



# **Income Maximisation Policy**

**August 2023**

## **1. Introduction**

- 1.1** This policy sets out SW9 CH's approach to rent collection, prevention and recovery of current rent arrears and service charges. This policy relates to all tenancy types across SW9 CH.
- 1.2** This policy complies with the Homes England Regulatory Framework.
- 1.3** SW9 CH will continue to identify residents in need of support to reduce rent arrears and maximise income. We will ensure SW9 CH's housing service can maintain its financial position and demonstrate sound financial long-term plans for the Income Revenue Account.

## **2. Aims and Objectives**

- 2.1** SW9 CH are committed to helping to sustain tenancies and to maximise our income collection.
- 2.2** SW9 CH recognises the impact of universal credit and are seeking to mitigate against its impact. To do this successfully SW9 CH aim to:
  - Maximise rent and service charge collection
  - Offer access to Welfare Benefit Advice
  - Support residents to maintain their tenancy
  - Promote a positive payment culture
  - Minimise arrears
  - Promote financial inclusion
  - Ensure that SW9 CH's income collection service reflects legal requirements, best practice and regulatory guidance.

## **3. Policy Statement**

The SW9 CH Income Team will support residents to sustain their tenancies, in order to maximise income for SW9 CH whilst continuing to work within the legal framework.

### **3.1 Focus on arrears prevention**

Arrears prevention is key to driving down and managing arrears, SW9 CH prioritises early Intervention as the best way of ensuring tenancies are successful in the long run.

- SW9 CH is committed to assisting our residents to avoid falling into arrears. New residents will be informed during the rent sign-up of the rent due at the beginning of their tenancy. Rent is due in advance in line with the terms and conditions of their tenancy agreements.
- Residents will be required to pay one weeks rent (or a monthly payment if the

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- rent is due each month) in advance at the sign up of their tenancy.
- Residents will be advised of the implications of non-payment of rent.
  - Residents will be given advice and assistance to complete housing benefit applications/ Universal Credit applications online, if appropriate.
  - Financial health and affordability checks will be carried out with all new residents before the rent sign-up.
  - The residents rent account will be reviewed as part of the 6-week Settling Visit.
  - SW9 CH will signpost residents to relevant debt advice agencies to support residents in obtaining specialist advice and assistance.
  - Support with applying for Discretionary Housing Benefit for those affected by the under- occupancy charge and the benefit cap.
  - Provide advice and signposting to customers, including working with others for options to increase income by training and employment for example the Financial Inclusion Boost Programme.
  - SW9 CH focusses on a creating a culture of payment
  - To provide residents with food bank vouchers when required.

### **3.2 Provide Information, advice and assistance**

SW9 CH will ensure our communications are clear, customer friendly and encourage contact.

- SW9 CH will provide advice and assistance on paying rent, claiming benefits and general financial advice. This will be available to all residents to ensure that income is maximised and to facilitate the payment of rent due.
- SW9 CH will make available information for residents on how to pay their rent and what to do should they fall into arrears.
- SW9 CH will ensure that regular rent statements are sent to all residents, and are available on demand, to enable residents to manage their rent accounts.
- SW9 CH will provide relevant publicity to raise awareness of the organisation's policy on rent arrears and to encourage residents to engage with officers to manage any arrears.
- SW9 CH will make our rent statements and letters available in a wide range of formats upon request, such as Braille or large format, and will arrange for translations of rent letters when appropriate
- SW9 CH will make safeguarding referrals as required.

### **3.3 Managing the arrears/working with the tenant**

- SW9 CH will use account data to identify residents who are defaulting on their rent accounts at the earliest possible stage.
- Income collection staff will use a variety of contact methods but will always aim to make direct contact with residents either by telephone, text, email or in person to discuss rent payment problems at all stages of the arrears management process.
- Outstanding debts will be collected with sensitivity to individual circumstances and minimising hardship, distress or financial difficulty.
- Realistic, manageable repayment plans will be developed with the residents

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that are sustainable.

- Any accounts with extra credit can be used to off-set any other accounts in arrears
- SW9 CH will work with a range of specialist services to provide support, advice and financial advice to our residents including Housing Benefit, Department of Work and Pensions, Social Services, and Citizens Advice Bureau.
- We will notify relevant agencies where a tenancy is at risk and vulnerable adults or children are involved.
- In cases where we are aware that English is not the tenant's first language, we will utilise colleagues or other agencies to assist with communicating in their preferred language.
- Information on how to get help with managing their rent payment and debt will be included in our arrears letters, on our rent statements, in our newsletters and on our website.

### **3.4 Suspension of rights for residents in arrears**

- Residents in arrears for a specified period may not normally be eligible for transfer, move-on or mutual exchange.
- There may be situations where discretion can be used to allow a management transfer for a resident in arrears, for example, where the customer is being harassed or where the customer is experiencing severe financial hardship, depending on the severity and circumstances of each individual case.
- The SW9 Allocations and Lettings Policy provides details of exclusions from the register and offers of accommodation for residents with rent arrears.
- Unpaid rent/service charge or other housing debts may also impact on a residents/licensee's ability to rent a parking space or exercise the Right to Buy.
- It may also impact on the residents/licensee's ability to obtain credit in the future if a County Court judgement is requested.
- SW9 CH will repossess a parking space from a tenant with arrears.
- SW9 CH will monitor accounts closely and regularly, taking action where necessary in accordance with our income procedure.

### **3.5 Payment Options**

- Residents will be advised of the range of payment methods available to them with direct debit being SW9 CH preferred option as this is the most efficient and easy way to pay rent.
- We will encourage all new residents to set up direct debits when they sign up for new tenancies.
- Residents can also pay using standing order, debit/credit card or payment cards. We will request direct or more frequent payment of Universal Credit housing component via an alternative payment arrangement where appropriate.

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### **3.6 Enforcement and legal action**

SW9 CH takes a robust and firm approach to income collection, legal action will be taken in cases where attempts to resolve cases with residents have failed. Where we are considering progressing a case to court, we will complete an Equality Act Duty Assessment for all residents. This is to ensure we have provided all the support we can before progression to Court.

- All action to recover rent arrears will be prompt. Residents who fall into arrears will be identified quickly and action taken in accordance with agreed procedures.
- Legal action will be taken for recovery of unpaid debts, if the tenant refuses to make or breaks any arrangement to pay or does not engage with SW9 CH.
- Where a tenant has former tenant arrears in addition to current tenant arrears priority will be given to clearing current tenant arrears.
- Action will be taken in line with the pre-court protocol and Civil Procedure Rule changes during the pandemic as well, this includes contacting the tenant to find out if they have been affected by covid both financially and health wise. We will also comply with any other legal protocols at the time of action.
- Evictions are only undertaken as a last resort, and only upon completion of a pre-court checklist that ensures all appropriate measures are taken before applying to court, the award of a valid possession order from the court, and sign-off on an Eviction Report by the Director of Finance and Resources and NH Director of Housing.

### **3.7 Financial Inclusion**

SW9 CH is committed to promoting financial inclusion for all of its residents; we recognise that some of our residents may be:

- financially excluded
- excluded from mainstream financial products – such as a bank account
- vulnerable or disadvantaged.

We aim to identify these residents at an early stage and provide flexible advice and support in response to their needs.

In addition, we will also make all residents aware of the range of services available to support them with money management, advice around debt, and other ways to sustain their tenancies.

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#### **4. Complaints**

Any tenant who is dissatisfied with how we have managed their rent account is able to submit a complaint using our Complaints process. Once all aspects of the Complaints policy are exhausted, if they still remain dissatisfied a referral to the Housing Ombudsman may be made.

#### **5. Training**

SW9 CH employees will be trained, resourced and supported to enable them to deal effectively with the recovery of current tenant arrears and income maximisation. Relevant officers will receive training on:

- Housing benefit and welfare benefits
- Current legislation and the use of legal remedies
- Basic debt advice
- SW9 CH policy and procedure
- Universal Credit (UC)
- Safeguarding

#### **6. Performance monitoring and responsibilities**

- 6.1** SW9 CH will on an annual basis review and set performance targets for the collection of current rent arrears and monitoring information will be provided to SW9 CH board and senior management teams.
- 6.2** SW9 CH will seek to embed good practice and continuous improvement in respect of income collection.
- 6.3** SW9 CH will benchmark performance against other similar sized organisations.

#### **7. Related documents**

- Income Collection Procedure
- Former Tenant Arrears Policy and Procedure

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## **8. Legislation and regulation**

The legislation listed in this policy is not intended to cover all legislation applicable to this.

- Homes England Regulatory Framework
- Housing Act 1985
- Housing Act 1988 as amended
- Housing and Regeneration Act 2008
- Welfare reform Act 2012
- Insolvency Act 1986
- Housing Benefit (General) Regulations 1987
- The Regulatory framework for Social Housing April 2012
- Children Act 2004
- Rent Arrears Court Protocol
- Equality Act 2010
- Data Protection Act 2018
- Consumer Credit Act
- The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020

## **9. Equality and diversity**

We will apply this policy consistently and fairly and will not discriminate against anyone based on any relevant characteristics, including those set out in the Equality Act 2010.

## **10. Review**

This policy will be reviewed every three years, or earlier if there are any legislation changes.

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<b>Policy author:</b>	<b>Income Team Leader</b>	
<b>Policy owner:</b>	<b>Head of Finance &amp; Resources</b>	
<b>Adopted from SNG: y/n</b>	<b>Y</b>	
<b>Review schedule (1, 2 or 3 years):</b>	<b>3 years</b>	
<b>Equality Impact Assessment (EIA)</b>	<b>Date completed</b>	
	<b>Initial or full EIA</b>	

### Change Record

<b>Date</b>	<b>Reviewed by (name and title)</b>	<b>Version</b>	<b>Summary of changes</b>
July 2023	Income Team Leader	Final.v2	3 yearly review

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