



Income Management Policy

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1 Introduction

- 1.1 This policy sets out the principles and the overall approach Mid Devon Housing (MDH) takes to collect rent, service charges and other payments, prevent arrears, manage arrears and ensure that effective and appropriate action is taken to maximise income and reduce debt. The policy applies to all Social housing properties owned and managed by MDH, including properties let on tenancies, licenses and leases.

2 Aims and Objectives

Aims

- 2.1 To create a rent payment culture, ensuring that rent and charges are collected quickly and effectively, whilst supporting tenants in matters relating to financial inclusion and the ability to manage their money.
- 2.2 To sustain tenancies by offering a fair and balanced approach to the collection of rental income, and to ensure that early intervention measures are adopted in all instances.
- 2.3 Possession action should be used only where it is reasonable and proportionate to do so.

Objectives

- 2.4 That there is a robust income management process to ensure that we have a stable and secure Housing Revenue Account to allow us to provide the services to our customers.
- 2.5 To prevent rent arrears accruing.
- 2.6 To clarify the process for dealing with current tenant arrears.
- 2.7 To summarise the assistance MDH can provide for tenants to assist them with paying the rent and clearing their debts.
- 2.8 To prevent homelessness and promote tenancy sustainment.

3 Tenant Responsibilities

- 3.1 It is the responsibility of the tenant to pay their rent and charges on time even if they are in receipt of benefits.

- 3.2 Rent and charges are payable by the tenant 52 weeks of the year. Tenants who pay their rent weekly are required to pay on the Monday each week and tenants that pay fortnightly or monthly are required to pay in advance. Tenants need to ensure that the rent account does not accrue a debt through the weeks and months.
- 3.3 Tenants will be contacted as soon as their rent account falls into arrears. They are expected to work with MDH as soon as there is a missed payment. All staff are trained in basic debt advice and can offer advice and assistance to any tenants falling into arrears, making arrangements with them to pay off the debt rather than seeking possession action where it is appropriate to do so.
- 3.4 In order to build a payment culture, MDH will ask new tenants for one week, one fortnightly or monthly payment in advance which will be due on the day they sign up for their tenancy depending on their proposed payment frequency. This will encourage tenants to get into a habit of making sure their rent account is in advance to enable them to have a cushion on their account should their personal circumstances change.
- 3.5 Tenants with significant rent arrears may be disqualified from registering for alternative housing through Devon Home Choice or be placed in the No housing need band (E). Please refer to the [Devon Homes Choice Policy](#) for full details.
- 3.6 Where a tenant is claiming the Housing Costs element of Universal Credit and they fall into arrears without communicating with us, we will request Direct Payments for rent and arrears as we do not need consent from the tenant to do this. Tenants will be advised that if they continue to remain in arrears then an application will be made to the Department of Works and pensions (DWP) to claim direct payments by way of alternative payment arrangements (APAs).
- 3.7 MDH and tenants should work together to resolve any housing benefit or universal credit (housing element) problems.
- 3.8 It is the tenant's responsibility to notify MDH of any changes in their circumstances which may affect their ability to pay their rent.
- 3.9 No payment arrangements are available on garage, GGRP's or car parking spaces owned by MDH as per the individual tenancy agreements for these assets. Tenants will be served notice to end the tenancy if they cannot maintain payment expectations as per their tenancy agreement.

- 3.10 It is the responsibility of the tenant to make a claim for benefit to cover their housing costs. It is important that tenants talk to Officers straight away if they experience benefit delays. Where a tenant is claiming the housing cost element of Universal Credit, MDH will provide the relevant paperwork to the tenant to support any claims they make.
- 3.11 Joint tenants are 'jointly and severally' responsible for paying rent and any charges on time as well as any unpaid sums. This means that if one joint tenant does not pay, the other is fully liable. This will still be the case where Universal Credit is only paid to one member of the household, or where one joint tenant has left the property. Under no circumstances can MDH split the debt, as these are the conditions of a joint tenancy.
- 3.12 Tenants are expected to pay any rent due which is not covered by benefits on time, every time.
- 3.13 Tenants are responsible for paying back any overpayment of benefit that covered their housing costs.

4 MDH Responsibilities

- 4.1 Proactive steps are to be taken to prevent and minimise the build-up of unpaid sums on rent and sub accounts where possible, recognising that from time to time tenants may experience financial difficulties. In these circumstances, Officers aim to support and work with tenants at the earliest opportunity to help tackle financial exclusion and to provide assistance to individuals experiencing financial difficulty.
- 4.2 MDH encourage tenants to contact us at the earliest opportunity if they are experiencing financial difficulty so that Officers can assist them to sustain their tenancies and keep their homes.
- 4.3 Officers will promote all payment options to tenants.
- 4.4 Tenants will be given the opportunity to be signposted to agencies that provide financial and debt advice where it has been identified that they may need assistance.
- 4.5 All tenants will be advised of any changes to the rent or charges payable and reason for the changes; for example, we have a statutory duty to inform tenants 4 weeks in advance if we plan to increase their rent at the start of the new financial year.

- 4.6 Officers aim to reach an agreement (repayment plan) with the tenant to pay off any unpaid sums over a reasonable period of time. This must be both achievable for the tenant and acceptable to MDH.
- 4.7 MDH will work in partnership with other agencies to facilitate the provision of independent advice to tenants about money management, debt, housing and welfare benefits.
- 4.8 The recovery of arrears will be dealt with in accordance with MDH's Rent Arrears Management Procedures, with an emphasis on maintaining regular personal contact via telephone, letters and home visits throughout the recovery process. All contact made with a tenant will be recorded on our housing management system.
- 4.9 Current debt will not be written off and MDH will seek all options to recover the debt.
- 4.10 Personal contact allows Officers to gain a greater understanding of the circumstances of tenants who may be finding it hard to pay their rent or charges. Where necessary, text and email may be used as methods of contacting tenants.
- 4.11 MDH will ensure that all cases progressed to court comply with the Pre-action protocol for possession claims based on rent arrears and relevant statutory requirements.
- 4.12 MDH will offer to assist the tenant in any claim that the tenant may have for housing benefit, discretionary housing payments or universal credit (housing element).
- 4.13 MDH are responsible for recovering other charges, for example rechargeable repairs, court costs, sewage or alarm charges.
- 4.14 When arrears are present, Officers will consider the circumstances of the tenant, their payment history, current financial situation and their ability to pay when agreeing a repayment plan. Income and Expenditure forms will be completed where possible. Alternatively, a tenant may work with a partner agency who will complete a common financial statement and this will be taken into account if passed MDH Officers. This is to ensure that the arrangement is affordable and manageable.

4.15 MDH in the exercise of its functions must have due regard to the need to:

- eliminate any form of unlawful discrimination (including direct or indirect discrimination, harassment, victimisation, and any other conduct prohibited under the Equality Act 2010 (the “Act”))
- advance equality of opportunity between people who share a relevant characteristic and people who do not
- foster good relations between people who share a protected characteristic and people who do not