

Income Collection Policy

DESIGN HEADER TO INCLUDE POLICY NAME AND DATE RANGE

INFORMATION

Policy Name	Income Collection Policy
Effective Date(s)	November 2022
Approved By	Risk & Compliance; Customer Services Committee
Approval Date	10th November 2022
Policy Owner/Dept	Darren Shelley - Customer Services
Policy Author	Darren Shelley, Head of Customer Services
Review Date	November 2024
Version Number	

Version Control

Version	Date	Changes	Approver

Your Housing Group Strategic Priorities			
Safe	<input type="checkbox"/>	Viability	<input checked="" type="checkbox"/>
Landlord	<input type="checkbox"/>	Growth	<input checked="" type="checkbox"/>
People	<input type="checkbox"/>	Technology	<input type="checkbox"/>

Relevant National Standards or Regulation	Please State if the Policy aligns to any of the Regulators Standards: <ul style="list-style-type: none"> Governance and Financial Viability Standard Value for Money Standard Rent Standard Tenancy Standard
--	--

Relevant Legislation	Please list any legislation applicable to the Policy <ul style="list-style-type: none"> • Housing Act 1985 • Housing Act 1988 • Equality Act 2010 • Localism Act 2011 • Welfare Reform Act 2012 • Homelessness Reduction Act 2017 • Data Protection Act 2018 • Civil Procedure Rules • Pre-action Protocol for Possession Claims by Social Landlords 2020.
-----------------------------	---

1. Purpose of the Policy

This policy sets out the principles for rent and service charge collection for Your Housing Group.

Delivering an effective income collection service is crucial to YHG's financial viability. To safeguard its position, the Group must endeavour to ensure that all rent & service charge payments are made in line with the obligations detailed in the tenancy agreement or licence.

Your Housing Group promotes a positive payment culture which expects all customers to maintain a clear rent account.

Whilst we adopt an approach of early intervention to reduce the likelihood of arrears accruing, Your Housing Group recognises that from time to time a customer's circumstances may change unexpectedly. In these instances, we will attempt to work with the customer and all appropriate support functions to reach a positive outcome. Our approach will be fair and firm where necessary.

Furthermore, YHG supports and adopts the pledges outlined by the National Housing Federation in support of its customers, specifically by: -

- Keeping people secure at home
- Helping people to get the support they need
- Acting compassionately and quickly where people are struggling

This document will be available on Your Housing Groups intranet, for internal customers and made available on the website.

2. Scope of the Policy

This policy will establish the groups approach for collection of **all** income owed to the organisation let on the following agreements:

- Assured
- Secure
- Assured Shorthold
- Licence
- Any Other

This policy is not applicable to the following:

- Supported Housing
- Grove Village
- Key Worker Accommodation

All staff within the income team are expected to maintain the standards outlined within this policy.

3. Definitions

Rent – refers to all rent and/or service charge due to YHG

Customers – In this policy refers to all customers of YHG including current and former.

4. Consultation

Consultation in relation to this policy has taken place with:

- Key internal stakeholders including YHG's Housing Management, Income collection, Money Advice and finance teams.
- Customer Focus Group
- Customer Services Committee
- Risk & compliance

5. Background and Context

The key aims of the income collection team are to:

- Maximise YHG Income
- Minimise arrears and bad debt
- Maximise customer income by ensuring our customers receive the benefits they are entitled to
- Minimise tenancy failure resulting from non-payment

6. Policy Detail

This policy will outline the overarching principles of our approach to income collection.

Income Collection Principles

Your Housing Group believes that prevention and early intervention in Income Collection is crucial to maintain and sustain tenancies and will only seek eviction as a last resort.

Eviction has high social and economic costs and as such Your Housing Group places great emphasis on alternative approaches with a focus on preventative and support mechanisms, rather than reactive strategies.

Essential to this we will:

- Ensure transparency with our customers and provide them with access to Your Home Hub to view accounts online 24 hours a day, rent statements will only be sent on request or where required in law as part of the income recovery process.

- Keep up to date with Welfare Reform legislation to enable Your Housing Group to support our customers through the impact of these changes and provide a specialist in-house money advice service to our customers, free of charge.
- Treat all customers in a respectful and courteous way, ensuring confidentiality when dealing with any rent or arrears issues, and provide a formal complaint process for customers who are dissatisfied.
- Provide a wide and varied range of payment options including:
 - Direct Debit
 - Debit or Credit Card
 - Via the Home Hub online portal
 - By telephone (24-hour automated payment line or through an operative during office hours)
 - Online at www.allpay.net
 - Via the allpay app (available on smart phones)
 - allpay card (cash paid at a Pay Point or Post Office)
 - Internet Banking / Bank Transfer
 - Standing Order
 - Cheque
- Where more than one debt is owed to YHG we will prioritise payments as follows:
 - Current Rent/Service Charge Arrears
 - Support & amenity charges
 - Current tenancy legal costs
 - Garage charges
 - Former Tenancy Arrears
- If an account falls into arrears, we will intervene early to bring this to our customers attention using a variety of methods including email, telephone, text, letter & visit.
- We provide a free of charge money advice service to assist customers who are struggling with rent arrears/debts and/or benefit concerns, we will refer you to this service if our discussions with you determine that is it needed, we can also signpost you to other support services if we feel this would be beneficial or you request independent support.
- We will sensitively explore our customers circumstances to ensure that we have enough information upon which to offer advice and make decisions, our decisions may deviate from the normal collection process so that we can provide more intensive support either directly or via third party agencies. Examples of customer vulnerability may be any of the following, however this list is not exhaustive:
 - Drug/alcohol dependency
 - Living in an abusive household
 - Being a care leaver
 - Physical & Mental Health conditions
 - Literacy & numeracy
 - Age
- YHG also recognises that customers can become vulnerable based on their financial circumstances and where this is apparent our Money Advice team can provide support or refer customers to alternative sources of assistance.
- Where customers receive benefit from Housing Benefit or Universal Credit, before taking legal action YHG would ensure that any housing costs due to the customer are paid directly to YHG in line with Housing Benefit & Universal Credit regulations.

- We will also seek third party deductions from Universal Credit & legacy benefits, where necessary, to safeguard a tenancy.
- When a tenancy is ending YHG will request that arrears are cleared prior to termination, failing this a payment plan will be sought. We will actively pursue any debts left by the organisation and will employ a debt collection agency to recover debts where necessary.

Credits

Where there is credit held on a customer's account a refund form should be completed which will be usually paid within 28 days, if there is any housing benefit or universal credit in payment, checks will be made to ensure that there is no debt owed to the local authority or Department for Work & Pensions.

Should there be no outstanding overpayments; a refund will be approved only in the following circumstances:

- Weekly payers – any credit over and above 1 week
- Fortnightly payers – any credit over and above 2 weeks
- Four weekly payers – any credit over and above four weeks
- Calendar month payers – any credit over and above one calendar month

Where we identify a financial vulnerability YHG will work with customers to agree a mutually suitable arrangement.

Arrears Recovery & Legal Action

Customers are deemed to be in arrears when they have missed one weekly, fortnightly, four weekly or monthly rent payment. Customers will be encouraged to settle their arrears in full, where this is not possible, we will negotiate a repayment plan to gradually reduce the arrears owed to avoid the need for legal action.

When calculating the agreement, we will consider the customer's circumstances of the household including their income, expenditure, and other outstanding debts.

We will offer the customer the opportunity to ensure that they are claiming all relevant welfare benefits to which they are entitled and provide them with money advice and/or signposting to free and independent money advice services.

All legal action will be taken in compliance with the pre-action protocol. (www.justice.gov.uk)

The guidelines for service of legal documents are:

- Notice of Seeking Possession (NOSP) when the balance is 4 weeks full rent arrears or had an arrears balance for more than 8 consecutive weeks
- Court application will be made when the level of debt is typically 8 weeks rent or more

YHG may deviate from these guidelines based on individual customer circumstances.

Court Applications

YHG may apply for possession of a property based on the following grounds which relate directly to non-payment of rent/service charges:

Ground 10 is a discretionary ground for possession where rent which is lawfully due from the customer has not been paid by the time the possession proceedings are started and was owed at the time the Notice Seeking Possession was served.

Ground 11 is a discretionary ground for possession where the customer has repeatedly failed to pay rent on time. There need not be rent arrears at the time possession proceedings are started.

Ground 8 is a mandatory ground for possession of an assured tenancy contained with the Housing Act 1988. An outright order must be granted where Your Housing Group can prove that two months' or eight weeks' arrears exist at the service of the notice and at the court hearing. The court has no discretion as to whether to grant the order. YHG will consider using this and details of its application are detailed within the Ground 8 Policy.

Former Tenants

YHG will continue to take action to recover monies owed by former tenants where it is economical to do so, including pursuing customers who don't provide a forwarding address. This may include using reputable third-party collection agencies. Recovery action will continue until the debt is repaid.

Where former debt is uneconomical to pursue or there is no prospect of recovery, the debt will be written off in accordance with the Debt Management Policy.

7. Responsibilities under this Policy

The Service Manager is responsible for ensuring all relevant staff have access to and understand the content of this policy and, have appropriate training to undertake their roles. The Service Manager will undertake a review of this policy in accordance with the businesses review schedule.

8. Risk Management

In failing to adequately adopt the standards outlined within this policy we risk customer detriment through homelessness, reductions in our income streams, which will impact our ability to provide services to our current and future customers.

9. Data Protection, Record Storage and Retention

Customer data relating to rent accounts is held in our housing, finance & document management systems in accordance with relevant Data Protection policies.

10. Equality and Diversity

This policy demonstrates adherence to the Equality Act 2010 to ensure equality of treatment for all customers without discrimination or prejudice. This policy has also been developed in line with YHG's Equality, Diversity and Inclusion Policy and has been Equality Impact Assessed. YHG will be proactive in its approach to provide translations of all its documents, policies and procedures in various languages and other formats by utilising the data it holds about its customers and, will seek to keep this data updated at reasonable intervals.

On request, YHG will provide translations of all its documents, policies and procedures in various languages and other formats by contacting YHG.

11. Communication

This policy will be publicised on the Groups intranet for access to all employees and in addition and made available to the public on YHG's website.

12. Learning and Development

Colleagues operating to this policy will be provided with training upon joining the business and additional refresher training as required, to remain updated with changes to any internal and external business practices, including benefit reforms. It is the responsibility of the Service Manager to ensure delivery of such training.

13. Performance Management of this policy

Performance against this policy will be measured by

- Income Collection Performance
- Arrears Performance – Current & Former Arrears
- Number of evictions
- Number of money advice referrals

14. Review of this Policy

This policy will be reviewed in August 2024 by the Service Manager.

Related Documents

Document Type	Name
Connected Policies and Procedures	Debt Management Policy
Forms and Letters	
Leaflets/Publicity Material	
Training Materials Available	
Intranet/ Website Page	

Checklist

Policy Name: Income Collection Policy	
Version No:	Effective Date: November 2022
Status: Partial Review – existing policy	
Previous Policy Name (where appropriate)	
Brief Summary of Changes from Previous Version:	
<ul style="list-style-type: none"> • Combined the Former Tenant Arrears Policy into this new Income Collection Policy • Tone and language updated in accordance Customer Connect framework • Removal of outdated commentary and/or process reference 	
Internal Consultation Groups:	Customer Consultation: <input checked="" type="checkbox"/>
Internal stakeholders (staff) Equality Impact Assessors Group	Date of Customer Consultation: 8 th & 15 th August 2022
	Customer Consultation Brief Details:
	08/08/22 – Customer Focus Group 15/08/22 – Customer Connect Panel
Link to Consultation Document(s):	
Date Initial Equality Impact Assessment Undertaken: n/a	Equality Impact Assessor name(s): Carly-Anne Greenall, Cate Hargreaves, Dianne Roscoe
Reason for Decision: Combining two policies – full EIA required.	
Date Full Equality Impact Assessment Undertaken: 23/08/22	
Brief Outline of any Changes Recommended from EIA: None recommended.	
Data Protection/ GDPR Implications: <input type="checkbox"/>	
Brief Outline of Data Protection/GDPR Implications:	
Legal Implications: <input type="checkbox"/>	Legal Panel Consulted: <input type="checkbox"/>
Risk Implications: <input type="checkbox"/>	Risk Logged on Datix: <input type="checkbox"/>
Resource Implications	People: <input type="checkbox"/> Finance: <input type="checkbox"/> Asset: <input type="checkbox"/> Other: <input type="checkbox"/>
Brief Summary of how Resource Implications have been addressed:	
How will communication on this Policy take place: (please delete as appropriate) Intranet/ YHG Website/ Email	
Policy Owner: (Department) Customer Services	Policy Author: Darren Shelley
Policy Signed Off by: (service manager or sponsor): Darren Shelley	Date: 01/08/22
Policy Quality Checked by Research and Policy Manager:	Date: 23/08/22
Policy Approved by Risk and Compliance Group:	Date: 11/10/22
Policy Approved by Customer Services Committee:	Date: 10/11/22