and debt advice. Where appropriate to do so we will participate in partners which support this agenda
- ◆ We may also make use of external agencies to provide information, advice and guidance to our customers
- ◆ We are committed to working to prevent debt and to proactively assist all those with money advice needs. In particular, we will work with representative organisations to assist them to meet the needs of the groups they represent.
- ◆ We will assist local authorities and other partners to prevent and reduce homelessness through debt

#### 4.6 People

- ◆ We will make sure our people are appropriately trained and understand how to implement this policy

## 5. Definitions

DWP	Department of Work and Pensions
NSP	Notice of Seeking Possession
ASB	Anti-social behaviour.
CA	Citizens Advice
UC	Universal Credit
RSH	Regulator of Social Housing
DRO	Debt Relief Order

## 6. Our Policy

### 6.1 Policy Statement

We will ensure that pre-tenancy work is undertaken with applicants to ensure the property is affordable and that the customer understands the importance and responsibility of paying their rent;

We will let our customers know at the earliest opportunity they are in arrears.

We will offer customers support by providing benefit, money and debt information and income maximisation. This may include referrals to our internal tenancy sustainment officers and Financial Skills Coaches, as well as referrals to our external partners such as Citizens Advice.

### 6.2 Policy Outline

- ◆ To minimise arrears by focussing on preventative action and providing clear information.
- ◆ To offer a variety of payment methods to our customer for rent and charges.
- ◆ To encourage our customers to access their customer account or where applicable send a rent statement on request.
- ◆ To build relationships with the DWP, local authorities, the courts, credit unions and other local agencies which will help us achieve our aim to maximise income and minimise customer debt.
- ◆ To use eviction as a last resort.

### 6.3 Policy Requirements

- ◆ To comply with all legislative and regulatory requirements;
- ◆ To meet the requirements of the Pre-Action Protocol for Possession Claims for social landlords.
- ◆ To fully consider an individual's circumstances and demonstrate our commitment to diversity and inclusion.
- ◆ To provide excellent customer service.

## 7. Scope of Policy

This policy applies to customers of GreenSquareAccord in tenures stated subject to the terms of individual occupancy agreements.

### 7.1 Over-riding approach

- (i) Rents and other service charges income is critical in enabling GreenSquareAccord to achieve its strategic priorities of provision of excellent services and business growth. Our key policy principles are to:
  - ◆ adopt a “never in arrears” approach for income management and recovery of debt.
  - ◆ ensure that customers pay rent in advance in accordance with their tenancy agreement.
  - ◆ encourage a business culture where customers take responsibility for payment and understand the consequences of failing to do so.
  - ◆ offer early appropriate support with budgeting to customers to maximise their household income and reduce arrears.
  - ◆ ensure our actions are prompt, appropriate, consistent and fair.
- (ii) We aim to maximise the recovery of all rental income due from customers by establishing a dialogue between colleagues and customers, whilst developing and maintaining good working relationships with external agencies such as Housing Benefit

Departments and the Department for Work and Pensions offices in our areas of operation.

- (iii) In recovering money owed, we will have regard to all relevant legislation, regulation and good practice. In particular, we will ensure we meet requirements of the Tenancy Standard of the RSH with “interventions to sustain tenancies and prevent unnecessary evictions.”
- (iv) Our aim is to be firm and fair when collecting income from customers. We place particular emphasis on developing a positive payment culture and we equip colleagues to risk assess customers’ financial circumstances before a tenancy starts and at all appropriate points during their tenancy to ensure tenancies are successfully sustained
- (v) We focus on early intervention, maximisation of income and prevention of debt and our core housing service includes support to improve the financial capability of customers, to address income maximisation including household outgoings reduction, assistance with benefit claims.

We are aware that any of our customers may, at various points, be vulnerable and may need additional support, especially those on limited incomes and with changing circumstances. Our colleagues will be sensitive to the needs of any individual whilst ensuring that they understand their payment obligations of rent is due in advance.

- (vi) We attempt to reach a balance between empathy and firmness with customers who fall into debt, ensuring they are fully aware of their responsibility to pay and we will ensure that our escalation procedures and agreed practices for income recovery are applied uniformly across the business and that colleagues are provided with training to enable them to provide an effective service
- (vii) We will utilise Customer Insight data to target appropriate advice and services and to review trends of non-payment by different segments of customers
- (viii) We recognise the business case for avoiding eviction and consider eviction as a last resort. We will be clear when eviction is the appropriate outcome and achieve that as quickly as possible, including the use of the mandatory grounds
- (ix) Details of the steps that we take before resorting to legal enforcement action, including possession, are detailed in our procedures. These actions may vary according to the terms of the tenancy agreement.

## 7.2 Enforcement Action

GreenSquareAccord will attempt to reach agreements with individual customers to repay arrears and other debts, which are both manageable for the customer and acceptable to us.

If arrears persist or a customer is unwilling to make and stick to an agreement and all other solutions fail we will take legal action to repossess a property, usually by using the statutory grounds for possession of schedule 2 of the Housing Act 1988, including use of Ground 8.

### (i) Use of Ground 8

Where tenancy agreements permit, we have the ability to use mandatory grounds (Ground 8) to seek possession on serious rent arrears cases. Before we use this, we will try to work with the customer and make referrals to tenancy sustainment or to debt, advice or support agencies for assistance.

Ground 8 is available where a customer has arrears of more than eight weeks' or two months' rent when the Notice of Seeking Possession is served and at the date of the hearing. As it is a mandatory ground of possession, the judge must make an order for possession if the ground is established. The decision to use Ground 8 in court will be authorised by Senior Income Manager or Assistant Income Manager .

Examples of when it will be appropriate to rely on Ground 8 in court include circumstances where the customer fulfils the arrears criteria for ground 8 and:

- ◆ Has not resolved Housing Benefit or Universal Credit issues despite repeated opportunities or
- ◆ Has made a fraudulent claim for Housing Benefit, Universal Credit or other benefits or
- ◆ Is not living at the property or
- ◆ Is continuously and persistently in arrears and fails to engage with us or
- ◆ Is not deemed to be a "protected party" under the Civil Procedure Rules due to lack of capacity or is known to be vulnerable or
- ◆ Is in serious breach of other tenancy conditions, for example, serious nuisance, harassment and anti-social behaviour; a perpetrator of domestic abuse or violence
- ◆ Has refused to engage with us

(This list is illustrative only of the issues to be considered and is not exhaustive.)

Head of Housing Operations will review and approve any cases with an eviction request.

- (ii) A Section 21 Notice may be issued where a customer has an assured shorthold tenancy. This includes customers on a Starter tenancy.
- (iv) Where a customer has a fixed term assured shorthold tenancy, we may where appropriate use a NSP relying upon Ground 8 rather than a Section 21 Notice.

### (v) Monetary judgements

When seeking a possession order against a customer, we will always request a monetary judgement for the arrears, plus our legal costs of taking possession action.

## **(vi) Insolvency, bankruptcy and Debt Relief Orders**

IVA: Insolvency happens when an individual does not have enough assets to pay all of their debts. They enter into an agreement facilitated by an independent broker who divides up the repayment agreement to the creditors on the individual's behalf. This is a voluntary agreement. GreenSquareAccord expects customers to pay their rent in line with their tenancy agreement. We often get involved at the insolvency stage so that we can get our debt removed from the insolvency agreement. This allows us to recover the debt through possession proceedings on breach of tenancy grounds.

Bankruptcy: Can only be imposed by a court order. An individual can apply for bankruptcy if they can't pay their debts and the amount they owe is more than the value of the things they own. The bankruptcy period usually lasts 12 months but sometimes it can be longer. If a customer goes bankrupt, we won't be able to contact them about their debts. Once discharged from the Bankruptcy we are unable to collect any debt included in the bankruptcy. GreenSquareAccord expects customers to pay their rent in line with their tenancy agreement. If a bankruptcy order is made, we can still act on breach of tenancy using ground 11 (persistent delay in payment)

DROs are a form of bankruptcy to deal with debts if a person owes less than £30,000, does not own things of value, assets less than £2,000 and has £75 or less spare each month after paying household bills. Customers with arrears may seek the arrears included within a DRO. This could mean that such arrears become uncollectable.

## **(viii) Provision of Rent Account Statements**

We are actively increasing the number of customers who can access their rent statement on-line. We promote the customer portal to enable them to access their rent statement at any time. When they fall into arrears, we send a letter advising them of this.

To meet the requirements of the Pre-action Protocol for Possession claims, all customers who fall into arrears and have been served a statutory notice will receive a rent statement from us, as part of the recovery process. If a customer specifically requests that they wish to receive a statement by e-mail or other method, this will be accommodated wherever possible; however, access via the customer portal will be the default option.

For accessibility purposes, we will generally promote being able to request a hardcopy statement on demand for only those customers that do not have access to a computer or require their statement in an alternative printed format.

## **(ix) Former Tenant Debts**

- ◆ We aim to prevent or minimise arrears from accruing, we recognise this will not happen in all cases. We will aim to maximise the recovery of arrears outstanding when a tenancy is terminated.



- ◆ This applies to any debts owed to us, including recharges and court costs.
- ◆ We will encourage a customer to clear any arrears or debts prior to a tenancy ending; and will seek to obtain a forwarding address.
- ◆ Where we do not hold a forwarding address, we may refer the case to a tracing agent to obtain this or use a credit referencing agency such as Experian to locate.
- ◆ We will write-off where a customer is deceased with no estate or where we are legally required to do so, for example bankruptcy, where there is a DRO or the debt becomes statute- barred
- ◆ All cases will be considered on a case-by-case basis. This will include how cost effective it is to recover the debt and likelihood of recovery.
- ◆ Debts under £5 will be written off as these are not economical to pursue.
- ◆ Where a debt/s is older than two years old, we may accept a lump sum payment on a sliding scale of up to 50% as full and final settlement, with the remainder being written off.
- ◆ Any write off's will be approved in accordance with the current Decision and Delegation Schedule. When it is established that the debt is irrecoverable or uneconomic to pursue further, the debt will be recommended for write-off. This will only occur once all attempts to recover have been exhausted and generally not before statute of limitations has expired
- ◆ Where the debts have been written-off as irrecoverable, we will reinstate these and attempt to collect them if new information becomes available. For example, if we obtain a current address for a debtor whose whereabouts were previously unknown or they represent for housing.

## 8. Roles, Responsibilities and Duties

### 8.1 Executive

The Director of Homes and Communities is responsible for:

- ◆ the regular review, implementation and monitoring of this policy and for reporting to boards and committees as required.
- ◆ negotiating strategic partnerships with local authorities and other partners
- ◆ oversight on internal and external audit reports and for providing board assurance in relation to regulatory compliance
- ◆ Approving write-off reports over 2k

### 8.2 Head of Localities is responsible for:

- ◆ liaison with local authority, the DWP and others in relation to strategic Welfare Reform and benefit issues
- ◆ review and approve eviction cases
- ◆ Approving write-off reports under 2k
- ◆ participating in external benchmarking
- ◆ ensuring that team responsibilities are reflected in meetings and performance reviews, and appropriately covered within departmental business plans, standard operating procedures, contingency plans and strategies.

### 8.3 Senior Income Manager/Assistant Income Manager are responsible for:

- ◆ approving the use of Ground 8
- ◆ Approving write-off reports
- ◆ approving legal costs
- ◆ preparing information for reporting and monitoring purposes
- ◆ monitoring that standards are complied with
- ◆ act where data standards fall below those expected

### 8.4 Operational colleagues are responsible for:

- ◆ Liaising with local authority and DWP regarding benefit applications
- ◆ Supporting tenants with debt and money advice or signposting
- ◆ Monitoring and managing arrears and agreeing repayment plans
- ◆ Preparing legal paperwork as necessary and attending court
- ◆ Supporting customers and / or signposting in relation to tenancy sustainment

### 8.5 Every colleague is responsible for:

- ◆ delivering a customer-led service and for suggesting ways to improve and enhance the customer experience;
- ◆ preventing and / or responding effectively to complaints and concerns
- ◆ Recording information in a timely and accurate way having regard to UK GDPR, Data Protection rules and the Data Quality policy
- ◆ Colleagues must ensure that they comply with the requirements of this and other policies and procedures relating to their role

## 9. Monitoring and Reporting

The management of debt needs to be closely monitored. This is achieved in a number of ways, which are aimed at providing managers with information on arrears trends, good practice and customer aspirations of the income management function

### 9.1 Data Recording

The fundamental principle of data quality and recording is that data should be right first time, which means that the responsibility is held at the point at which it is collected and recorded, whether the person recording the information is clinical, technical or clerical.

All colleagues are responsible and accountable for the quality of data they collate and record.

## 9.2 KPIs

In addition to standard KPI's for arrears, rent collection, evictions, former tenant debt and write-offs, we will:

- ◆ Monitor performance indicators and targets at association and officer level, including qualitative measurements
- ◆ Have timely provision of management information, making effective use of IT
- ◆ Use customer/business intelligence to target advice, support and services

## 9.3 Monitoring Effectiveness

Regular reviews will be undertaken to assess the use and implementation of this policy and that it is meeting business plan and organisational objectives

We will regularly monitor the effectiveness of money advice, legal partnerships and debt collection arrangements

## 9.4 Reporting Fora and Frequency

### **(i) Internally**

- ◆ Monthly performance reports at individual and team level
- ◆ Weekly team reports
- ◆ Board reports at Directorate level (frequency to be determined)
- ◆ Reports for Customer Panels (frequency to be determined)

### **(ii) Externally**

- ◆ Benchmarking with other registered providers and within our localities
- ◆ Data submission to HouseMark or equivalent
- ◆ NROSH+ annually
- ◆ National Tenancy Fraud returns annually

## 10. Quality Assurance

### 10.1 Internal Audit

Adherence to this policy will be routinely assessed – on a risk-based basis - by the internal audit function.

Compliance audits against external requirements, such as the court Pre-Action Protocols undertaken by the Internal Audit and Business Intelligence functions

In addition, line managers should ensure that regular spot checks are carried out to identify and remedy any issues

### 10.2 External Audit / Validation

Adherence to this policy may be audited / validated by the following:

- ◆ External legal reviews
- ◆ RSH via In-Depth Assessment

### 10.3 Service Standards

Customers will be involved in developing service standards and in monitoring and scrutinising performance

## 11. Communication, Training and Implementation

Line managers will ensure that this policy and any team responsibilities are communicated as appropriate and reflected in meetings and performance reviews, and appropriately covered within departmental business plans, standard operating procedures, contingency plans and strategies. Colleagues may be asked to confirm they have received and understood the details of this policy

Where policy reviews, audits or performance indicate the need for whole-scale change, then a fit-for-purpose implementation project plan will be produced and delivered.

All colleagues will receive adequate training in the use of policies, documentation, systems and records required as part of their role. Induction, supervision and appraisal processes will be used to monitor colleagues' understanding and compliance with expectations.

Where anomalies indicate changes are needed to training programmes, changes will be made to reduce the risk of recurrence and ensure expected standards are clear.

## 12. Legal and regulatory framework

Registered providers are expected to comply with the Pre-action protocol

<https://www.justice.gov.uk/courts/procedure-rules/civil/protocol/pre-action-protocol-for-possession-claims-by-social-landlords>

In addition, we are guided by the specifics of housing law, including, but not limited to:

- ◆ Housing Act 1988
- ◆ Housing Act 1996
- ◆ Localism Act 2011
- ◆ Homelessness Act 2002
- ◆ Equality Act 2010
- ◆ UK Data Protection Act 2018
- ◆ Human Rights Act 1998
- ◆ The Localism Act 2011
- ◆ The Welfare Reform Act 2012

## 13. Information Sharing and Confidentiality

We will provide information as required in line with relevant law and regulation.

We collect information (personal data) to enable us to:

- manage and support our relationship with you to comply with legal obligations
- improve our services
- achieve our legitimate business aims

We are committed to complying with data protection legislation when handling your data.

You have rights including access to your data and to object to the way it is processed. For more information on how and why we process your data and how you can exercise your rights please view our full Privacy Policy on our website at [Privacy notice – GreenSquareAccord](#).