

# Policy Income Management

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# 1. Purpose

This policy applies to Signpost Housing Association and Signpost Care Partnerships (the Associations) properties, garages, parking spaces and any accommodation directly managed by the Associations. The policy does not relate to income from commercial units owned or managed by the Associations. Rent deposits are dealt with in the Deposits Policy and procedure.

This policy has been developed to ensure the Associations comply with current legislation, Tenant Services Authority regulatory standards and good practice and includes:

- ensuring that the Associations comply with legislation, regulation and best practice
- achieving the Associations' targets on income collection and reducing arrears in a cost effective manner giving value for money to the Associations
- working pro-actively to reduce arrears, provide debt advice and maximise income
- identifying support needs and making referring this to either Signpost Care Partnerships or to the appropriate support partner agency
- supporting local authority statutory homeless duties by working in partnership to help residents maintain their tenancies and minimising the risk of eviction

## 2. Definitions

### 2.1 Income management

For the purpose of this policy the term income management is used to cover various aspects of managing income for the Associations both in terms of receipts and arrears and includes:

#### 2.1.1 Rent and arrears

Rent is defined as the weekly charge for occupation of a dwelling or garage.

Rent arrears are outstanding payments of rent that have not been paid 7 days

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or more since the due date.

### **2.1.2 Service charges and arrears**

A Service Charge is a charge made for a proportion of the costs involved in supplying an additional service that is not included in the weekly rent charge.

Service Charge arrears are outstanding payments of service charge that have not been paid 7 days or more since the due date.

### **2.1.3 Hierarchy of payments**

Hierarchy of payments identifies the priority the Associations will give to the allocation of receipts to different accounts.

### **2.1.4 Former tenant arrears**

Former tenant arrears are arrears of rent, service charge and court costs remaining on a rent account when a tenancy is terminated.

### **2.1.5 Support charges**

A support charges is the charge made for the provision of an individual support service provided by Signpost Care Partnerships.

### **2.1.6 Recharges**

A recharge is the cost attributed to a resident or other party, for providing a service where the cost is not the responsibility of the Associations.

## **2.2 Vulnerable residents**

A vulnerable resident is defined as 'a person who is receipt of, or may be in need of, community care services by reason of mental or other disability, age or illness and who is unable to take care of themselves, or is unable to protect themselves from significant harm or exploitation. (Department of Health).

Vulnerable residents will also include tenants who are minors (16 or 17 years of age).

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### 3. Legislative, Regulatory, and Good Practice Requirements

This policy complies with:

- Chartered Institute of Housing, Good Practice Brief : Equality, Diversity and Good Relations in Housing (April 09)
- Civil Procedure Rule Pre-Action Protocol for Possession Claims based on rent arrears
- Commission for Race Equality Code of Practice for Racial Equality in Housing
- Data Protection Act 1988
- Disability Discrimination Act 1995 (amended 2005)
- Housing Acts 1988 and 1996
- Housing Corporation Circular 07/04
- Housing and Regeneration Act 2008
- Housing Corporation Regulatory Code and Guidance
- Human Rights Act 1998
- Key Lines of Enquiry Housing Income Management
- Mental Capacity Act 2005
- Quality Assessment Framework
- Supporting People Quality Assessment Framework.

### 4. Relationship with other Policies and Procedures

- Access and Customer Care Strategy (SHA/SCP)
- Allocation & Lettings Policy and Procedure (SHA/SCP)
- Community Development Strategy (SHA/SCP)
- Confidentiality, Privacy and Data Protection Policy (SHG)

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- Data protection Policy (SHG)
- Equality, Diversity & Inclusion Policy (SHG)
- Financial Inclusion Strategy (SHA/SCP)
- Freeholders / Leaseholders Service Charge Arrears Policy and Procedure (SHA/SCP)
- Group Financial Regulations. (SHG)
- Income Management Procedure (SHA/SCP)
- Rent to Homebuy Procedure (SHA)
- Rent Setting Policy (SHA/SCP)
- Service Charge Policy (SHA/SCP)
- Starter Tenancy Procedure (SHA)
- Support Planning and Risk Assessment Policy and Procedure (SHA/SCP)
- Value for Money Strategy (SHA/SCP).

## 5. Policy

The Associations will give priority to arrears prevention and recovery, using possession proceedings as a last resort to recover arrears. Early assessment of benefit entitlement and personal contact will underpin the Associations' policy.

### 5.1 Debt and income advice

The Associations will encourage and assist residents to manage debt and maximize their income including:

- signposting and/or referring residents to debt advice agencies
- accessing information on behalf of the resident by using appropriate debt counseling websites
- working in partnership to facilitate income maximisation such as providing facilities for debt counseling agencies to hold surgeries for residents
- using publicity in the residents newsletter 'Your Voice' and other appropriate methods to provide information on minimizing outgoings.

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## 5.2 Rent payments

The amount of rent, service charge and when the payments are due is set out in the individual tenancy or occupancy agreement.

### 5.2.1 SHA & SCP residents

Rent is charged on the Monday of each week over a 48 week rent year and is payable in advance by the residents' of SHA and SCP.

### 5.2.2 Former residents of Western Challenge Housing Association, shared ownership, and rent to homebuy residents

Former residents of Western Challenge Housing Association whose homes transferred to SHA, and SCP Shared Ownership residents are charged rent over a 52 week rent year.

Shared Ownership and Rent to Homebuy residents are charged monthly.

## 5.3 Methods of payment

The Associations provide various facilities for the payment of rent or other charges that include:

- monthly direct debit on 1<sup>st</sup> or 15<sup>th</sup> day of the month
- former WCHA can pay by weekly Direct Debit
- standing order
- swipe card payments at Post Office or Payzone outlets
- telephone payment with debit card
- internet payment
- cash or cheque payment at Signpost House in Blandford Forum
- postal payment of cheque
- housing benefit direct payment
- invoicing partner agencies
- Department of Work & Pensions deductions from income support
- deduction from wages.

Payments made by Direct Debit are the most cost effective payment method available and the Associations will encourage residents to pay by this method.

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### 5.3.1 Hierachy of payments

Payments received by the Associations will be allocated to accounts in the following order, unless the resident is responsible for paying a support charge. If the resident pays a support charge please read section 5.11:

- rent account
- service charge
- fuel
- water charges
- home contents insurance
- court costs.

### 5.3.2 Allocation of payments for support charges

The Associations will identify support charges and payments for the support independently from the rent and will show these charges on a separate support account.

Where a resident makes a payment to the Association and specifies that this payment is for the support charge the Associations will allocate this payment to the support account.

In the absence of any direction from residents, payments will in the first instance, be credited to the appropriate support account, and then any surplus to the rent account.

## 5.4 Prevention of Arrears

The Associations will promote the importance of rent payment and arrears prevention when undertaking visits to potential residents, and will endeavour to make provisional assessments of housing benefit entitlement at the earliest opportunity. The use of Credit Unions will be promoted to residents, where this service is available.

The Associations will work with partner agencies on initiatives that benefit the Associations' residents and minimise arrears, such as undertaking verification of housing benefit claims.

## 5.5 Arrears Recovery

The Associations procedures for the recovery of rent & service charge arrears comply with the Civil Procedure rule pre-action protocol for possession claims

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based on rent arrears. This is a set of guidelines for actions that should be taken before a claim for a possession hearing is made.

### **5.5.1 Mandatory grounds for possession**

The Associations will regularly update the arrears' recovery procedures to include best practice and where possession proceedings are appropriate for rent arrears recovery the Associations will not use Ground 8 of Schedule 2 of Housing Act 1988 as a default ground except in exceptional circumstances, authorized by the relevant Divisional Director, or in accordance with the Starter Tenancy or Rent to Homebuy Procedures.

Ground 8 is a mandatory ground for possession. At the date of service of a Notice of Intention to Seek Possession and at the date of the possession hearing there are specific requirements which include:

- if the rent is payable weekly or fortnightly there must be at least eight weeks rent unpaid
- if the rent is payable monthly there must be at least two months rent unpaid
- if the rent is payable quarterly there must be at least one quarter's rent unpaid
- if the rent is payable yearly there must be at least three months rent unpaid.

### **5.6 Action where a housing benefit claim has been submitted**

Where no arrears exist on a rent account before a claim for Housing Benefit is made, and the resident can prove they have supplied all information required by a local authority housing benefit department to enable their claim to be processed, the Associations will not serve a Notice of Intention to Seek Possession of the property.

### **5.7 Direct deductions from benefits**

Where a tenant meets the eligibility criteria for direct deductions from benefits to reduce arrears, the Associations will make an application for a direct deduction to the Department for Work and Pensions.

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## **5.8 Vulnerable residents**

### **5.8.1 Support and communication**

Where a resident is in receipt of a support service the Associations will, in agreement with the resident, liaise closely with the relevant support provider or support networks.

Where it is identified that a resident may have support needs that are not being provided, a referral will be made to Signpost Care Partnerships for assessment in accordance with the Support Planning and Risk assessment Policy and Procedure.

Where a resident is vulnerable and possession proceedings are being undertaken the Associations will consider whether the resident has the capacity to defend the proceedings and, if not, will consider making an application for the appointment of a litigation friend at the earliest opportunity.

A litigation friend is a person who is appointed by the court and who acts for a defendant in legal proceeding where the defendant is unable to defend him/herself due to illness, mental capacity or being under 18 years of age.

Where a resident has specific communication requirements the Associations will, in agreement with the resident, provide all communication in an appropriate and agreed format.

### **5.8.2 Minors**

Where the Associations are taking action against a 16/17 year old tenant which could result in homelessness contact will be made with the relevant Social Services/Childrens Trust, local authority homelessness team.

## **5.9 Eviction**

An application for a Bailiffs Warrant will not be made without the approval of the appropriate Divisional Director.

### **5.10 Garages & parking spaces**

Rent is charged each Monday of each week over a 48 week rent year and is payable in advance.

Where there are arrears on a garage or parking space the Associations may terminate the tenancy of the garage or parking space by issuing a Notice to Quit.

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Where a garage or parking space is repossessed by the Associations the former tenant will be suspended from renting another garage or parking space for a period of three months.

### **5.11 Former residents**

Former resident arrears are debts which occur when a resident:

- moves after giving notice
- is evicted
- abandons the property
- dies.

They can also occur as a result of overpaid housing benefit being repaid to a Local Authority.

Action will be taken by the Associations to recover former tenancy debts.

### **5.12 Write offs**

#### **5.12.1 Writing off current resident debts**

The Associations will not write off current residents' debts except where the resident is subject to exceptional and severe financial hardship. The debts can only be written off if this has been approved by the relevant Divisional Director and the Group Financial Controller.

#### **5.12.2 Writing off former resident debts**

The Associations will only write-off former resident debts after all reasonable attempts have been made to recover the debt. Any former tenant debt will only be written off following authorisation by the relevant Divisional Director and the Group Financial Controller.

#### **5.12.3 Restoring written off debts**

The Associations reserve the right to restore 'written off' debts should a former resident be traced or apply for housing by the Associations.

### **5.13 Allocation of Supporting People payments**

Residents, who are not eligible for Supporting People Grant, are responsible for paying the support charge.

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## 5.14 Recharges

The Associations are committed to recovering the costs of void works or repairs to properties, and garages, where they are deemed to be rechargeable to the resident or where the resident is deceased, to the estate.

This includes damage caused by the actions of the resident, a household member or a visitor to the structure, fixtures and fittings or common parts in a property whether the damage is accidental, deliberate or through neglect.

Rechargeable repairs will include:

- repairs due to deliberate damage or neglect, or inappropriate use of fixtures, fittings and the external and internal fabric of the building and its walls/fences
- reinstatement of missing fixtures, fittings, walls and fences provided by the associations
- repairs due to resident 'improvement/alterations' where permission was not granted, or not carried out in accordance with the provisions of the permission
- lock changes and providing new keys where lost, or not handed in on termination of the tenancy
- clearance of rubbish from void property including loft, gardens, sheds/outhouses and common parts
- clearance of all items where it has not been agreed in writing to be left for the incoming residents
- reinstatement or cultivation of an unkempt garden on void property
- cleaning of void property where it does not meet the minimum void standard
- removal of minor non standard fixtures and fittings installed by residents that did not require permission that the incoming residents do not wish to be gifted
- clearance of drain and waste pipe blockages caused by the resident, a household member or visitor
- reglazing of doors and windows where no damage report has been made to the Police and no crime reference number provided
- continued failure to comply to give access to carry out gas or oil safety

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checks and service.

Rechargeable repairs will be identified through:

- pre-termination inspections on voids and transfers
- residents reporting repairs
- surveys of properties, including mutual exchange inspections
- contractors undertaking repairs.

Recharges may be waived for damage caused to properties by third parties on the receipt of a Police crime reference number from the resident.

The Associations recognise that there may be circumstances in which it is not appropriate to recharge a resident. For example, this may include where a resident is suffering severe ill health or fleeing domestic violence.

If a resident does not agree with the amount of the recharge, an appeal can be made in accordance with the Customer Feedback Policy or the Associations' Appeals procedure.

#### **5.15 Home contents insurance**

To prevent potential hardship and distress as a result of an insurable incident, the Associations offer a Home Contents Insurance scheme for residents.

Premiums are debited to the rent account on a weekly basis and are payable with the weekly rent.

Where arrears of insurance premiums occur the Associations may cancel the insurance once the residents rent account has arrears totaling more than three weeks rent charge.

#### **5.16 Training**

The Associations will ensure staff have ongoing training with regard to the range of remedies and services that are available and how to use them, as well as, an understanding of the cost and the limitations of invoking those remedies. It is the aim that all relevant staff will be trained to take the most appropriate and effective action in all circumstances. The training will include:

- where appropriate, ensuring detailed training of the Income Management Policy and Procedure and the Associations' rent accounting system is undertaken as part of the planned induction programme for new staff

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- training for front line staff on welfare benefits and debt advice
- ensuring best practice, new legislation and case law is disseminated to relevant staff and is communicated effectively by either service area team meetings, Operational Management Team briefings, legal briefings or the internal intranet
- identifying on-going training needs and arranging appropriate training, as required, for staff, residents and Board members.

### **5.17 Monitoring and control**

The Associations will monitor monthly performance on rent arrears. The Boards will receive regular feedback on arrears management performance.

### **5.18 Equality, Diversity and Inclusion**

This policy has been developed to:

Take account of equality of service for all residents and to ensure that no resident is disadvantaged irrespective of their race, gender (including gender re-assignment), faith, colour, ethnic or national origin, sexual orientation, marital status, age, disability or social position in accordance with Spectrum Housing Group's Equality, Diversity and Inclusion Policy.

We will ensure that if residents have specific communication or support requirements appropriate access to the service will be made available. In these circumstances appropriate communication methods will be made available to the tenant. The Associations will work in partnership with other agencies to ensure the relevant support is available to the resident.

We will identify and address any inequality of access to service.

### **5.19 Equality Impact Assessment**

This policy has had an equality impact assessment that has identified that this policy does not discriminate either directly or indirectly and does not disadvantage any individual or group.

### **5.20 Responsible Officer**

The Divisional Director Housing Services, Signpost Housing Association, and the Divisional Director Housing Support Services, Signpost Care Partnerships, will be responsible for implementing and monitoring of this policy.

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