

<b>The Wrekin</b> <b>Housing Group</b>	<b>Tenancy Debt and Income Management Policy</b>  <b>Number 2020/011</b>
<b>Originator / Author :</b>	Ben Murphy Tenant Services Manager
<b>Direct Lead:</b>	Andy Johnson Head of Housing
<b>Target Audience:</b>	Employees of The Wrekin Housing Group
<b>Version:</b>	2. June 2020
<b>Date of Final Ratification / Board Approval:</b>	8 <sup>th</sup> June 2020
<b>Name of Ratifying Committee / Board</b>	Group Board Scrutiny by the Finance and Investment Committee
<b>Review Date:</b>	December 2022
<b>Expiry Date:</b>	June 2023
<b>Associated Policies / Procedures</b>	Financial Inclusion Strategy; Rent Setting Policy; Leasehold Management Policy; Repairs & Maintenance Policy; Write Off of Irrecoverable Debts Policy; Allocations & Lettings Policy; Local Lettings Policies; Tenancy Changes Policy; Home Check Policy; Tenancy Management Policy; Intervention Procedures.
<b>Reporting</b>	Daily account management; Weekly monitoring by teams; Monthly monitoring by managers; Income Management Improvement Board; Income Management Operational Group; Monthly targets to measures session; Key information included in Management Accounts; Annual reporting via Annual accounts; Annual report to tenants.
<b>Review / Update</b>	Three year review cycle
<b>Policy Location</b>	Intranet The Wrekin Housing Group website

## **1. Introduction / Context**

- 1.1 The Tenancy Debt and Income Management policy has always focused on ensuring a balance between the Group supporting its customers and enabling them to sustain their tenancies while recognising how critical income collection is to the success of the business as a whole.
- 1.2 Income collection is a priority for the organisation and all employees have a role in contributing to our continued strong performance. We aim to make our processes efficient and effective whilst maintaining and improving performance. This will see an increase in relation to technology where it is beneficial to the customer.
- 1.3 The Group remains committed to financial inclusion and working in partnership, ensuring that our homes are affordable and so that tenancies can be sustained. The Group recognises that welfare reform continues to provide a big challenge to both our organisation and our customers and we shall endeavour to help and support our tenants through a proactive approach including support and advice.

## **2. Scope**

- 2.1 It is the primary aim of this policy to ensure that the Group maximises its income streams through keeping unpaid rent and other tenancy debts to an absolute minimum. In doing so the policy must also support a sufficient balance between supporting and assisting those in need and being efficient and effective with the escalation of the arrears process through a range of enforcement tools for those who continually fail to pay their rent in a satisfactory manner.
- 2.2 This policy covers debts relating to current or former tenancy debts as well as debts owed by leaseholders through non-payment of service charges. Areas of wider corporate debt are covered in the Sundry Debt Management and Recovery Policy.

## **3. Policy Statement**

- 3.1 The Wrekin Housing Group recognises the importance of sustaining excellent income collection performance and its reliance on this for maintaining wider service delivery. The Policy applies to all properties under the management of the Wrekin Housing Group and all streams of income where payments are expected from its tenants.
- 3.2 The policy will support a systematic assessment of a tenant's ability to maintain payments that are due. This will include the following:
  - Consider the affordability of a property for a prospective tenant before an offer of housing is made;
  - If an expected payment is not received, contact all tenants at the earliest opportunity;
  - Determine the cause of the deficit in payment and assess the opportunity for implementing support and assistance insisting that this is accepted;
  - Manage continued non-payment through an effective enforcement response;
  - Promote realistic and sustainable repayment of any debts that accrue;

- Learn from experiences and use the customer intelligence gathered to shape our response should further payments be missed in the future;
  - Focus on tenancy sustainability and keeping tenant in their homes wherever possible.
- 3.3 The Group requires all tenants to maintain payments and promotes flexibility of instalments through its payment plan initiative. Tenants are encouraged to match their payment plan to their income streams in terms of frequency and date with a view of maximising successful collection.
- 3.4 The Group offers a wide range of payment options that reflects its diverse customer base. Digital options through its customer portal are encouraged and the direct debit method of payment is promoted as its preferred payment option given it's convenience for the customer, reliability and cost effectiveness.
- 3.5 The Group insists on payment in advance of four weeks rent when every prospective tenant accepts a new property although discretion can be shown to those who have vulnerabilities or disabilities. The Group has an expectation that this payment is maintained on their account and forms part of their instalment plan. All existing tenants are encouraged to move into advance with their rent account. The pace at which this happens is determined by their affordability to do so.
- 3.6 The policy supports an arrears process that creates a structure for communication and enforcement action for all tenants who continue to miss payments. It is recognised that all people are different as are the reasons for non-payment and the process insists on the offer of support and assistance for all tenants and encourages increased communication for those deemed vulnerable.

#### **4. Roles and Responsibilities**

##### **4.1 The Wrekin Housing Group Board**

The Group Board has overall responsibility for setting the broad direction of the Tenancy Debt and Income Management Policy and ensuring the Group is compliant with its statutory and legal requirements and meets its tenant's needs.

##### **4.2 The Group Chief Executive**

The Group Chief Executive will be responsible for:

- Ensuring sufficient resources are provided for those working directly with the Groups tenants in both the fields of support and enforcement;
- Ensuring the policy is applied consistently and aligns with the Groups vision and values;
- Creating the sufficient structure with delegated organisational responsibilities for the implementation of this policy.

##### **4.3 Executive Director and Head of Housing**

The Executive Director and Head of Housing will be responsible for:

- Ensuring the necessary level of focus is given to the delivery of proactive and reactive responses in regards to income collection and debt reduction;
- Ensuring the sufficient allocation of resources are available to deliver the proactive and reactive responses;
- Ensuring suitable monitoring and reporting mechanisms are in place to measure the non-payment / collection of income to the business.

#### 4.4 Tenant Services Manager and Income Management Consultant

The Tenant Services Manager and Income Management Consultant will be responsible for:

- Reviewing the policy and making sure it recognises changes in statutory and legal requirements;
- The policy being up to date and relevant in terms of best practice both within and outside of the sector, with a particular focus on the changes brought about by the Welfare Reform Act;
- Ensuring that there is appropriate training and guidance available to allow for the contents of the policy to be delivered on a day to day basis.

#### 4.5 Area Managers and Housing Executives

Area Managers and Housing Executives working across the business will be responsible for:

- Day to day monitoring of accounts to determine that all missed payments are managed in accordance with the policy;
- Ensuring that the best practice promoted in the policy is delivered on a day to day basis;
- That the necessary focus on tenancy sustainment is applied and that the importance keeping tenants in their homes is recognised.

### 5. **Definitions**

5.1 For the purposes of this policy, a 'debt' is any monies owed to the Group that have not been paid by the due date.

5.2 Tenant debt also refers to former tenants and leaseholders.

### 6. **Corporate Debt / Financial Inclusion**

6.1 The Group will:

- Adhere to the Groups' Local Standards on rent setting and payments;
- Consider that people have a responsibility to pay all monies due and the flexibility should be afforded to the Group to which debt a payment is allocated to, but not at the expense of putting a person's home at risk;

- Encourage people who may have any difficulty in meeting payments to approach the Group immediately. An assessment for any vulnerabilities or disabilities will be made at the earliest possible stage to establish any support required. The offer of support can extend to assistance with other debts if it increases a tenants ability to repay debts to the Group;
- Acknowledge the need to provide a service that is both efficient but at the same time takes account of the needs and circumstances of the tenant and provides a quality offer of support;
- Recognise the importance of working together with other agencies to reflect the Group's approach to income management and financial inclusion;
- Where it is considered that a tenant can afford to pay the debts due to the Group, they should be paid on time otherwise a variety of appropriate enforcement and recovery actions will be taken which may ultimately result in the loss of their home;
- Identify tenants in terms of risk relating to income and their ability to make payment and then use this data to influence the enforcement and recovery actions that it utilises;
- Clearly communicate the welfare reform changes with tenants and potential tenants. An individualised approach will be taken with those tenants affected by providing advice and assistance to ensure their rent is paid;
- Provide specific support and signposting for all tenants claiming Universal Credit (UC) during the claim period. The Group, where required, will accept that rent payments may initially be paid in arrears due to the claimants housing costs being paid in arrears. All tenants claiming UC will be expected to move their rent payments from arrears to advance over time;
- When opportunities exist, signpost job seeking & employment support;
- Insist that all rent payments are made, and remain in advance;
- Carry out appropriate checks and assessments to determine that being rehoused in a Group home is affordable to the applicant, with a view to achieving sustainable tenancies. The Group will utilise external data such as credit reports to support its decision making;
- Promote initiatives that allow customers to self-serve, allowing officers to focus their time on those who most need their support;
- Promote the Direct Debit payment method as the preferred method of payment and always encourage it's take up when communicating with tenants;
- Be innovative in our approach and utilise customer intelligence whenever possible in order for our day to day debt related working practices to evolve.

## **7. Income Management – Rent Arrears**

- 7.1 The Wrekin Housing Group has a robust approach to the recovery of rent arrears and other debts. In striking the balance between recovering rent that is owed, and a household's personal circumstances, the Group will take a tough but supportive and objective stance.
- 7.2 The Group will assess the needs of all prospective and new tenants, ensuring that they receive information and advice on affordability and how to maximise their income. We aim to identify and provide support to vulnerable tenants to help manage

their money and to assist them to sustain their tenancy. Vulnerability indicators will be utilised in determining the most appropriate way of communicating to tenants in debt.

- 7.3 All rent payments are made and remain in advance. The Group will ensure that all tenants that fall into rent arrears will be contacted at the earliest opportunity and advised of the outstanding balance on their instalment plan and rent account. Where possible a range of communication methods will be available to officers and tenants. The Group will make available either a visit to their home or private interviewing facilities to discuss recovery of the outstanding arrears. The Group will manage the escalation of rent arrears by promoting the role of the Money Matters Team and Tenancy Sustainment Team to tenants, insisting that they accept all support offered.
- 7.4 In the case of a tenant or joint tenant who has been made bankrupt, the Group will act in accordance with the Insolvency Act 1986 or any statutory re-enactment or modification thereof for the time being in force.
- 7.5 The Group will use all the available information of a tenant's financial circumstances to formulate a realistic payment arrangement to pay off their rent arrears. We will use external sources if it aids our understanding of their financial situation.
- 7.6 Where a tenant continually fails to pay their rent promptly or to satisfactorily maintain an agreed instalment plan, the Group will pursue legal action. Throughout the arrears recovery process, the Group will continue to provide advice and assistance as detailed above, keeping the tenant informed of the reasons for action and the implications that will follow for persistent non-payment of rent and/or arrears. Where repossession is not appropriate, the Group will seek to use alternative legal solutions such as an attachment of earnings and money judgement order.