



Income Management Policy

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1. Policy Statement

One of Rosebery's key roles is to ensure that all forms of tenure are sustainable and that our residents are able to live in a home that is suitable for their needs with housing costs that are set at an affordable level. This role needs to be balanced with the need for Rosebery to be financially viable in order that it can fulfil its landlord's legal and social responsibilities.

Rosebery Housing Association Limited (Rosebery) is committed to ensuring income maximisation through rent, service charges and other sources in order to ensure that it can continue to deliver a high level of customer focused services to all of its residents.

Rosebery is aware of its obligations as a landlord and has a robust procedure for ensuring that all income due to it is recovered in a reasonable and appropriate manner.

Rosebery's procedures for income management are compliant with legislative requirements and current good practice.

Rosebery is committed to focusing on the prevention of arrears; however it recognises that some tenants will accrue arrears.

Tenants with rent arrears will be given every assistance and opportunity reasonably possible to assist them address and clear their arrears. It does, however, remain of paramount importance that payments are received by Rosebery when due.

Rosebery will endeavour to ensure that all payments are made in line with the tenant's obligations, as detailed in their tenancy or other appropriate agreement.

Rosebery's service will be provided in a consistent manner irrespective of age, disability, gender reassignment, marriage and/or civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation, language or other personal attributes which may cause a person to be treated with discrimination.

This Policy relates to across all tenures, and includes general needs tenants, those renting garages, sheltered housing, temporary accommodation, starter tenancies, leaseholders and shared owners. For the purposes of this Policy all of these individuals are classified as tenants.

2. Our Standards

This Policy incorporates the recommendations of the current Pre Action Protocol for Possession Claims based upon Rent Arrears (issued under the Civil Procedure Rules, October 2006).

This Policy and associated procedures will define the approach of all staff both in managing the needs of tenants in arrears and addressing the responsibilities of Rosebery as a registered provider.

3. Our Service

Rosebery commits to;

- Dealing sensitively with all tenants in arrears;
- Applying clear customer focus;
- Diversity awareness;
- A best value approach; and
- Attention to current legislative guidance.

To achieve this Rosebery will employ a variety of methods.

In addition Rosebery employs Tenancy Sustainment Officers. Their role is to support and advise any tenants who are struggling to maintain their tenancy or make rent payments.

4. Arrears Prevention

Rosebery actively promotes a positive payment culture to maximise income collection and minimise the risk of tenants accumulating debt. By using proactive arrears prevention methods, Rosebery will ensure that tenants are aware of their payment responsibilities, and that effective early intervention is standard practice. This will be achieved through the following:

- Range of payment methods – Rosebery offer a range of payment methods to make prompt rent payment as simple and straight forward as possible for tenants. Tenants can pay rent using Allpay at the Post Office, online, text message, Paypoint, Callpay (telephone) and by direct debit. Tenants can pay using their Debit or Credit cards. Rosebery does not routinely accept payment by cash. Cash will be accepted in exceptional circumstances such as to prevent an eviction and must be approved by a Head of Service or Director. Cash payments will be accepted in accordance with the Anti-Money Laundering Policy.
- Range of contact methods – Rosebery offer a range of ways that tenants can get in touch for information and support on paying their rent including by phone, in person or online via the “My Rosebery” website.
- Support at sign up – Rosebery provide clear and comprehensive information on tenants’ rights and responsibilities around rent payment at sign up. This includes; explaining the terms of the tenancy around rent payment, support with any Housing Benefit (HB) claim including verifying applications where possible; and referral to a Tenancy Sustainment Officer for specialist support where appropriate. We will collect one weeks rent in advance at tenancy commencement.
- Regular and accessible information – Rosebery provides information to tenants on rent payments on request and through quarterly rent statements in a clear and accessible way. General support and information about paying rent is available on the Rosebery website and tenants registered with My Rosebery can also check their rent account online.
- Helping tenants to maximise their income – Rosebery offer specialist advice and support to help tenants access benefits and other income through our Tenancy Sustainment Service.
- Support for tenants in arrears – Rosebery provides dedicated staff to work with tenants who have arrears to pursue all options available to reduce and repay the arrears.
- Refer all tenants who are experiencing financial hardship to agencies, for example the Citizens Advice Bureau (CAB) or employment support agencies.

5. Housing Benefit

In all cases Rosebery will request that Housing Benefit payments are made directly to Rosebery.

Where Housing Benefit payments are unduly delayed Rosebery will seek authority from the tenant to intervene in the process and will liaise with the Housing Benefit Department directly to ensure swift resolution of the claim.

Rosebery will deal sensitively with all cases where Housing Benefit processing delays are evidenced.

In most cases Rosebery will:

- make use of benefit calculators to estimate entitlement to benefit and/or
- review and amend any relevant repayment agreements, and/or
- invite the tenant to discuss the matter further, and/or
- consider suspending possession proceedings until the matter is resolved

If a tenant is not eligible for Housing Benefit, Rosebery will ensure that they are fully aware of their payment obligations and will request completion of a direct debit form in preference to weekly cash/cheque payments. This will not preclude such forms of payment if the tenant so desires.

Rosebery may still, if appropriate, refer tenants who are not eligible for Housing Benefit to debt advice agencies, as they may require assistance managing their finances.

Where there is a claim of over-payment of Housing Benefit on a tenant's account Rosebery will ensure that it complies with regulations and any service level agreement in place. Housing benefit over-payments will be challenged if Rosebery believes the claim to be incorrect.

Where repayment of an over-payment is made, Rosebery will inform the affected tenant immediately and will take appropriate recovery action to recoup the sums owed.

Rosebery acknowledges that with the introduction of Universal Credit this relationship will change and that therefore Rosebery will help to prepare and support tenants to make this change via the Tenancy Sustainment Officers, Income Officers and Neighbourhood Officers as appropriate.

6. Universal Credit

Universal Credit is a single means tested welfare payment which is paid directly into the bank accounts of eligible working age households, monthly by bank transfer. The payment will include housing costs to cover eligible rent and service charges (less any deductions) for claimants living in social housing.

Tenants are then responsible for paying the rent charges to Rosebery, contrary to the existing system which ensures rent payment are paid direct to Rosebery under Housing Benefit third party arrangements.

It is believed an increased number of tenants will have rent arrears by the time they migrate to Universal Credit, and many others (according to DWP information) will already have other debts. This presents obvious challenges and risks to both Rosebery and our tenants. An increase in arrears and challenges associated with rent collection are recognised in the Operations Departmental risk register.

7. Early Intervention

Where a tenants rent account goes into arrears it is critical that prompt action is taken to protect both the tenant from further debt and Rosebery from a loss of income. Rosebery will make contact with tenants as soon as they go into arrears to offer support, discuss options for clearing the arrears, remind the tenant of their responsibilities to pay rent, and outline the potential implications of non-payment.

Tenants will be actively encouraged to discuss their arrears with Rosebery to agree the best way to reduce and clear the arrears as quickly as possible. Options include:

- payment by a lump sum but taking into account their ability to pay
- making an agreement to repay the arrears by paying an agreed amount each week in addition to their rent;
- setting up direct payment of HB and direct deductions from benefits;
- providing information to HB promptly to enable them to assess the tenants claim;
- if applicable, working with the Tenancy Sustainment Officers to maximise the tenants income to provide additional money to enable the tenant to clear the arrears.
- if applicable, requesting an Alternative Payment Arrangements (APA) or Managed Payment (MP) direct from the tenants Universal Credit.

These options will continue to be available for tenants throughout the period of arrears. Even where legal action is the only option, Rosebery will continue to work with the tenant to explore alternatives to avoid possession. Rosebery will also consider alternative legal remedies to possession where appropriate including applying for attachment of earnings and using the small claims court. These options may be more appropriate for persistent low level or static arrears.

Rosebery will be sensitive to the individual circumstances of each tenant when deciding the best course of action for dealing with arrears and

continue to focus on building a positive and constructive relationship with the tenant throughout the arrears recovery process. This includes the way in which staff makes contact with tenants about their arrears, for example, carrying out home visits.

The table below summarises the process that Rosebery will normally follow to recover arrears.

Weeks with Arrears	Action
Week One	Contact the tenant about their arrears and inform the tenant of the implications of non payment. The contact will normally be by letter.
Week Two	Second contact again by letter and any other means of communication, such as, text, email, phone or home visit. At this stage serve NTQ on any linked garage account.
Week Three	Third contact again by letter and any other means of communication, such as, text, email, phone or home visit. At this stage discussion to include a warning to serve NOSP.
Week Four	Serve a Notice of Seeking Possession (NOSP). Where practical this should be delivered by hand. Request tenant to contact Rosebery to discuss arrears and make payment arrangement.
Week Eight	Invite tenant to office for pre-court interview with both Income Team Leader and Tenancy Sustainment Officer. Depending on the outcome of the interview, and following expiry of the NOSP, it may be necessary to apply to court for a possession order hearing. Court proceedings should not be started unless the Income Team Leader is satisfied the 'Pre-Action Protocol for Possession Claims by Social Landlords' has been complied with and there is no alternative resolution.
Both Income Officers and Tenancy Sustainment Officers carry out home visits throughout the recovery process to support the tenant and assist as much as possible in helping them to clear their arrears. The visiting officer will accurately record all outcomes of contacts with the tenant on the arrears monitoring system. Where contact is by letter, the Income Officer should write separately to each named tenant.	

8. Repayment Agreements

Rosebery is aware that tenants can fall behind in payments to their account for a short period and will need to make arrangements with us to repay their arrears over a period of time.

Agreements to repay arrears of rent that have accrued will be made according to the financial circumstances of the tenant/s in question, but with a view to ensuring that the debt is repaid as quickly as possible.

Where a tenant repeatedly refuses and/or fails to keep to a repayment agreement and disengages with Rosebery, legal proceedings will be started to secure regular payments by way of a Court Order.

9. Legal Proceedings

Serving a Notice of Seeking Possession (NOSP)

Rosebery can choose to serve a NOSP on both Assured and Assured Shorthold tenancies (see below S21).

Rosebery will normally serve a NOSP when a tenant is in arrears for four weeks and they:

- have failed to respond to our attempts to communicate and engage with them.
- have not attended the appointment to discuss their arrears and the arrears have not reduced;
- have attended the appointment but no agreement was made; or
- have failed to maintain an agreement to clear the arrears.

When serving a NOSP, Rosebery can use either mandatory or discretionary grounds for possession. Ground 8 is the only mandatory ground Rosebery can use for rent arrears, all others are discretionary.

Rosebery will only use mandatory grounds for possession in the following circumstances and with approval from the Neighbourhood Services Manager or a more senior officer in their absence:

- Arrears that involve a fraudulent Housing Benefit claim.
- Where a tenant refuses to co-operate at all with Rosebery to reduce and clear their rent arrears.
- Where a tenant refuses to meet Rosebery staff to discuss their rent arrears.
- Where a tenant has a history of making large payments prior to Rosebery taking legal action.
- Where a tenant has abandoned their home.

Mandatory grounds for possession will not be considered in the following circumstances:

- The tenant is vulnerable.
- The tenant is co-operating with Rosebery to reduce their arrears.
- The tenant has provided evidence that they have submitted a claim with the relevant information to HB or Universal Credit.
- HB or DWP have confirmed they have received an application form.
- Rosebery believes that the arrears have been caused by HB processing delays.

Serving a Section 21 Notice (s.21)

Rosebery will normally serve a s.21 Notice on Assured Shorthold Tenancies, including Starter Tenancies, with approval from the Income Team Leader or a more senior officer in their absence and when there are 2 months of arrears and the tenant:

- Has failed to respond.
- Has not attended the appointment to discuss their arrears and the arrears have not reduced
- Has attended the appointment but no agreement was made.
- Has failed to maintain an agreement to clear the arrears.

The s.21 Notice must be the standard Department for Communities and Local Government Form 6A.

For tenancies which started before the 01 October 2015:

- The s.21 notice can be served at any point.
- Once served the s.21 notice lasts for as long as there is a tenancy.
- Two months notice must be given.

For tenancies which started on or after the 01 October 2015:

- The s.21 notice cannot be served in the first 4 months of the original tenancy.
- Once served the s.21 lasts for a maximum of six months, during which time court action must be started, otherwise a new notice will need to be served.
- Two months notice must be given.

Taking Court Action

Rosebery will normally apply to court for a possession hearing once the NOSP or Section 21 Notice has expired if the tenant has made no contact or agreement and the arrears continue to increase. However Rosebery will

consider not starting possession proceedings if a tenant can demonstrate they have a reasonable expectation of being eligible for backdated HB, they have provided all the evidence needed for their claim and they have made any personal contributions towards their rent.

Where a tenant makes and maintains an agreement to clear the arrears, Rosebery will monitor the account and no court application will be made as long as the arrears are reducing in accordance with the agreement. As the NOSP remains valid for 12 months Rosebery will apply to court during this time if the tenant fails to continue reducing their arrears. Where the NOSP or s.21 has expired and the tenant remains in arrears, Rosebery will re-serve a new NOSP or s.21.

Where possession proceedings have already begun and the tenant has subsequently made and maintained an agreement to reduce the arrears and depending on the level of arrears, Rosebery will consider postponing or adjourning the possession action for as long as the tenant maintains their agreement.

10. Eviction Action

Evicting a tenant from their home is the most powerful sanction that Rosebery has. Eviction is a last resort and will only be considered when all other options for clearing the arrears have been exhausted. The Income Team Leader will endeavour to hold a pre-eviction interview with every tenant before their case is referred for eviction to ensure that all other options have been thoroughly considered. However, if the tenant does not attend the pre-eviction meeting this will not stop the Income Team Leader from progressing to the next stage of the rent collection process.

The Income Team Leader will decide after the pre-eviction meeting whether to recommend the tenant for eviction. The Income Officer will prepare the Authority to Evict report and pass this to Income Team Leader, Head of Housing and Operations Director for their approval. The role of the Income Team Leader, Head of Housing and Operations Director is to make sure that Rosebery have explored all other options to recover the arrears and that the relevant procedures have been followed by Rosebery staff prior to agreeing an Authority to Evict. In normal circumstances agreement to proceed should be obtained from everyone named above, but action should not be delayed due to officer availability, in these circumstances at least two of the three designated officers can approve the recommendation.

Rosebery staff, prior to an eviction, will contact the relevant local authority housing team and give them the following details of the tenant:

- name;
- size of household;
- Rosebery address;
- reason for eviction, for example rent arrears; and
- date of eviction.

Rosebery will also notify Social Services if there are children under the age of 18 within the household. If a tenant has mental health problems, we will also notify their relevant mental health care provider.

Prior to an eviction Rosebery staff will also advise tenants to contact their local authority Housing Options Team and signpost them to other agencies as appropriate.

11. Vulnerable Tenants

All tenants must pay rent or other appropriate charges to their account. Rosebery does, however, recognise that some tenants have difficulties maintaining this responsibility for reasons sometimes beyond the individual's control. Rosebery refers to such tenants as vulnerable.

Tenants can be classed as vulnerable for a number reasons including, but not limited to:

- Physical and mental health disabilities;
- Learning difficulties;
- Age;
- Chronic illness;
- Temporary or permanent financial management problems resulting from the above categories, or a wide range of other causes.

Not all persons in the above categories actually need assistance or fall into arrears so this is general guidance.

Vulnerable tenants needs which affect their ability to pay the rent will be considered in accordance with the Pre-Action Protocol for Possession Claims by Social Landlords and the Equality Act 2010.

Where a tenants circumstances make it difficult to pay the rent, Rosebery will provide reasonable assistance to help them to access appropriate support services to help them sustain tenancies.

Rosebery will also take care to consider the format of its communication and will ensure that it used the most appropriate method to communicate its message.

12. Rechargeable Costs

Where debts to Rosebery exist or charges have been incurred that are not rent or service charges, a sundry debtor account will be set up. The recovery of rechargeable costs will be undertaken in line with our Recharge Policy.

13. Garage Arrears

Rosebery offer garages to tenants and non-tenants to rent on a licence agreement. Licensees have no security of tenure over these garages so persistent non-payment of rent will result in the licence being ended.

If a tenant has a garage account linked to their tenancy rent account, arrears will be dealt with in accordance with the table in Section 6. The table below summarises the process that Rosebery will normally follow to recover garage arrears from non-residents.

Weeks in Arrears	Action
Week Two	Contact the tenant about their arrears and inform the tenant of the implications of non payment. The contact should be by letter and also by text, email or phone.
Week Four	Second contact again by letter and any other means of communication, such as, text, email or phone.
Week Six	Serve a Notice to Quit (NTQ).
Week Ten	Repossess garage

14. Leaseholder - Major Works

Leaseholders are liable for their contribution in respect of the cost of major/cyclical works carried out to the blocks where their properties are situated.

Responsibility for payment is contained within the terms of the lease. Most leases provided for payment in full on billing for major works and leaseholders will be expecting the bill as a full consultation period will have been exhausted prior to the works being commencing.

Rosebery recognises that in some cases the demand for payment may cause undue hardship. In exceptional situations Rosebery may agree a repayment plan by instalments.

15. Former Tenant Debt

The Policy in relation to former tenant debt is set out in the Bad Debt Policy.

16. Performance & Monitoring

Rosebery sets annual targets in terms of income collection and arrears levels. These targets are clear, challenging and reflect top quartile performance in the housing sector.

It is the role of the Head of Housing to ensure that the Income Team Leader and Income Officers involved in managing the rent accounts, do so in a competent and consistent manner.

This is achieved by the setting of clear income targets for each individual as well as for the team as a whole. These targets are reviewed periodically

Rosebery will ensure access to quality performance data which will enable support staff to prioritise their actions effectively and to understand performance against targets.