

INCOME MANAGEMENT POLICY

1.0 Introduction

The purpose of this policy is to provide clear guidance to all officers on the effective management, maximisation and collection of income. Imani recognises the need to maximise income to meet its commitments in the business plan. Imani intends to collect and manage all income efficiently, promptly and in the most convenient way for the customer, taking into account any particular requirements. Imani will take robust action to recover any debts owed by taking the necessary action in accordance with the association's procedures.

2.0 Legal Framework

The Homes Communities Agency expects all Registered Social Landlords (RSLs) to comply with its Regulatory Code. RSLs are required to provide housing management services efficiently and effectively in order to meet their obligations and requirements as landlords; to ensure that residents understand their obligations, but also support tenants to sustain their tenancies; and to liaise with other agencies about the related needs of their residents both as individuals and communities. The Civil Justice Council have provided a pre-action protocol relating to proceedings for claims made by an RSL against a tenant for possession due to rent arrears.

3.0 Policy Statement

Imani's primary aim in relation to arrears recovery is to maximise income collection and other charges from tenants as well as maximise income of tenants, to ensure objectives of the business plan are met.

3.1 Imani will review and set annual targets for rent collection and arrears recovery in line with its business plan.

3.2 Imani will adopt a firm approach to arrears recovery. Prevent arrears occurring where possible by early intervention to avoid and minimise build up of arrears.

3.3 Whilst being firm and clear in its arrears recovery, Imani will act in a sensitive manner appropriate to tenant's individual circumstances.

3.4 Imani will seek to create a payment culture where tenants attach a high level of importance to ensuring their rent is paid.

3.5 Imani recognises that from time to time tenants may experience financial problems and will not be able to pay their rent. Housing staff would offer to meet with tenants as soon as the problem arises and offer tenants sensitive support and advice, including debt counselling and benefit advice.

3.6 Imani Staff would receive ongoing training to enable them to provide these services to a high standard and to ensure that rent is paid and arrears are reduced.

3.7 Imani will seek to reach mutually acceptable realistic arrears payment agreements with tenants in arrears to clear arrears over a reasonable period of time.

3.8 Where tenants' refuse to make or adhere to arrear payment agreements, legal action would be taken by Imani and this may include action to repossess the tenant's property. This action will be used as a last

resort.

3.9 Imani recognises that some tenants will need help and support in meeting their rental obligations. Assistance and guidance will be given to tenants on the range of benefits available to them.

4.0 Implementation

The implementation of this policy will be achieved through the consistent application of the rent and former tenant arrears procedure. Imani staff will be trained in the procedures. The important principles behind each stage in the procedure is as set out below.

Debt prevention

4.1 The focus is on sustaining tenancies through proactive housing management that aims to prevent arrears arising from the outset of the tenancy. New tenants will be advised at the initial viewing the importance of keeping a clear rent account, advice and assistance on how to pay their rent, possible entitlement to housing benefit (including offering help and assistance in making a claim), possible entitlements to other welfare benefits, details of who to contact if they are experiencing problems with their rent.

At sign up new tenant's must;

- Complete a housing benefit form with proof of ID and income or proof of a completed housing benefit form handed into the relevant Council
- Provide a months rent in advance
- A completed direct debit form and a cheque to cover the rent until the start of the direct debit. Rent statements will be automatically sent quarterly and can also be requested on an ad-hoc basis to enable tenant's monitor their payments.

Payment options

4.2 Tenants will be given access to a range of payment methods as listed below;

- Direct debit – paper or paperless
- Standing order
- Cheque payments

Tenants in receipt of housing benefit will be encouraged to have it paid directly to Imani.

4.3 Imani does not generally offer a cash collection service for security and health and safety reasons. In exceptional circumstances e.g. impending eviction, cash will be accepted.

4.4 Direct debit is the most efficient collection method and this will be promoted to all customers with, wherever possible, all new customers paying this way.

Action for Non-Payment

4.5 Imani's arrears procedures will detail the action to be taken at every stage and the timetable for actions.

The main features of the procedures are as follows:

- i. Tenants will be advised of any change to the rent and methods of payment at least one month before the changes come into force.
- ii. Housing Officers will verify before commencing, or at any stage during, the arrears recovery process that the debt identified is genuine
- iii. Imani will treat all joint tenants as jointly and severally liable for rent arrears.

- iv. Imani will monitor rent accounts regularly so that problems can be identified at an early stage and arrears levels minimised.
- v. Imani will inform tenants of their debt and advise them of the consequences of continued non-payment.
- vi. Imani will make all attempts to make personal contact with tenants who are in arrears, either by visiting, inviting them for interview or telephoning so that the arrears position can be discussed, to ensure they are aware of the debt and given opportunities to come to arrangements to clear the debt. The consequences of not reaching an agreement and maintaining it will be carefully explained.
- vii. Housing staff will ensure that appropriate advice and assistance is offered, including advice on welfare and housing benefit, where appropriate signposting to an appropriate agency
- viii. During the arrears recovery process, housing staff will ascertain the full circumstances of the tenant and where possible help the tenant to address any factors immediately contributing to the arrears for example recent breakdown in relationship, ill health, loss of employment etc.
- ix. Imani will, where necessary advice and sign-post tenants with multiple debt problems to the appropriate agency.
- x. Imani will endeavour to reach mutually acceptable realistic arrears payment agreements with tenants taking into consideration their financial circumstances.
- xi. Imani will encourage direct payments from employers or the DSS where this is practicable.
- xii. Imani will check if other agencies are involved with the tenant (e.g. Social Services). These agencies will be requested to offer support if appropriate.
- xiii. Imani will check with the Housing Benefit Section to ensure that any outstanding benefit is credited to the tenant's account or to verify the reasons why any outstanding benefits are not being paid.

4.6 Legal Action

- xiv. Imani will serve any Notice of Proceedings for Possession in accordance with its procedures, and in line with current regulations.
- xv. Imani will use Ground 10 Housing Act 1996 where the arrears are less than eight weeks.
- xvi. Imani will use Ground 8 and 10 Housing Act 1996 where arrears are eight weeks or more.
- xvii. Imani will begin Court action in accordance with its procedures when circumstances dictate.
- xviii. Imani will request the appropriate order at court, depending upon the individual circumstances of the tenant and the case.
- xix. Imani will always request an award for costs at Court.

4.6 Imani will address the specific needs of minority ethnic groups, people with disabilities, the infirm, the elderly and the housebound in its implementation of this policy. Support will be offered wherever appropriate, which might include interpreters and referral Social Services or Voluntary Agencies.

Former Tenancy Arrears

4.7 Imani will seek through its arrears recovery procedures to control the level of arrears at all stages prior to tenancy termination so that former tenant rent arrears are minimised.

4.8 Imani will use its Abandonment Procedure to end tenancies where properties have been abandoned without the use of the courts, so that arrears do not accrue unnecessarily.

4.9 Imani will pursue all recoverable former tenants' arrears. Emphasis will be placed on the establishment of early contact with the debtors and reaching agreement for the repayment of the debt.

4.10 Imani may involve the services of debt recovery agencies where that is considered to be appropriate. They will be members of the Credit Service Association, the recognised trade body which maintains a code of practice for this type of work.

4.11 Where a debt is uneconomic to pursue and/or where all reasonable attempts to recover the debt have failed, the debt may be written off in accordance with the write-off policy and Imani's Standing Orders. More details of the various steps involved in the pursuance of former tenants arrears are contained within the former tenant arrears procedure.

5.0 Responsibility

5.1 It is the responsibility of the Chairperson to ensure that this policy is in place.

5.2 The Finance Officer is responsible for the effective implementation of this policy

5.3 The Finance Officer is also responsible for ensuring that staff involved in the recovery of arrears are trained.

6.0 Consultation

6.1 This policy will be reviewed in consultation with residents at least once every two years.

7.0 Review and Board Approval

7.1 This policy will be reviewed once every two years taking account of any changes to legislation that may occur. Person Responsible for the review of this policy:

Finance Officer

Date of this review: November 2012

Date of Board approval: January 2012

Date the next review is due: November 2015