



Income Management Policy

Introduction

- 1.1 This Policy aims to maximise the collection of rent and / or service charge/s that are due to Irwell Valley Homes (IVH) by supporting customers to pay their rent and sustain their tenancy and by preventing and recovering any arrears owed. The rent and service charges we collect are reinvested back into the management and repairs of, and investment in our homes. This Policy is underpinned a debt recovery procedure that is efficient, effective and provides value for money.
- 1.2 We are committed to treating all customers fairly and providing support, whilst reminding them of their responsibility to pay their rent and/or service charge/s. We take a preventative and supportive approach to collecting rent arrears as we recognise that some customers are financially or otherwise disadvantaged.
- 1.3 The policy focuses on arrears prevention and the recovery of debt from current and former general need and 50 Plus customers. It reflects good practice and ensures IVH meets legal and regulatory requirements.

Aims and Objectives

- 2.1 Our aim is to collect rent and prevent and reduce debt owed without compromising customer care through a combination of:
 1. **Prevention** - implementing preventative measures to minimise the risk of debt occurring.
 2. **Early Intervention** – providing a range of effective intervention measures available to address debt issues.
 3. **Enforcement** - effectively utilise the range of enforcement powers available.
- 2.2 Through prevention, early intervention, and enforcement we aim to minimise arrears and reduce the number of evictions at IVH due to rent arrears.
- 2.3 IVH will try to engage customers at every stage of our debt recovery process to avoid escalation by agreeing a payment plan and/ or providing specialist financial inclusion support.
- 2.4 We support customers to help ensure that they receive their maximum and correct entitlement to benefits and provide a benefit calculator that is available to relevant colleagues and customers online.
- 2.5 We will review all applicable legislative and welfare benefit changes to ensure the impact on customers and IVH income is considered. Specifically, the transition from legacy benefits to universal credit (UC) due to a change in a customer's circumstances or by managed migration. Key information will be communicated to customers and support given to customers who may be struggling.

- 2.6 The Rents team work collaboratively with other key internal departments including Home Move, Neighbourhoods, Tenancy Sustainment Team (TST) and the Customer Service and Support team (CSST) and external agencies with the intention to set up our customers and support them to succeed in their tenancy as opposed to fail due to rent arrears. To support our overall corporate aim *'to enable people to live well in their home and in their community.'*

Policy

3.0 Prevention

- 3.1 We clearly communicate the amount of rent and/ or service charges a customer needs to pay. We do this when vacant properties are listed on the Choice Based Lettings systems. This is also confirmed to customers when we offer them a property. Every year we also write to customers to let them know what their rent and/or service charges for the coming year will be.
- 3.2 The Home Move team assess the affordability of all new customers at interview stage using the entitled to affordability calculator. Customers flagging a red score are referred into our TST and additional support specific to the customer's needs is provided by a Tenancy Sustainment Coach (TSC). For customers scoring amber, further discussions between the Home Move team and the customer take place to determine if a referral to TST is required.
- 3.3 Customers are given informal welfare benefits guidance using the entitled to benefits calculator. Customers who can are also encouraged to use the entitled to benefits calculator regularly via our website and quarterly rent statement publications, to ensure their income is correct.
- 3.4 Customers that are identified as needing support, or those who request it will be assisted with benefit applications. We will also signpost, refer or assist them with anything else they may need to live well in their home e.g., support with furniture or curtains.
- 3.5 New customers are asked to make a minimum of one week rent payment in advance at sign up. However, this will not prevent a property being let to an individual and will be determined by the affordability assessment Customers are issued with a Payment Reference Number (PRN) prior to the sign up to enable them to do it via allpay and are informed of the various ways in which they can pay their rent and/or service charges and of our preferred method of payment, Direct Debit. Customers are advised of any shortfall of rent which they will be required to pay i.e., due to a bedroom tax shortfall.
- 3.6 All new customers are presented with a welcome pack, which has a dedicated section on *'paying your rent and support with money.'* This outlines the help and support we can provide to them as well as setting out their responsibilities.
- 3.7 If customers meet the qualifying criteria for an Alternative Payment Arrangement (APA) an application from the start of the tenancy will be made by TST or the Rents team to have the housing element of Universal Credit (UC) paid to us direct on behalf of a customer.
- 3.8 Customers can access our customer portal which allows them to manage their home and tenancy using our online services. Customers are provided with information on how to sign up and log into the service. Within the customer portal customers can review their latest statement and transactions and make a payment via allpay.
- 3.9 Our customers in arrears are sent a quarterly rent statement and those not in arrears are sent a rent statement every 6 months. Our Rent statements enclose with them an array of

information relating to the Rents team, TST and financial inclusion support and initiatives we can help and support our customers with.

4.0 Early intervention

- 4.1 We recognise that the most effective and economic way of tackling rent arrears, once they arise, is through early intervention. We therefore place a great deal of emphasis on providing support, guidance, and assistance in several ways.
- 4.2 IVH pursue debt over £5.00 using “auto-comms”, encouraging customers in low level arrears to contact us for help and support. As per section 2.1 of the Pre Action-Protocol we are expected to ‘contact the tenant, as soon as reasonably possible’. A text message is sent to the customer if they have a mobile number, an e-mail if they have no mobile number or a letter if they have no mobile number or e-mail.
- 4.3 Customers who meet the qualifying criteria will be referred into the TST and our TSC’s will provide tailored support to the customer to support them in paying their rent and help them live well in their home. Customers can also refer themselves into this service using an online form via our website.
- 4.4 The Rents team offer money guidance and will check if customers qualify for benefits and support will be provided to ensure income is maximised. The Rents team will ensure they advise customers of the process of how to claim housing benefit and universal credit should a change in circumstances occur, assisting customers with this, if necessary.
- 4.5 The Rents team, where necessary will complete income and expenditure checks to ensure that where an agreement is made with a customer to repay a debt it is practical and can be adhered to.
- 4.6 Where available, and customers are eligible the Rents team will promote, signpost, and refer to external grant funding or the application of Discretionary Housing Payments (DHPS) to assist customers in dealing with debt. Where required the Rents team will support customers in their application.
- 4.7 The Rents team will utilise APAs (Alternative Payment Arrangement) as a form of intervention for both rent and arrears if it is identified that customers meet the qualifying criteria. These conditions are set by the Department of Working and Pensions (DWP).
- 4.8 Customers requiring specialist debt advice are signposted and/or referred to external debt advice agencies such as Step Change Debt Charity and National Debt line. IVH also funds free money advice sessions in key neighbourhoods that can also provide debt advice. Furthermore, the Rents team will provide general money and budgeting guidance to new and existing customers and promote affordable sources of credit to our customers through IVH’s partnership with Manchester Credit Union as an alternative to high interest and / or illegal lenders. We do not offer debt advice as an in-house service.
- 4.9 Any notifications of Housing benefit and UC overpayments are fully investigated by the Rents team before monies are deducted from our customers rent accounts, unless recovered by schedule.

5.0 Enforcement:

- 5.1 Personal contact with customers in debt is critical for effective debt control and reduction. Where customers do not co-operate, or respond to action to recover debt, the Rents team will pursue the debt via the arrears process.
- 5.2 Providing that arrangements are made, and maintained, no further legal action will be taken, however, in the event of non-payment further legal action will commence. The Rents team has a duty to all customers to keep costs to a minimum but will not hesitate to take legal action if the customer refuses to cooperate or give priority to payment of their current rent and/or service charge/s. Legal action, in particular eviction proceedings, will only be taken as a last resort.
- 5.3 When a customer makes a payment, if the customer is charged both a service charge/s and rent, IVH will apportion the payment accordingly and will credit the service charge account first followed by the rent account with all payments being apportioned in date order i.e., the oldest debt being paid first.
- 5.4 This policy is supported by our Income Management procedure which considers the Pre-Action Protocol for Possession Claims brought about by social landlords issued under the Civil Procedure Rules in April 2015 and updated in April 2024 and other procedures recognising the different recovery protocols for shared owners, leaseholders, market rent, intermediate market rent and rent to buy.

Performance Reporting

- 6.1 Income management performance is monitored in the Living Well element of our Corporate Plan under performance on a monthly and quarterly basis in the IVH HIVE TEAMS channel available for all colleagues to view. Performance is monitored against IVH's risk appetite triggers:
 1. Arrears >10%
 2. Total Arrears: number £M
 3. Customer Arrears (GN&50+): number £M
 4. Customers in Arrears: number
 5. Customer with an arrears stage: number (and % of total)
 6. Arrears value of customers with an arrears stage: number £M (and % of value)
 7. Bad debts >1.75%
 8. Percentage of customer in arrears who are engaged <35%
- 6.2 Performance information relating to debt is reported on a quarterly basis to the Board.
- 6.3 Monthly performance information is provided to the internal Rent Recovery group. The group comprising of our Executive Director (Customers), Head of Customers, Head of Independent and Community Living, Rents and Complaints Manager, Tenancy Sustainment Manager, Leasehold Manager, Supported Services Manager, and our Independent Living Manager.
- 6.4 We participate in an informal benchmarking group with other Housing Providers 4 weekly.

Roles and Responsibilities

7.1 The following colleagues oversee the Income Management Policy:

- The Executive Director (Customers) owns the Policy and is responsible for performance against it including reporting to the Board.
- The Head of Customers has overall responsibility for ensuring the policy is adhered to by all colleagues.
- The Rents and Complaints Manager oversees the Rents and Complaints team.
- The Rents Team Leader oversees the day to day running and management of the Rent Support Officers.
- Rent Support Officers are responsible for the management of Neighbourhood arrears broken down into North, South, Sale, and Haughton Green.
- The Specialist Recovery Officer is responsible for the arrears of shared owners, leaseholders, market rent, intermediate market rent and rent to buy and former tenant arrears.
- The Supported Service Manager and the Independent Living Manager are responsible for the arrears of Independent Living.

Associated Documents and Good Practice

- The Income Management procedure
- The Former Tenant procedure
- The Former Tenant Credit procedure
- The Monthly Account procedure
- The Equality Impact Assessment for Income Management
- Communities Tenancy Policy
- Bad debt policy
- Tenancy Agreements
- The Equality and Diversity Framework
- The Complaints Policy
- *Pre-Action Protocol for Possession Claims brought about by social landlords, [here](http://www.justice.gov.uk/courts/procedure-rules/civil/protocol/pre-action-protocol-for-possession-claims-by-social-landlords) (www.justice.gov.uk/courts/procedure-rules/civil/protocol/pre-action-protocol-for-possession-claims-by-social-landlords).*

Version Control

Approval Date:	9 th July 2024
Approval Body	Leadership Team
Implementation Date:	Same Day as Approved
Policy Author:	Emma Burke Rents and Complaints Manager
Policy Owner:	Ceris Esplen Executive Director of Customers
Frequency of Review	Every 2 or sooner depending on updates to legislation, good practice etc.
Planned Review Date	When the policy is due to be reviewed, unless there is major change in legislation or procedures, then the policy will be reviewed sooner.
EIA (Equality Impact Assessment) Date and Link to EIA	
Safeguarding Impact	Homelessness implications, financial abuse.
Lead Team	Communities

The latest version of this policy should be viewed online from The Hub area of the IVH intranet, and any printed version cannot be relied on as the most current version.