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Income Maximisation Policy

August 2018

Important

Policies and procedures must be coordinated through the Business Development Team for compliance, auditing and control purposes. A Policy Registration Form must be completed before any revisions are made by contacting the Business Development Team at

NH.Policy@networkhomes.org.uk

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Issue Date: June 2017	Review Date: June 2020	Revision Date: March 2020

Title: Income Maximisation Policy

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May 2017	Transformation Director	V1.2	Sections 3.2 & 3.6

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June 2017	Transformation Director	V1.3	Section 5.1
August 2018	Head of Income (Hertford)	V1.4	Updated to take account of changes to Universal Credit

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1. Introduction

1.1 This policy sets out Network Homes' approach to rent collection, prevention and recovery of current rent arrears and service charges. This policy relates to all tenancy types across Network Homes.

1.2 This policy complies with the HCA Governance and Financial Viability standard.

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2. Aims and Objectives

2.1 Network Homes is committed to sustaining tenancies and maximising our ability to continue to protect the level of service we provide. Network Homes recognises the impact of Welfare Reform and are seeking to mitigate against its impact. In order to do this successfully Network Homes aim to:

- maximise rent and service charge collection
- minimise tenant debt
- support tenants to maintain their tenancy
- promote a positive payment culture
- minimise arrears
- promote financial inclusion
- ensure Network Homes' income collection service reflects legal requirements, best practice and regulatory guidance
- to meet performance targets and achieve top quartile performance
- Help customers help themselves with good advice and signposting, including working with others for options to increase income by training and employment.

3. Policy Statement

3.1 Arrears prevention

3.2 Arrears prevention is key to driving down and managing arrears. Network Homes prioritise early Intervention as the best way of ensuring tenancies are successful in the long run

- Network Homes is committed to assisting our tenants avoid getting into arrears. New tenants will be advised of the rent due at the beginning of their tenancy and it is due in advance in line with the terms and conditions of their tenancy agreements
- tenants will be required to pay one weeks rent (or a monthly payment if the rent is due each month) in advance at the sign up of their tenancy
- tenants will be advised of the implications of non-payment of rent
- tenants 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 tenants
- Network Homes will signpost tenants to relevant debt advice agencies to support tenants in obtaining specialist advice and assistance
- Network Homes focuses on a creating a culture of payment

3.2 Information, advice and assistance

Network Homes will ensure our communications are clear, customer friendly and encourage contact. Network Homes will

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- provide advice and assistance on paying rent and claiming benefits. General financial advice will be available to all tenants to ensure that income is maximised and to facilitate the payment of rent due
- Network Homes will make available information for tenants on how to pay their rent and what to do should they fall into arrears
- Network Homes will ensure that regular rent statements are sent to all tenants, and are available on demand, to enable tenants to manage their rent accounts
- Tenants are provided with access to the rent statement via an online portal
- Network Homes may choose to offer incentives to tenants who pay their rent promptly to encourage regular and punctual payment
- Network Homes will provide relevant publicity to raise awareness of the organisation’s policy on rent arrears and to encourage tenants to engage with officers to manage any arrears
- Network Homes 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
- Network Homes will use the attached vulnerability matrix to assess the vulnerability of tenants in arrears who come to our attention

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

- Network Homes will use account data to identify tenants 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 tenants 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 tenants that are sustainable
- Network Homes will work with a range of specialist services to provide support, advice and financial advice to our residents including Housing Benefit, 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 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
- Network Homes will not let a garage or parking space to a tenant in arrears
- Network Homes will repossess a garage or parking space from a tenant with arrears

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- Network Homes will monitor accounts closely and regularly, taking action where necessary in accordance with our income procedure
- unless there are extenuating circumstances as assessed by Network Homes the tenant will be denied a move if they are in rent arrears

3.4 **Payment Options**

- Tenants will be advised of the range of payment methods available to them with direct debit being Network Homes preferred option as this is the most efficient and easy way to pay rent
- We will encourage all new tenants and leaseholders to set up direct debits when they sign up for new tenancies and/or purchase our properties
- Tenants 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

3.5 **Enforcement and legal action**

3.5.1 Network Homes takes a robust and firm approach to income collection. Legal action will be taken in cases where attempts to resolve cases with tenants have failed

- all action to recover rent arrears will be prompt. Tenants 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 Network Homes
- 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

3.6 **Financial Inclusion**

3.6.1 Network Homes is committed to promoting financial inclusion for all its tenants; we recognise that some of our tenants may be:

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

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

3.6.3 In addition we will also make all residents aware of Network Homes' Welfare Benefits Advisors who will provide:

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- free and confidential basic money advice
- advice about benefits
- tribunal representation
- fuel poverty advice

4. Training

4.1 Network Homes 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
- Network Homes policy and procedure
- Universal Credit (UC)

5. Performance monitoring and responsibilities

5.1 Network Homes will on an annual basis review and set performance targets for the collection of current rent arrears and monitoring information will be provided to Network Homes' board and senior management teams.

5.2 Network Homes will seek to embed good practice and continuous improvement in respect of income collection.

5.3 Network Homes will benchmark performance against other registered providers in the Housemark Benchmarking Club.

5.4 Monitoring information will include a breakdown by age, gender, transgender status, ethnicity, sexuality, disability and religion at eviction stage which will assist the Network Homes in establishing whether or not there are higher rates of eviction amongst these groups.

6. Related documents

- Income Maximisation Procedure
- Allocations Policy
- Affordable Rent Policy
- Former Tenant Arrears policy
- Former Tenant Arrears Procedure
- Data Protection Policy
- Financial inclusion strategy

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7. Legislation and regulation

The legislation listed in this policy is not intended to cover all legislation applicable to this policy. To meet the required HCA Governance & Financial Viability Standard outcome on adherence to all relevant law, Network will take reasonable measures to ensure compliance with any and all applicable legislation by reviewing policies and procedures and amending them as appropriate. The legislation listed within this policy was considered at the time of the development of this policy, but subsequent primary and secondary legislation, case law and regulatory or other requirements will be considered and the policy reviewed and adopted in accordance with the requirements set out therein, even should such subsequent legislation not be explicitly listed within this policy. Any queries relating to the applicable legislation should be directed to the policy author.

- 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 (1998 as amended)

8. 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.

9. Review

All policies should be reviewed every 3 years as a minimum, or sooner if there is a specific legislative, regulatory or service requirement or change in guidance, law or practice.

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