TENANT POLICY

Income Recovery Policy

Policy Reference **HC8** Version No. 5

POLICY STATEMENT:

The maximisation of income for both customers and Woven is a critical business priority.

Woven will seek to maximise income, prevent arrears and recover outstanding debt in a fair, proportionate and consistent manner. Our approach will balance effective income recovery with our commitment to sustaining tenancies and supporting customers who may be experiencing financial difficulty.

Woven recognises the financial, social and personal impact that the loss of a home can have. Early intervention, effective communication, appropriate support and sustainable repayment arrangements will therefore form the basis of our approach.

Woven will:

- promote a positive payment culture from the commencement of each tenancy;
- clearly explain rent, service charge and other payment responsibilities;
- provide customers with information about available payment methods;
- offer early advice and assistance when payment difficulties arise;
- promote access to Woven's Welfare Advice Service;
- support the take-up of welfare benefits and other available financial assistance;
- consider customers' individual circumstances, including any known vulnerabilities, communication requirements or reasonable adjustments;
- agree repayment arrangements that are reasonable, realistic and sustainable;
- use appropriate and accessible methods of communication;
- work with relevant partner organisations where additional support is required and there is a lawful basis for doing so;
- pursue current and former tenant arrears in a proportionate and cost-effective manner;
- monitor income collection and arrears performance; and
- consider possession proceedings and eviction only as a last resort.

Woven will promote tenancy sustainment wherever possible. Legal action may be considered where a customer does not engage with Woven, refuses to enter into a reasonable payment arrangement or repeatedly fails to maintain an agreed arrangement without good cause. Before commencing possession proceedings, Woven will consider the customer's circumstances, any known vulnerabilities, support provided, reasonable adjustments required and whether reasonable and proportionate alternatives have been explored.

Detailed recovery stages, timescales, contact methods, legal requirements, authorisation arrangements and case management responsibilities are set out in the Income Recovery Procedure.

POLICY SCOPE

This is a strategic policy. It establishes the principles and commitments that inform Woven's approach to income management and debt recovery. Detailed operational arrangements, including actions, responsibilities, timescales and escalation stages, are set out in the associated Income Recovery Procedure.

This policy applies to:

- current tenants
- former tenants
- Joint Management Partners
- owner-occupiers who pay charges to Woven.

For the purposes of this policy, the term arrears includes:

- current tenant rent arrears
- service charge arrears
- former tenant arrears
- use and occupation charge arrears
- rechargeable repairs
- housing management sundry debts
- associated legal costs
- debt recovery fees arising from the above.

POLICY OBJECTIVES:

- The objectives of this policy are to:
- deliver an efficient and effective approach to income management and debt recovery;
- equip employees involved in income management with the appropriate skills, capacity and resources
- provide an accessible, transparent and accountable income management service
- apply a fair and consistent approach that supports sustainable tenancies and appropriately balances prevention, support and recovery
- embed value for money in all income recovery activity
- continually review, understand and improve performance
- ensure employees and customers are aware of the policy and understand its purpose.
- ensure compliance with relevant legislation, regulation, contractual obligations and recognised good practice.

LEGISLATIVE REQUIREMENTS:

Woven is committed to managing Income Recovery in a lawful, fair, proportionate and person-centred manner.

This policy takes into account the legislative requirements of the following legislation:

- Housing Order ((Northern Ireland) 1983
- Section 75 of the Northern Ireland Act 1998
- UK General Data Protection Regulation (UKGDPR)

ROLES AND RESPONSIBILITIES:

The successful delivery of this policy requires a clear understanding of the respective roles and responsibilities of employees, customers and governance bodies.

Board

The Board is responsible for:

1. approving the Income Recovery Policy and any subsequent amendments
2. ensuring that effective arrangements are in place to safeguard Woven's financial viability and income streams
3. receiving assurance regarding the effectiveness of income management and debt recovery arrangement
4. monitoring performance through appropriate governance and reporting mechanisms.

Housing Management Committee

The Housing Management Committee is responsible for:

1. providing oversight of income collection and arrears management performance
2. monitoring trends, risks, legal action and customer outcomes
3. seeking assurance that the policy is being implemented fairly, consistently and effectively
4. making recommendations for service improvement where required.

Chief Executive and Executive Leadership Team

The Chief Executive and Executive Leadership Team are responsible for:

1. ensuring adequate resources, systems and controls are in place to support effective income management
2. promoting a customer-focused approach that balances income recovery with tenancy sustainment
3. monitoring strategic performance and key risks
4. ensuring compliance with relevant legal, regulatory and policy requirements.

Executive Director of Homes, Communities and Customer

The Executive Director of Homes, Communities and Customer is responsible for:

1. providing strategic leadership for income management and debt recovery
2. ensuring appropriate policies, procedures and assurance arrangements are maintained
3. overseeing performance, risks and continuous improvement activity
4. reporting significant issues, trends and outcomes through Woven's management and governance arrangements.

Director of Homes, Communities and Customer

The Director of Homes, Communities and Customer is responsible for:

1. providing strategic leadership for income management, arrears prevention and debt recovery across Woven
2. ensuring the effective implementation of the Income Recovery Policy and associated procedures
3. ensuring income recovery practices support tenancy sustainment, customer wellbeing and positive customer outcomes
4. monitoring income collection performance, arrears trends, legal action, evictions and debt write-offs

5. ensuring appropriate governance, assurance and risk management arrangements are in place
6. ensuring sufficient resources, systems and employee competence are available to deliver the service effectively
7. promoting a culture of early intervention, support, prevention and continuous improvement
8. ensuring lessons learned from customer feedback, complaints, performance information and case reviews inform service improvements
9. reporting performance, risks and significant issues to the Executive Leadership Team, Housing Management Committee and Board as appropriate.

Housing Managers

Managers are responsible for:

1. ensuring the Income Recovery Procedure is implemented consistently
2. providing support, guidance and supervision to employees
3. monitoring case management, performance and compliance
4. reviewing complex, high-risk or escalated cases
5. ensuring employees have access to appropriate training and development

Employees

Employees involved in income management are responsible for:

1. implementing the Income Recovery Policy and Procedure in a fair, consistent and professional manner
2. taking timely and appropriate action to prevent and recover arrears
3. identifying customers who may require support, referrals or reasonable adjustments
4. maintaining accurate and up-to-date records
5. protecting personal information in accordance with data protection requirements
6. promoting access to welfare advice and support services
7. escalating cases where additional intervention, management oversight or legal action may be required

Welfare Advice Service

The Welfare Advice Service is responsible for:

1. providing specialist advice and support to help customers maximise their income
2. supporting applications for welfare benefits and other sources of financial assistance
3. assisting customers experiencing financial hardship
4. working collaboratively with housing management employees to support tenancy sustainment.

Tenants

Tenants are responsible for:

1. paying rent, service charges and other charges due under their tenancy agreement or occupancy arrangements
2. making payments on time and maintaining any agreed repayment arrangement
3. engaging with Woven where payment difficulties arise
4. providing accurate information relevant to their financial circumstances where appropriate
5. applying for benefits or financial assistance to which they may be entitled
6. informing Woven of any changes in circumstances that may affect their ability to meet payment responsibilities.

Partner Agencies

Where appropriate and lawful, partner agencies may assist Woven and its tenants by providing advice, support, advocacy, financial assistance or other interventions that contribute to tenancy sustainment and debt prevention.

TRAINING:

Woven will ensure that relevant staff receive appropriate training and support in:

- Applying our income recovery procedures,
- Use of all IT systems and platforms used to monitor and record income recovery actions
- Attending court

RISK STATEMENT:

This policy will mitigate against the following risks:

- insufficient income being collected to fund Woven's services and operating costs;
- increased current and former tenant arrears;
- increased legal and debt recovery costs;
- inconsistent, delayed or disproportionate recovery action;
- failure to identify vulnerability, support needs or reasonable adjustments;
- preventable tenancy failure, possession action or eviction;
- failure to comply with relevant legislative, regulatory or contractual requirements;
- ineffective use of Woven's financial and staffing resources; and
- financial or reputational damage arising from ineffective or unfair income recovery practices.

These risks will be managed through:

- implementation of the Income Recovery Procedure;
- clear roles, responsibilities and authorisation arrangements;
- appropriate employee training and guidance;
- early intervention and access to welfare advice;
- management oversight of complex or high-risk cases;
- accurate case recording;
- regular performance monitoring and reporting;
- benchmarking and continuous improvement activity;
- periodic review of relevant policies and procedures; and
- compliance with applicable legislation, regulation and recognised good practice.

MONITORING AND REVIEW OF THIS POLICY:

This policy will be formally reviewed at least every three years to ensure it remains effective, relevant and compliant with current requirements. An earlier review will be undertaken where there are significant changes in legislation, regulatory requirements, statutory guidance, organisational needs, or recognised best practice that impact upon the policy.

ASSOCIATED EXTERNAL GUIDANCE:

As Woven is a Housing Association regulated by Department for Communities, this policy adheres to the Housing Association Guide as set out by the DfC.

ASSOCIATED POLICES AND PROCEDURES:

This policy should be read alongside the following:

- Income Recovery Procedure
- Rechargeable Repairs Procedure
- Write-Off Procedure
- Complaints Policy
- Reasonable Adjustments Policy
- Data Protection Policy
- Safeguarding Policy

any other relevant financial, tenancy management or customer service procedures.

APPENDIX A

Income Recovery Policy Principles

Woven must maintain an efficient rent collection service to support the delivery of high-quality services to customers.

Woven aims to maximise rental income and minimise debt while recognising the financial difficulties that some customers may experience. Early engagement, appropriate advice, clear communication and sustainable payment arrangements are central to preventing and recovering arrears.

Woven recognises the economic, social and personal cost of eviction. It will therefore take a preventative and proactive approach to arrears, with legal action and eviction considered only as a last resort.

1. Prevention and Early Intervention

Woven will:

- provide clear information about rent, charges and payment responsibilities at the commencement of a tenancy;
- promote a “rent first” payment culture;
- identify the most appropriate payment method for the individual customer;
- offer customers a referral to Woven’s Welfare Advice Service before the commencement of a tenancy and throughout its duration;
- promote the maximum take-up of welfare benefits and other financial assistance;
- encourage customers to report changes in their personal or financial circumstances;
- provide information about relevant welfare reform changes;
- identify support needs and make appropriate referrals;
- make early and sensitive contact when arrears arise;
- respond appropriately to known vulnerabilities and make reasonable adjustments where required; and
- seek to maintain and sustain tenancies wherever possible.

2. Arrears Management and Collection

Woven will:

- make early contact when arrears arise, regardless of the amount;
- provide customers with accessible information about their rent account;
- determine the most appropriate communication method for each customer;
- use a range of communication methods, including telephone, text message, email, letter and home visits;
- establish the reasons for missed payments or broken arrangements;
- promote and offer referrals to Woven's Welfare Advice Service;
- provide tenancy support or signpost customers to appropriate organisations;
- liaise with relevant partner agencies, where appropriate and lawful;
- agree reasonable, realistic and sustainable payment arrangements;
- regularly monitor and review payment arrangements;
- adjust repayment arrangements where appropriate, having considered the customer's circumstances; and
- escalate recovery action where reasonable arrangements are not maintained without good cause.

3. Former Tenant Arrears

A former tenant arrear arises where a tenancy has ended and an outstanding balance remains on the customer's account.

Woven will make reasonable efforts to recover former tenant debt. This may include:

- seeking to agree a repayment arrangement before the tenancy ends;
- contacting the former tenant using appropriate communication methods;
- using an appropriate tracing service where Woven does not hold a current address;
- considering the value of the debt, the likelihood of recovery and the cost of further action; and
- taking legal action where it is proportionate and represents value for money.

4. Write-Off of Former Tenant Arrears

Former tenant debt may be written off where it is considered irrecoverable or where further recovery action would not represent value for money.

All debt write-offs must be authorised and recorded in accordance with Woven's Write-Off Procedure and applicable financial approval arrangements.

Writing off a debt does not necessarily prevent Woven from seeking recovery at a later date if the former tenant's circumstances or whereabouts become known, subject to applicable legal requirements.

5. Legal Action

Legal action to recover possession of a property will only be considered as a last resort.

Legal action may be considered where a tenant:

- fails to reduce the arrears;
- refuses to engage with Woven;
- refuses to enter into a reasonable payment arrangement;
- repeatedly breaks payment arrangements without good cause; or
- does not engage with reasonable offers of advice, assistance or support.

Before commencing legal action, Woven will consider:

- the tenant's personal and financial circumstances;
- any known vulnerabilities, safeguarding concerns or support needs;
- whether reasonable adjustments are required;
- the causes and history of the arrears;
- the tenant's engagement with Woven;
- the affordability and sustainability of previous arrangements;
- the advice, assistance and referrals offered;
- whether reasonable and proportionate alternatives have been explored; and
- relevant legal and regulatory requirements.

6. Performance and Continuous Improvement

Woven will:

- set and monitor appropriate income collection and arrears management targets;
- report performance regularly to management, the Housing Management Committee and the Board;
- identify trends, risks and areas requiring improvement;
- benchmark performance against other housing associations and relevant sector information;
- review difficult, complex or high-risk cases through appropriate management arrangements;
- use customer feedback, complaints, performance information and case reviews to improve service delivery; and
- provide employees with appropriate training, guidance and support.

7. Equality, Accessibility and Customer Support

Woven will apply this policy fairly and without unlawful discrimination.

In managing arrears and recovering debt, Woven will:

- consider each customer's individual circumstances;
- identify and respond appropriately to known vulnerabilities;
- make reasonable adjustments where required;
- provide information in accessible formats where appropriate;
- use appropriate communication methods; and
- monitor the operation of the policy to identify unintended or disproportionate impacts.

8. Data Protection and Confidentiality

Personal information will be collected, used, shared, retained and disposed of in accordance with Woven's Data Protection Policy and applicable data protection legislation.

Information will only be shared with internal teams, partner agencies, legal representatives, tracing services or other third parties where there is an appropriate and lawful basis.

Employees must maintain accurate, relevant and proportionate records of contact, advice, support, decisions, payment arrangements and recovery action.

9. Monitoring and Reporting

The effectiveness of the policy will be monitored through relevant performance and assurance information, which may include:

- rent collection performance;
- current tenant arrears;
- former tenant arrears;
- repayment arrangements;
- legal and possession action;
- evictions arising from rent arrears;
- debt write-offs;
- welfare advice referrals and outcomes;
- complaints and customer feedback;
- benchmarking information; and
- equality, accessibility or reasonable adjustment issues identified through service delivery.

Performance will be reported through Woven's appropriate management and governance arrangements.