TENANT POLICY

Income Recovery Policy

Policy Reference **HC8** Version No. **4**

OBJECTIVES OF THIS POLICY:

- To deliver an efficient and effective approach to income management and debt recovery.
- To equip all staff members involved in income management with the right skills, capacity and resources.
- To provide an accessible and accountable income management service
- To deliver a fair and consistent approach that reflects a commitment to creating sustainable tenancies and which balances prevention support and recovery.
- To ensure that a value for money approach is embedded.
- To continually strive to understand and improve our performance.
- To ensure staff and customers are aware of the policy and understand its aims.
- To ensure compliance with legislation, regulation and best practice.

SCOPE: IS IT A STRATEGIC, OR OPERATIONAL POLICY?

This policy covers all Woven tenants, former tenants, Joint Management Partners and owner occupiers who pay charges to the Association.

For the purpose of this Policy 'arrears' includes current rent arrears, service charge arrears, former tenant arrears, use and occupation charge arrears, tenant responsibility repairs charges and housing management sundry debts including associated legal costs and debt recovery fees arising from the above.

POLICY STATEMENT:

The maximisation of income for both customers and Woven is a critical business priority. This policy sets out Woven's approach to maximising income, preventing and managing arrears and highlighting the support available to customers through a range of internal interventions and/or signposting to Woven partners (Appendix 1).

RISK STATEMENT:

This policy will mitigate against the following risks:

- Financial risk through potential failure to ensure that enough income is collected to cover operating costs.
- Increased legal costs resulting from a high number of serious arrears cases.

Given the importance of these risks, it is recognised that these must be effectively managed. This will be achieved through; the cyclical review of the housing management policies and procedures, including arrears management; training; to ensure compliance with all legislative and regulatory requirements and best practice guidance.

APPENDIX 1

Woven must maintain an efficient rent collection service in order to provide a wide range of services to our customers. We aim to maximise rental income and minimise debt in a way that supports sustainable communities and is sympathetic to the financial problems our customers may face. We recognise that engaging with our customers, helping them overcome personal and financial problems and fostering a payment culture is the most effective method of collecting rent. We recognise the economic and social cost of eviction and therefore we will take a preventative and proactive approach to dealing with rent arrears

1.0 PREVENTION:

Preventative measures include:

- Prior to commencement of tenancy referral to our Welfare Advice Officer to avail of Welfare benefits advice. Also, promotion of Welfare Advice Officer service throughout duration of tenancy.
- At commencement of tenancies and at any time throughout a tenancy identify and offer support and referral to the appropriate service.
- Ensure that customers are aware of their obligations and methods of payment and encourage maximum take up of benefits.
- A 'rent first' payment culture, encouraging early payment and preventing customers falling into arrears, identifying the most appropriate payment method for the individual tenant.
- Emphasise and encourage customers to report changes or problems in their personal or financial circumstances which may affect their rent payments.
- Engagement with customers to ensure they are aware of the implications of Welfare Reform changes and in particular Social Size reduction criteria for under-occupation of properties (i.e. the Bedroom Tax) and Benefit Cap, Universal Credit and Rates Relief.
- Engagement with customers quickly and sympathetically where arrears do arise and tackle the causes of the arrears.
- Provision of regular training and support for staff.
- Efficient IT systems to provide timely and up to date information to customers.
- Proactively seek to maintain and sustain tenancies, rather than terminate them.
- Ensure we act consistently and in accordance with the principles of the protocol for rent arrears possession claims.
- Efficient and effective recovery of rent arrears, where eviction is seen as the last resort.

2.0 ARREARS COLLECTION

- Ensuring all staff dealing with rent collection receive regular training.
- Early contact when an arrear occurs regardless of the amount.
- Easy access to check rent account by offering text balance service, arrangement to provide regular rent statements.
- Housing team will use a range of methods in dealing with arrears including text message, email, telephone, home visits and standard non-standard letters.

- Determining the most appropriate communication method for each case and reiterate the importance of keeping in contact or informing when change(s) in circumstances occur.
- Following-up letters with personal contact with tenant either by telephone or visit to remove any confusion or misunderstanding and to open up the channels of communication to allow negotiation
- Early intervention with tenant to establish reasons why payment arrangements have broken down.
- Promotion and referral to Woven's Welfare Advice Officer.
- Referral for tenancy support and sign-posting tenants to organisations or support groups that can assist tenants with difficulties.
- Establishing liaison points within partner agencies including UC, LPS and NIHE to assist with benefit problems.
- Discussing and agreeing payment options with tenants, after considering their personal circumstances, which are reasonable, realistic and sustainable. Options should include paying a lump sum, paying by instalments or a combination of the two.
- Continual reviewing and monitoring of payment arrangements to ensure compliance and adjusting repayment amounts where appropriate.
- Monthly recording and reporting of all arrears action to Management and Board, highlighting any difficult cases and potential future action.
- Setting and reporting of performance targets.
- Benchmarking performance with other Associations.
- Continuous improvement culture including Best Practice around arrears recovery.

3.0 FORMER TENANT ARREARS

A former tenant arrear is when a tenant has terminated a tenancy and has outstanding arrears. Woven will make every effort to recover this debt. This will involve:

- Housing Team seeking to make a repayment arrangement with the outgoing tenant prior to termination of tenancy.
- Housing team using a range of methods in recovering former tenant arrears including text message, email, telephone, home visits and standard non-standard letters.
- Where there is no forwarding address or a former tenant moves the Housing Team will use tracing agencies to confirm addresses.
- Legal action will be taken to recover outstanding monies when this is deemed value for money.

3.1 Write Off of former Tenant Arrears

Former tenant debt identified as irrecoverable will be written off when in line with Woven's Write Off procedures.

4.0 LEGAL ACTION

- Commence legal action for termination of a tenancy and possession of the property as a last option.
- Only when a tenant fails to reduce arrears, refuses to make payment arrangements or continuously breaks payment arrangements without good cause.