

Income Management Policy

April 2021

1 Policy statement

- 1.1 The aim of our Income Management policy is to enable us to collect 100% of money due, whilst always reflecting on our role as a social landlord helping the most vulnerable in our society.

2 Arrears prevention

- 2.1 The most cost-effective method of receiving payments is by Direct Debit and we will encourage all our existing customers to use this method. Payment by Direct Debit is mandatory for all new customers. In exceptional circumstances, an alternative method might be agreed.
- 2.2 We will ask for a month rent in advance which should be paid before the handover of keys. In exceptional circumstances, we take a minimum of two weeks and agree a plan for the remainder until they are a month in advance. The rent in advance requirement will be included in the advertisement.
- 2.3 The process of allocating a property will include a financial assessment of the customer's ability to sustain the tenancy and provide appropriate assistance.

3 Joint tenants

- 3.1 Joint tenants are jointly and severally liable for payment of rent and we will collect rent from either one or both joint tenants, as appropriate. Correspondence regarding rent arrears will be sent to tenants individually.

4 Money management and welfare rights

- 4.1 We are mindful that we provide homes and services for vulnerable people who often have difficulty in money management and claiming welfare benefits. We will advise and assist when we encounter difficulty, and we will be proactive when there are changes to the welfare system. Signposting and advice will be provided to ensure the maximisation of income.

5 Arrears from a previous agreement

- 5.1 We will not enter into a new contract if a debt is owed by the customer to Rooftop. If there are exceptional circumstances a new agreement may be made with the permission of the Head of Income or Income Manager. We will take whatever action is available to safeguard the historical debt including adding it onto the new agreement.

6 Payments to customers

- 6.1 There are times when money becomes due to customers from Rooftop, such as compensation, we will use this to pay any debts those customers owe before payment is made.

7 Insolvency

- 7.1 Where a customer is subject to a Bankruptcy Order or has obtained a Debt Relief Order, we will apply to Court for possession. We are unable to ask for payment of arrears in a bankruptcy order or Debt Relief Order (DRO). If possession is not

granted, these arrears will remain on the account and may affect the tenant's future opportunities to access housing.

7.2 If the customer intends to arrange an Individual Voluntary Arrangement (IVA), we encourage customers to exclude rent arrears and enter into a separate payment arrangement with us to clear those arrears. If the arrears are included in an IVA, they must be cleared within the duration of the IVA (typically five years). We will continue with recovery action where agreement is not reached.

7.3 We will ensure local advice agencies understand our policy on personal insolvency to ensure clear and appropriate advice can be given.

8 Early identification and intervention

8.1 Early action in the identification of arrears is critical in their effective management. It allows us the time and opportunity to offer support to customers and discuss a range of options for clearing arrears. If the customer is on a Starter Tenancy, we would expect the arrears to be paid back within the starter period. For all other tenancy types, we would carry out an income and expenditure assessment and agree a suitable repayment plan.

8.2 Once established, we will maintain contact with customers in arrears, to ensure that the appropriate support is available, and that any agreement is effectively maintained.

9 Possession proceedings

9.1 We will adhere to the requirements of the Ministry of Justice Pre-Action Protocol for Possession Claims by Social Landlords before commencing possession proceedings.

9.2 We will use the relevant grounds contained within the Housing Act 1988 as amended when included within the tenancy agreement when seeking possession of Assured Tenancies. Where the tenancy permits us to do so, we will consider using Ground 8 of the Act, which provides for mandatory possession.

9.3 We will try to reach an agreement for the repayment of debt prior to a court hearing however we will request the appropriate order in court to protect our position.

9.4 For Starter and Assured Shorthold tenancies we will normally seek re-possession using section 21 of the Housing Act 1988 as amended, to expedite the action.

10 Debt respite scheme - breathing space

10.1 The Debt Respite Scheme (Breathing Space) will give someone in debt the right to legal protections from their creditors. There are two types of breathing space:

- A standard breathing space is available to anyone with problem debt. It gives them legal protections from creditor action for up to 60 days.
- A mental health crisis breathing space is only available to someone who is receiving mental health crisis treatment and it has some stronger protections. It lasts as long as the person's mental health crisis treatment, plus 30 days (no matter how long the crisis treatment lasts).

10.2 As a responsible landlord we will upon notification stop all action related to that debt and apply the appropriate protections. Notifications will be accepted via a debt advice provider who is authorised by the Financial Conduct Authority (FCA) to offer debt counselling or a Local Authority (where they provide debt advice to residents). All notifications of breathing space will be received via the designated insolvency portal.

10.3 Further information concerning this scheme is provided on the Government website: [Debt Respite Scheme \(Breathing Space\) guidance for creditors - GOV.UK](http://www.gov.uk/government/guidance/debt-respite-scheme-breathing-space) (www.gov.uk)

11 Evictions

11.1 Eviction will be used as the last resort and will only be considered when other options for clearing arrears have been exhausted.

11.2 Permission to evict a customer can only be authorised by the Housing and Communities Director, Income Manager or Head of Neighbourhoods and Income, and only if they are satisfied that all reasonable attempts have been made to avoid the eviction.

11.3 We will not generally suspend evictions once they have been arranged, unless the entire debt, including court costs, is paid in full. A customer may apply to the Court for the suspension of an eviction warrant, which we will oppose unless there is justification for not doing so.

11.4 Goods belonging to a customer that have been left in the property following an eviction will be dealt in line with the terms of the tenancy agreement. Where such detail does not exist, the Torts (Interference with Goods) Act 1977 will be followed.

11.5 We have a strong commitment to protecting staff and minimising risk in all situations. Staff should never attend evictions without carrying out a risk assessment. This will be carried out as part of the eviction report which is authorised by the Income Manager and Head of Neighbourhoods and Income. Personal safety should never be compromised. Any concerns should be discussed with the bailiffs and police.

11.6 To perform our duty of care towards customers who are at risk of being made homeless, all eviction and eviction warning letters sent to customers should be copied to the local authority's homelessness team as part of an information sharing and confidentiality protocol with each local authority in the areas where we work.

11.7 The total number of evictions will be reported to the Board annually.

12 Shared owners and leaseholders

12.1 We will make sure that we have arrangements in place with all owners in arrears, and routinely monitor and act on any breaches of these agreements. Action will be taken through the courts for the debt and may include seeking forfeiture of the lease.

12.2 Where a shared owner is two months in arrears, we will inform the mortgage lender, where the lease allows for the sharing of such information. Where there are mortgage arrears in existence also, we will consult with the lender on our proposed recovery action.

12.3 We may consider buying back shared ownership properties where it is beneficial to Rooftop.

13 Garages

13.1 The recovery of garage arrears follows the recovery principles within this policy. On non-payment the garage will be repossessed after appropriate notice. All goods remaining inside the garage will be dealt with using the contractual agreement and relevant legislation.

14 Former customer debts

14.1 We will minimise losses when former customers leave owing money by:

- Contacting customers before they leave when possible.
- Providing outgoing customers with the amount owed and how to pay it back.
- Discovering a forwarding address.
- Taking every reasonable step to recover former arrears, including taking legal action and utilising debt collection and tracing agencies to maximise collection.
- Setting thresholds at which it becomes uneconomic to pursue a debt.

15 Confidentiality

15.1 We will treat as confidential all information on the personal circumstances of a customer. A customer's arrears position, forwarding address and other personal details will not be made known or implied to any external agency unless we are authorised by the customer, required by law or where the transfer of information is permitted through a prevailing information sharing agreement, such as in 10.7.

16 Complaints

16.1 Any customer who wishes to comment on the application of this policy can use the ways detailed within the Compliments, Comments and Complaints Policy.

17 Monitoring

17.1 We will provide the following performance indicators to the Board on a quarterly basis:

- Rent collection as a percentage of the rent due.
- Rent arrears as a percentage of the annual rent roll.

17.2 In addition, we will provide the following annually:

- Number of notices served.
- Number of possession orders granted.
- Number of evictions.

17.3 We will benchmark our performance with other similar organisations.

17.4 Rent arrears are monitored on a weekly basis. We report annually to the Regulator the rent collection rate and rent arrears as a percentage of annual debit. Additionally, the annual arrears figures (not including collection rate) are reported via our accounts and the Financial Forecasting Return (FFR).

18 Equality and diversity

18.1 We recognise that customers of all races, ages, religions and belief, gender re-assignment, marriage and civil partnership, pregnancy and maternity, sex, sexual orientation, literacy levels and disability should be treated equally and fairly, and we will not discriminate in implementing these policies and procedures. In the context of income management, we recognise that some of our customers may be more vulnerable than others, and we will aim to make reasonable adjustments to this policy to accommodate individual circumstances and attempt to mitigate the risk posed by the vulnerability. This may include signposting to specialist support agencies, carry out additional home visits, providing information in a different format, communicating via a third party or any other reasonable adjustment that ensures the individual is appropriately supported to sustain a tenancy.

18.2 We will be responsive to customers' known individual needs and will tailor our services and approaches as appropriate.

18.3 This document, as well as all our letters, will be translated or provided in alternative formats (for example, Braille, large print, audio) upon request.

19 Publicising the policy

19.1 We will publicise our policies and procedures on income management on our website. Printed copies will be available on request.

20 Review

20.1 This policy will be reviewed every three years unless there are major changes in legislation or good practice.

21 Consultation

21.1 Leadership Team November 2018

21.2 Executive Team November 2018

21.3 Other (for example, customers) N/A

22 Responsibilities

22.1 **Responsible body** Executive Team

22.2 Formulation and approval of policy Executive Team

Amendments to policy Leadership Team

Monitoring of policy Leadership Team

Operational management of policy/policy author Head of Income

22.3 **Date of formulation of policy** November 2018

22.4 **Dates of policy reviews** November 2017

January 2018

April 2021 (Amendment) *

Due to change in legislation:

The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020.

22.5 Date of next review April 2024

Associated documents

Internal – Rooftop policies and procedures

- Lettings and Tenancy policy
- Equalities and Diversity policy
- Compliments, Comments and Complaints policy
- Rent Arrears procedure
- Former Tenant Arrears
- Shared Ownership Debt procedure
- Garage procedure