

# Rent & Service Charge Income Collection Policy

Policy reference	INCOME1-POL-FH
Version number	5
Date applies from	1/4/2024
Policy owner	Director of Income Maximisation
Next review Date	1/4/2027

## Annual Checks

Policy owners should ensure that an annual check of hyperlinks, roles, and names is undertaken. These checks are in addition to formal review process. Please see Policy and Procedure framework guidance for further details.

UNCONTROLLED IF PRINTED

## Aim of policy

Our Vision is 'To positively impact the lives of our social housing tenants' through our mission to provide safe, well-maintained sustainable and affordable homes and deliver customer-focused, equitable and efficient services. A key strategic outcome underpinning the delivery of our Vision and Mission is 'Making the most of our resources'. This Policy aims to maximise rental income for ForHousing to support that outcome. This requires a customer-focused, agile and equitable approach to the recovery of rent and service charge income and arrears. We will use data-driven insight to improve the effectiveness and productivity of the service and automate routine processes to release capacity to provide support, guidance and advice.

ForHousing is committed to promoting preventative action and building positive relationships with tenants to offer financial inclusion and support. ForHousing will work with tenants and staff to promote a rent first payment culture, prioritising rent payment above all other household expenditure.

ForHousing recognises that occasionally tenants may have financial difficulties and be unable to pay their rent or other charges due. In these cases, ForHousing will adopt a clear and compassionate approach to arrears recovery, offering all tenants practical advice and support and, where possible, agree affordable and sustainable repayment plans tailored to the needs of the individual.

ForHousing will seek to maintain and sustain tenancies, with eviction action only being taken as a last resort when all other avenues have been exhausted. Eviction has high social and economic costs and as such ForHousing places great emphasis on preventative and support mechanisms, rather than reactive strategies. We will make use of referral pathways into support agencies, both to help sustain tenancies and, where a tenancy has become irretrievable, to take a responsible approach to evictions, protecting children and the vulnerable.

ForHousing will adhere to the Pre-Action Protocol for Possession Claims by Social Landlords which aims to encourage pre-action contact between parties and provides a structure to be followed by ForHousing when considering issuing court proceedings, but our approach to arrears recovery will not solely rely on its provisions. ForHousing will use methods of contact appropriate to the individual tenant's needs.

ForHousing will protect the confidentiality of its tenants and their circumstances when dealing with other agencies or individuals. Authorisation will be sought from tenants before any information is shared with a third party. ForHousing will work with partner agencies to develop information sharing protocols and joint working arrangements to facilitate this. We will consider any safeguarding concerns on a case-by-case basis.

ForHousing will provide effective and efficient services at times and in ways that are convenient to our tenants. ForHousing will encourage and support tenants to embrace new technologies to engage with, review and monitor the rent accounts they hold with the organisation.

The aim of this Policy is to set out how ForHousing will approach the:

- collection of income due from tenants; and
- prevention and collection of arrears whilst recognising and responding to the social needs of tenants.

ForHousing will, where possible and in line with this Policy, seek to recover all debt owed.

## Related Legislation and Regulation

Social Housing Regulation Act 2023  
Landlord and Tenant Act 1985  
Housing Act 1985  
Housing Act 1988  
Housing Act 1996  
Housing Act 2004  
Equality Act 2010  
Pre-Action Protocol for Possession Claims by Social Landlords

## Policy

ForHousing will make tenants aware of the importance of rent and service charge payment as a condition of tenancy and promote a payment culture with staff and tenants. This includes informing all prospective tenants, regardless of whether or not they are entitled to Housing Benefit / Universal Credit, that they will be required to pay one week's rent at the tenancy sign up. This payment will not be refunded until the tenant terminates their tenancy and all charged accounts show a credit or 0.00 balances.

This will apply to all tenants with the exception of any homeless applicants, management move cases, domestic abuse cases, and any Local Authority Supported cases, where the property has been offered and signed for within a four week turn around period, and the tenant is unable to afford to pay the one week's rent payment, due to the short timescale to be able to save the money. In these cases, tenants will be expected to pay a weekly amount, additional to their basic rent payable, until their rent account is one week in credit.

These exceptions ensure that tenants assessed as having a high level of housing need can move into their home as soon as possible. It also takes into account that some tenants may be financially excluded, for example, tenants who are homeless and not claiming welfare benefits or tenants fleeing domestic abuse who may not have been allowed access to household income.

Tenants will receive clear information regarding any charges payable in respect of the tenancy agreement. This will include the frequency of the charge, amount payable and the reason for the charge.

### Payment methods

A range of payment options will be available to tenants to enable timely payments to be made, including:

- internet.
- recurring payments from a debit card
- Post Office.
- telephone.
- pay-points.
- standing order.
- direct debit.
- Housing Benefit/ Universal Credit payments; and

- direct deductions from benefits administered by the Department of Work and Pensions (DWP).

ForHousing will encourage tenants to download MyAccount+. MyAccount+ will allow tenants to have an easy and convenient way to access their rent account and engage with services provided by ForHousing on a digital platform.

### **Frequency of payments**

Property rental and service charges are due weekly in advance. It is acceptable to pay multiple weeks in one payment, as long as the payment is made before the rental charges are due. Where cases are awaiting Housing Benefit or Universal Credit, a manual calculation will be completed to identify whether help with housing costs will cover the whole of the rent. Where it will not, the tenant will be advised of any differences between the rent due and the likely assistance from benefits they will receive, so that they can arrange to make up the necessary payments.

In recognition that some tenants may require additional support to access welfare benefits they may be entitled to, ForHousing will provide appropriate support and advice where needed, including signposting to external agencies.

Court costs, rechargeable repairs and other costs will be identified separately and pursued in accordance with the hierarchy of debt model which identifies which is the priority debt.

### **Statements**

ForHousing will ensure that rent statements can be accessed online using MyAccount+. Tenants will also receive a postal rent statement at least annually and tenants in arrears will receive a statement quarterly.

When a tenant feels that ForHousing has made a mistake and their statement of account is incorrect ForHousing will investigate the situation and provide a detailed response explaining why any error occurred, or why the statement is assessed as being correct. Where appropriate, a revised statement will be provided showing any corrections.

Tenants can obtain a copy of their account at any time on request.

### **Changes to charges**

Tenants will be informed of changes to rent and other charges at least one month before these changes are effective. Tenants will be informed each year if they are entitled to non-charging weeks and the applicable dates. Tenants who have any outstanding debt owed are expected to continue to make their agreed payments during the non-charging weeks.

### **Overpayments**

All overpayments of charges will be refunded within a set timescale following an agreement between ForHousing and the tenant that there has been an overpayment made by the tenant. Other debts owed to ForHousing, or overpayments of welfare benefits must be settled first before any refund can be issued.

### **Hierarchy of Debt**

A tenant may have more than one payment account with ForHousing, for example if they have court costs, a garage and/or rechargeable repairs.

Where a tenant has arrears on more than one account, the following hierarchy of debt will be applied in relation to the collection of the debts:

- current tenant rent and service charges arrears;
- former tenant rent and service charge arrears;
- current garage arrears;
- former garage arrears;
- court costs associated with legal action to recover rent arrears;
- rechargeable repairs;
- other management charges.

### **Access to Income Maximisation Services**

Staff will be available to provide tenants with support and assistance, where safe to do so:

- at area offices.
- on the telephone.
- through home visits.
- by arrangement with tenants at other venues; and/or
- by E-mail / web chat services

ForHousing will arrange appointments to enable access, support and advice at a convenient time to the tenant using the appropriate method of communication.

ForHousing will work with other agencies (Housing Benefits, DWP, welfare benefits, Citizens Advice, localised support networks) and form strong working relationships with debt counselling agencies providing support and independent advice to tenants.

Due to changes to the welfare benefits system and the introduction of Universal Credit, relationships with existing partner agencies and new support services will be identified, strengthened and developed as these changes are implemented. ForHousing recognises the need to develop links and where appropriate to renegotiate or establish service level agreements.

### **Money and debt advice:**

ForHousing will work with tenants who have been referred to our Money Advice service who are in debt and will offer advice and support around debt solutions such as Bankruptcy, Individual Voluntary Arrangements (IVA) and Debt Relief Orders (DRO), for example.

The Money Advisors will also:

- Apply for external grant funding on behalf of the tenant.
- Produce financial statements to assess customers' income and expenditure and to negotiate with creditors to resolve tenants' debt issues, such as applying to vary any Attachment of Earnings
- Signpost tenants to specialist legal and or other advice provision where an issue falls beyond the remit of the service or if it requires additional specialist knowledge and expertise.

- Promote Financial Inclusion themes, such as home contents insurance, affordable credit and encourage the take up of basic bank accounts.
- Ensure that welfare benefits are maximised for tenants where appropriate. Where appropriate assist individual tenants with the completion of Housing Costs and Welfare Benefit application forms.
- Advocate on behalf of tenants through written requests for reviews of benefit decisions.

**ForHousing is not authorised to perform the following activities:**

- Debt Adjusting
- Entering into a regulated credit agreement as a lender
- Exercising having a right to exercise Lender's rights and duties under a regulated credit agreement.

The Money Advisors will operate independently of the Income Officers to avoid any potential conflict of interest.

ForHousing's Money Advisor service is regulated by the Financial Conduct Authority (FCA) who appoint the Institute of Money Advisors (IMA) as the competent authority to review casework and authorise ForHousing to carry out the DRO service. Therefore, in line with the FCA regulations, where ForHousing is included as a creditor in any DRO application, ForHousing will not give preference to ourselves as a creditor when advising on debt options.

**Arrears Prevention**

To prevent arrears and instil a payment culture, ForHousing will support new tenants.

At sign up stage ForHousing will:

- communicate to the tenant their responsibility for rent payments including making and progressing claims for Housing Benefit or Universal Credit, for ensuring that rent and other payments are being made punctually and regularly.
- explain the range of payment methods available and help identify the most appropriate method for the individual.
- ensure all tenants pay in advance.
- explain the information on statements of account.
- offer assistance to complete Housing Benefit or Universal Credit applications.
- estimate any welfare benefit entitlement.
- encourage tenants to sustain a payment agreement plan with set frequencies.
- offer an 'income maximisation check' to ensure that tenants are claiming all the sources of income they are entitled to.
- outline the range of support options for tenants experiencing difficulties in paying rent and other charges; and make appropriate referrals.
- make tenants aware of the range of local debt and welfare advice agencies, including the provision of contact information, and encouraging the use of these services.
- make it clear to tenants that whilst support will be provided, non-payment of rent is taken very seriously and may lead to action that could result in them losing their home.
- identify housing support needed to sustain their tenancy and where support is not already in place or a condition of the tenancy, encourage the tenant to take up an appointment to assess possible support needs.
- inform tenants of non-dependent deductions; and
- inform tenants they need to tell ForHousing and any other relevant agencies, about changes in circumstances which may affect rent due and welfare benefit entitlement.

## **Housing Benefits / Universal Credit**

ForHousing will work with Local Authority Housing Benefits departments and the DWP to progress cases on behalf of tenants. Tenants will be encouraged to provide authorisation for ForHousing to liaise on their behalf to facilitate this.

ForHousing will provide assistance to new and existing tenants to complete Housing Benefit / Universal Credit and other welfare benefit claim forms.

Tenants will be encouraged to authorise direct payment of Housing Benefits / Universal Credit to ForHousing.

## **Recovery of Arrears**

Contact will be made with tenants when their account is identified as being in arrears to make them aware of the situation and to identify if there is any assistance that Forhousing can provide. Where the tenant cannot afford to clear their arrears ForHousing will work with the tenant to establish an affordable and sustainable repayment plan.

Arrears collection by either ForHousing or an agent acting on our behalf will follow guidelines and laws regarding harassment of debtors, such as Section 40 of the Administration of Justice Act or the Office of Fair-Trading code of guidance on harassment.

ForHousing will not seek to take legal action against a tenant whose arrears are due solely to delays in the Housing Benefit / DWP system, provided this is not due to any fault of the tenant; for example where a tenant has accrued arrears because they have not provided Housing Benefits / DWP with correct information at the requested time, or the tenant is failing to pay the identified payable. If there is no engagement or failure to pay in these circumstances then legal action may be instigated.

## **Legal Action**

ForHousing will always seek to support the tenant to remain in their home and will seek legal action only as a last resort, when all reasonable attempts to reach an agreement for the repayment of the arrears have failed. ForHousing will always make clear to tenants that non-payment of rent and other charges could result in ForHousing taking action that may lead to the loss of their home. Threats of legal action, where there is no intention to proceed, will not be made.

Copies of all legal documents will be provided to all tenants named in the tenancy agreement. Where a tenancy is sole, ForHousing will encourage the tenant to keep other interested parties (such as partner, spouse) informed of any pending legal action.

ForHousing will endeavour to develop a good working relationship with the courts and participate in court user groups where available.

## **Use of Ground 8**

We will only consider serving a Notice of Seeking Possession under Ground 8, the mandatory ground for possession for rent and service charge arrears, if that has specifically been enabled in the relevant tenancy agreement.

## Right to Buy

Tenants will be made aware that Right to Buy / Right to Acquire applications will not be completed while an account they hold is in arrears or they have a live court order against them which hasn't been settled by the Courts.

## Former tenants including where tenancies have been abandoned

ForHousing will seek to locate tenants who have accrued arrears and have terminated or abandoned their tenancy. A debt collection agency may be used where other attempts have failed and it can be shown to be cost effective.

## How the policy will be delivered

This Policy is delivered by the Income Maximisation Team with support of all staff across ForHousing. If staff become aware that there are problems with the effective operation of the Policy or associated procedures, they should report this to the Policy Owner. This feedback will be incorporated into the policy / procedural review process.

This policy will be reinforced with training for all frontline delivery staff and in addition to the procedural and technical training required our training programmes will include, personal resilience, telephone negotiation skills, mental health awareness and dealing with threats of suicide for the Income Maximisation Team.

Individual case reviews will be undertaken by the Income Manager's and recorded in the Management Assurance Framework document.

## Related documents

The following documents need to be followed to implement the Policy:

- Income Maximisation Strategy
- Rent Income Procedure
- Money Advice Procedure
- Refund of Rent and Sundry Debt Credit Procedure
- Former Tenancy Arrears Procedure
- Garage Income Collection Procedure
- Rechargeable Repairs Procedure
- Tenancy Sustainment Service Procedure
- EDI Policy

## Inclusive Decision-Making Framework (IDMF) analysis

Date of approved IDMF analysis	16/1/2024
Actions taken forward to mitigate any potential negative impact	TBC



## Data Protection Impact Assessment

### Data Protection Impact Assessment (DPIA)

Under the UK GDPR and the Data Protection Act 2018, you are required to carry out a DPIA when developing or reviewing a Policy or Procedure that will have a widespread or serious impact on data held on individuals. Careful consideration should be given as to whether the policy or process will have an impact on any processing of personal information that is large scale, involves profiling or monitoring, decides on access to services or opportunities, or involves sensitive data or vulnerable individuals. Information and support regarding this can be obtained from the Data Protection Officer (DPO).

Has a DPIA been completed?	Yes
If a DPIA has been completed, was the DPO consulted?	Yes
If a DPIA has been completed, were any risks identified?	No
If risks were identified as part of the DPIA process, have mitigation actions been identified?	N/A

## Consultation and business intelligence

The following tenant consultation / business intelligence methods have been used to develop the policy:

- Tenant Feedback from third party surveys (on Income Maximisation and other areas such as Gas and Repairs).
- Benchmarking information.
- Housing Regulator standards.
- External accreditation and internal audit; and
- Monitoring systems.

## Monitoring arrangements

The effectiveness of this policy will be monitored by:

- Tenant Feedback
- Benchmarking information
- Housing Regulator standards
- Internal monitoring systems.

## Policy summary for the intranet

This Policy aims to maximise rental income for ForHousing to ensure it can deliver our strategic priority of making the most of our resources so that we can deliver our Vision and Mission. This requires a customer-focussed, agile and equitable approach to the recovery of rent income and arrears. We will use data-driven insight to improve the effectiveness and productivity of the service and automate routine processes to release human capacity to provide support, guidance and advice.

## Words linked to this policy for intranet searches

Income  
Rent  
Arrears  
Payments  
Housing Benefit  
Universal Credit  
Debt  
Support  
Money advice

## Where this policy should be accessible

- ForHousing owned
- ForHousing managed
- Liberty Group
- forfutures
- ForLiving

## Control data and approval history

Action	Approved by	Date
Approval	Relevant lead or director	23/11/2023
Approval	Executive Management Team representative(s)	20/3/2024
Inclusive Decision Making Framework review and advise	Relevant director	16/01/2024
Health and Safety review and advise	Health and Safety	Not Required
Data protection impact assessment	Data Protection Officer	22/11/2023

Legal review and advise	Legal Services Executive	16/01/2024
Human Resources review and advise	Human Resources (Trade Union and staff consulted when required)	Not Required

## Annual check history

Date annual check completed	Version number	Non substantive changes (Where non-substantive changes have been made the policy/procedure will have a minor version number, for example V1.1)
20/3/2019	V1	Previously ForViva Income Maximization Policy V1. Moved to ForHousing template and some minor updates to text and name change to document
1/9/2019	V2	Added training detail requirements for the Income Maximisation Staff.
29/9/2020	V3	Document reviewed and minor changes made to reflect safe working practices.
28/1/2022	V4	Updated to clarify exclusion of activities not authorized by FCA
01/09/2022	V4	Document reviewed and fit for purpose at present review date has been extended for 12 months to allow external review of the service
23/11/2023	V5	Reviewed and updated to reflect the new ForHousing Strategy

## Document revision history

Date approved	Version number	Version history
Date amended	Version number	Key changes
1/10/2023	5	Document updated to include the support offer available to tenants via Money Advisors and added to the new template. DPIA and IDMF undertaken.