

**HOMES POLICY DEVELOPMENT GROUP  
21 JANUARY 2020**

**HOUSING SERVICES INCOME MANAGEMENT POLICY**

**Cabinet Member(s):** Councillor Simon Clist  
**Responsible Officer:** Mrs Claire Fry, Group Manager for Housing Services

**Reason for Report:** The Housing Service Income Management Policy requires review by virtue of time bar.

**RECOMMENDATION:**

- 1 That the Homes Policy Development Group (PDG) agrees to the proposed changes set out in the tracked policy**
- 2 That the PDG recommends to Cabinet that the Policy be adopted as amended**

**Financial Implications:** The Housing Revenue Account (HRA) is ring fenced and subject to specific financial controls. The Housing Service is funded through the HRA and therefore maintaining the revenue stream is a key priority.

**Legal Implications:** The tenancy agreement defines the Council's relationship with tenants and sets out the rights and responsibilities of both parties. This takes account of legal and regulatory requirements including the Housing Act 1985. Tenants are contractually obliged to pay their rent and other housing costs on time.

**Risk Assessment:** The landlord service has approximately 3,000 homes in management which represents a significant investment. Failure to collect rental income could impact the ability to fund necessary management and maintenance activities.

**Equality Impact Assessment:** There is a suite of housing related policies. The use of these helps to ensure that service delivery is consistent and fair. There is a regulatory requirement for registered providers of social housing to tailor their service to meet the needs of the tenants and the Housing Service requests diversity data from tenants to enable compliance to be monitored.

The Council has a Public Sector Equality Duty which must be taken into account when commencing enforcement action. Officers are obliged to consider the individual circumstances of each tenant in such cases in order to ensure that all relevant factors have been taken into account and reasonable adjustments have been made.

Officers will undertake home visits if someone is unable to come to the office to discuss their current circumstances. They also make referrals or signpost tenants to other agencies which can provide support if a need is identified.

**Relationship to Corporate Plan:** Homes are a priority for the Council and this includes increasing supply in the District and also ensuring that those homes in our ownership are managed efficiently and effectively.

**Impact on Climate Change:** The Housing Service has actively invested in energy efficiency; extensive use of solar PV and air source heat pumps already exists. The ongoing circa £170M 30 year maintenance programme has a significant focus on ensuring energy efficiency. Where sustainable options are available they are utilised; however, it is acknowledged that where there is a significant cost differential that plays heavily in the choices made.

We recognise that the provision of sustainable communities is important. As part of our commitment to meeting the provisions of the Tenant Involvement and Empowerment Standard within the Regulatory Framework for Social Housing, the Council offers a menu of involvement, which provides opportunities for tenants to get involved in service delivery. Tenants scrutinise the work of the Service and are also involved in the development of our newsletter which is published periodically. We use this and social media to promote sustainability and therefore publish information relating to a variety of topics including fuel efficiency, recycling and healthy living.

Officers sometimes have to respond to emergencies such as those associated those arising from serious incidents of anti-social behaviour. In such cases, safeguarding concerns will take priority in order to minimise risk and it is accepted that the ability to manage such issues effectively may have an environmental impact which would not occur if work can be planned in advance and managed in a more co-ordinated way.

## 1.0 Introduction

- 1.1 The Council is committed to improving the Housing Service and having an effective Income Management policy enables staff to refer to this for guidance on the best course of action under the circumstances. Reference to the policy should ensure that all cases are treated consistently although the policy does offer some discretion to enable reasonable adjustments to be made where necessary.
- 1.2 This policy identifies the approach of the Housing Service to managing rent arrears and other housing related debt.
- 1.3 The existing policy has been in use since it was adopted in 2015. Following a review, a number of amendments have been suggested. These changes have been included on the policy document contained within Appendix 1 and are shown as tracked changes for ease of reference. The tracked changes have affected the formatting of the document. Once the final draft has been agreed, it will be retyped and properly formatted.
- 1.4 The Council's standard tenancy agreement contains a section which relates to the tenant's obligations relating to rent and other charges. Any enforcement action initiated in response to a breach of tenancy conditions related to non-payment of relevant charges will be taken in accordance with the provisions of the Housing Act 1985.

1.5 It has been suggested that the next review of the policy should take place in ten years, unless changes in legislation require an earlier review, and this amendment has been suggested as a tracked change in the updated draft of the policy.

## 2.0 **Changes to the Draft Policy**

2.1 The Housing Service consulted with local advice agencies in connection with the review and one suggested that the draft policy should make reference to other agencies which can provide advice and support to tenants. This amendment is shown in the introduction.

2.2 The main changes to the draft Housing Service Income Management policy are detailed in the narrative below.

2.3 Another agency asked about the approach of the Housing Service to vulnerable clients and so reference has been made to the Vulnerability policy previously agreed by the Homes Policy Development Group (PDG), which is available to view on the Housing web pages on the corporate website. This reference is included in the list of related documents in the draft policy.

2.4 Several changes have been made to the section relating to payment arrangements in the draft policy. More emphasis has been given to the fact that rent and other charges are payable on time and that this is to ensure that tenants do not go into debt. The draft policy makes it clear that payments are due on the Monday of each week.

2.5 Reference has been made to the fact that the Housing Service can charge rent over 52 weeks of the year (rather than 48) according to the conditions of tenancy.

2.6 The draft policy makes it clear that tenants are expected to enter into arrangements relating to any debts with the intention being to stop any arrears increasing. The rationale is to minimise those cases where tenants fall into financial hardship as a result of their failure to engage. It is known that those experiencing debt often fail to engage because the size of the problem is overwhelming for them. The Housing Service is committed to a strategy of early intervention and engagement as a means of avoiding this situation occurring.

2.7 Our expectations of new tenants have been clarified in the draft policy with the aim of further embedding a payment culture.

2.8 The rationale for the “new tenant” visits has been explained in more detail so that everyone, including any support agencies, understand why these are given importance by the Housing Service.

2.9 Officers will seek information on income and expenditure from tenants in arrears and the reason for this is explained within the draft policy. The suggested wording shows that our Officers will ask for this information so that any arrangement implemented is affordable for the tenant.

- 2.10 The draft policy contains reference to private messages on social media as a means of contacting tenants. Sometimes, those with a debt may try to avoid contact and in such cases Officers need to use every means possible to establish a dialogue. If any further action becomes necessary, a County Court would expect the Housing Service to have made every effort to explain the seriousness of the situation to the tenant and to give them an opportunity to rectify the breach of tenancy conditions.
- 2.11 Those tenants in receipt of Universal Credit are paid directly, in arrears. However, if they fail to make payments of rent, as expected, then, in some circumstances, the Department of Work and Pensions (DWP) will make alternative payment arrangements. The Housing Service has to request this and then demonstrate that certain criteria have been met. An amendment to the draft policy explains this and allows Officers to make contact with the DWP to request these direct payments without prior reference to the tenant.
- 2.12 The draft policy has been amended to make it clear that the commencement of possession proceedings will be viewed as a last resort, in accordance with good practice. In addition, more information about the review panel has been included. At the request of one of the local advice agencies, there is reference to the fact that support workers may attend the review panel meeting to provide more insight into the circumstances of the tenant concerned. It should be noted that the purpose of the review panel meeting is to ensure that any cases referred to Court for possession proceedings comply with the Pre-action protocol and statutory requirements.
- 2.13 A different procedure applies in the case of introductory tenancies and the narrative relating to this has been amended in the draft policy to clarify the tenant's rights and the expectation of the Housing Service if an arrangement is agreed at such a meeting. It is noted that there should be an offer of an arrangement and that this should be supported by relevant information should the Appeal Panel agreed to extend the introductory tenancy.
- 2.14 At 9.3 in the draft policy, reference is made to sundry debts and how these will be managed. The provisions of the tenancy agreement are such that the Housing Service could take action using one of the grounds for possession under the Housing Act 1985. The draft policy makes it clear that when looking at the debts Officers will review them in a holistic way when trying to negotiate arrangements. The aim is to be "firm but fair" and to maximise income collection whilst at the same time ensuring that the tenant is able to reduce any priority debts.
- 2.15 With regard to arrangements, the draft policy has been amended to include reference to the fact that the Housing Service will always consider action in cases where the debt is at a high level in order to secure the debt by seeking Court Order. This action is necessary in such cases to protect the interests of the Council.
- 2.16 The onus of responsibility is on the tenant to pay their rent and other charges and the draft policy has been amended with the aim of ensuring that there is a clear understanding of this.

- 2.17 Further information has been included in the draft policy on the arrangements relating to insolvency.
- 2.18 The draft policy has been amended to explain that current tenant debt will not be written off under any circumstances. This has been the practice for many years but reference to this has been included to reinforce the position of the Housing Service that current tenants must be held liable for debts which they owe.
- 2.19 The section in the draft policy relating to possession orders has been amended to include more information about what may happen during a Court hearing.
- 2.20 In addition, more information has been included in the draft policy in connection with the responsibilities of the Housing Service which relate to equality and diversity.

### 3.0 **RECOMMENDATION**

- 3.1 Members are asked to consider the content and the proposed changes; and to agree a recommendation relating to the adoption of the revised policy to the Cabinet. In the meantime, the policy will be reviewed and revised to reflect any legislative requirements and/or other guidance or good practice.

**Contact for more Information:** Mrs Claire Fry, Group Manager for Housing Services, Tel: 01884 234920, email: cfry@middevon.gov.uk

**Circulation of the Report:** Councillor Simon Clist, Cabinet Member for Housing, & other members of the Cabinet, Leadership Team

#### **List of Background Papers:**

The MDDC tenancy agreement:

<https://www.middevon.gov.uk/media/206657/final-tenancy-agreement-v140.pdf>

The Vulnerability Policy

<https://www.middevon.gov.uk/residents/housing/council-housing/strategies-and-policies/>