

Paragon Asra Housing Limited

Income Management Policy

November 2017

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Department	Housing Services
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Paragon Asra Housing Limited (PA Housing) is committed to equality and diversity. This policy has considered the Equality Act 2010 and its protected characteristics which are: race, gender, gender reassignment, disability, religion or belief, sexual orientation, age, marriage, civil marriage and partnership, and pregnancy and maternity explicitly.

We will make sure that all of our communication is fully accessible and to achieve this if a policy or document needs to be available in other formats we will provide them.

AUDIT LOG

Date of change	Who updated	Details of the change
9 November 2017		Reviewed by the Resident Council who found it clear, reasonable and easy to understand. No further amendments required.

1. Introduction

- 1.1 The policy of Paragon Asra Housing (PA Housing) is to collect rents and service charges owed to us in line with the Tenancy Agreement, Lease or other contractual agreements. Maximising our income and managing our current and former rent arrears is a key component of this.
- 1.2 The existence of arrears, and at times the writing-off of bad debts, is a business risk. Rising current arrears and bad debt levels cannot be tolerated. For this purpose we employ a team to control the arrears and avoid bad debt write-offs. Delays in collecting or losing income have a considerable impact on the level of services we can provide.
- 1.3 Arrears performance is a critical key performance indicator and serves as a yardstick to compare our performance on a national scale. This information is included in the annual financial statements. Our board wants excellent performance in this area, especially to demonstrate that our investment in additional resources to manage the severity of Welfare Reforms has been good value for money.
- 1.4 This policy applies to social rent, affordable rent, market rent, temporary accommodation, intermediate rents, leasehold charges, shared ownership and sundry debts. There are separate policies specifically dealing with Leaseholders and Shared Ownership arrears recovery, but the overriding principles detailed in this policy apply to these areas.

2. Key points of policy

- 2.1 Our aim is to maximise income collection.
- 2.2 All staff are responsible for assisting in the recovery of the arrears.
- 2.3 Rent is a priority debt and must be paid without exception.
- 2.4 PA Housing will default to payment in full. However repayment arrangements will be considered where appropriate.
- 2.5 Debt recovery action will be triggered in the week that the first payment becomes overdue.
- 2.6 We will meet the regulatory code published by the Homes and Communities Agency and all legal requirements and take account of the pre-action protocol for possession claims.
- 2.7 We will use all appropriate legal resources available for those who fail to take steps to clear their arrears.
- 2.8 Weak performance will threaten our financial viability, so our policy is to control arrears and keep debts to a minimum.
- 2.9 Arrears will be recovered at the earliest opportunity. Staff will ensure action is carried out in line with our procedure.
- 2.10 Support and assistance will be offered to customers to prevent and clear arrears.

- 2.11 Where customers are identified as having a particular need, vulnerability or disability, reasonable adjustments and appropriate advice and assistance will be given.
- 2.12 Every effort will be made to establish and maintain strong working relationships and partnerships with the Department of Work and Pensions, local authority Housing Benefits departments, Citizens Advice, courts and other agencies to ensure our customers have access to relevant benefits, financial inclusion services and appropriate information and advice.

3. Customers

- 3.1 Customers are responsible for paying the appropriate charge when it is due. This is a key condition of their tenancy agreement or Lease.
- 3.2 Customers who receive benefits for some or all of their rent are still responsible for ensuring the rent is paid in full and on time.
- 3.3 Customers who do not pay their rent, or do not reach or break an agreement to clear their arrears, are at risk of losing their home.
- 3.4 Where customers fall into arrears they will be expected to put things right at an early stage and work with our staff to clear their arrears.
- 3.5 Rent arrears will ultimately affect PA Housing's ability to provide customers with key and enhanced services. Customers will be informed that our ability to carry out all repairs at their address is compromised if the rent is not paid in full and on time. Customers who do not pay the rent, do not reach an agreement to pay the rent or break their agreement, will only receive a very basic repair service covering health and safety and ensuring that the property is not damaged. Any improvement programme planned (e.g. kitchen and bathroom programmes) **may** be postponed.
- 3.6 Customers will not be allowed to transfer with arrears to another property unless there are exceptional circumstances. Any exceptions will need to be authorised by the Head of Income.

4. PA Housing

PA Housing will undertake the following:

- 4.1 Provide information on how to pay rent at the new letting. The consequences of not paying the rent will be explained. A payment culture will be established with the new customers whilst supporting them with their benefit claims.
- 4.2 Take the first contractual payment at the sign up.
- 4.3 Offer to help customers to maximise their income and offer support for those facing financial hardship.
- 4.4 Offer tenancy sustainment support.
- 4.5 Offer a wide range of payment options and a range of communication options to ensure that customers can access our services.
- 4.6 Complete effective pre-tenancy assessments on our general needs properties to identify affordability and sustainability issues and provide support where required.

- 4.7 Use a range of appropriate contact methods to recover arrears. Key contact will be supported by formal letters.
- 4.8 Never repeat an unsuccessful recovery action.
- 4.9 Confirm payment arrangements in writing and the consequences of missing payments are explained fully.
- 4.10 Serve a Notice of seeking possession (NOSP) where no repayment arrangement has been made. This will be served from the third week that the payment becomes overdue.
- 4.11 Always contact the local authority's Homelessness Section when applying for an eviction warrant. We will abide by any local pre-eviction protocols and will contact the Social Services Department if the customer is vulnerable or has dependent children.

5. Former tenant arrears

- 5.1 The performance of the debt collection agencies will be monitored on a regular basis. In all cases the costs of collection and the size of the debt will be weighed up against the likelihood of its recovery.
- 5.2 Our formal recovery procedures begin at the point that a tenant hands in the notice.
- 5.3 We will assist the tenant with maximising their benefit entitlement for the notice period.
- 5.4 Where there is no agreement or a broken agreement we will attempt contact within 15 working days of the tenancy ending.
- 5.5 We will offer payment incentives to encourage early settlement of the debt.
- 5.6 We will attempt to trace debtors where it is cost effective to do so.
- 5.7 We will write off debts in a timely fashion where they are not cost effective to collect.
- 5.8 We will take legal action to recover a former tenant debt based on the principle of whether we can recover the money rather than whether we can obtain a Money Judgment.

6. Recharges (Repair works identified as a tenant's responsibility)

- 6.1 Any monies owed to PA Housing will be chased and appropriate arrangements will be put in place to collect debts that can be recharged to the customer.
- 6.2 Where customers fail to meet their repairing responsibilities, any costs likely to be incurred will be collected up-front.

7. Monitoring and reporting

- 7.1 Diversity information relating to customers in rent arrears will be reviewed to ensure that this policy and our services are accessible to all. Any concerns identified will be addressed and additional support or reasonable adjustments offered.

7.2 Customer satisfaction with the Income service will regularly be reviewed. Customers, staff and other stakeholders will be involved in the shaping of our service.

8. Equality analysis

8.1 This policy has undergone an equality analysis to ensure that we do not illegally discriminate and that it is accessible to everyone.

9. Training

9.1 Induction and refresher training will be carried out for all relevant staff on this policy. All relevant managers will receive specific training to provide the skills and knowledge to comply with our policy and with the latest best practice and legislation.

10. Resident consultation and feedback

10.1 Customers were consulted on whether this policy is clear, reasonable and easy to understand.

10.2 Where customers didn't find the policy clear we changed parts of it to meet their suggestions. All residents who took part in the consultation were sent a summary to explain how their feedback was used.

11. Legislation

11.1 The following legislation is relevant to Income Management:

- Data Protection Act - Customers' personal and financial information will be treated confidentially and will not be shared without their consent, except where PA Housing is working with a third party to specifically provide a service or in exceptional circumstances. Any third party working with PA Housing will treat the information confidentially. Other agencies will only be informed of a customer's circumstances where this is relevant for their protection, the protection of members of their household or other relevant persons, or where we suspect illegal activity may be taking place. Where illegal activity such as benefit fraud is taking place, we will inform the Benefits Agency or Police without seeking consent
- Housing Act 1985, amended 1998
- Housing Act 1988, amended 1996
- Localism Act 2011
- Welfare Reform Act 2012

12. Linked policies

Policy

Allocations

Anti-Fraud

Community Investment strategy

Leasehold Management

Rent Setting

Service Charge

Storage and Disposal of Goods