

**DECENT & AFFORDABLE HOMES PDG
11 AUGUST 2015**

HOUSING SERVICES INCOME MANAGEMENT POLICY

Cabinet Member Cllr Ray Stanley
Responsible Officer Housing Services Manager

Reason for Report: To review the Housing Services Income Management Policy.

RECOMMENDATION(S): The Cabinet approves the revised Housing Services Income Management Policy.

Relationship to Corporate Plan: The Council must run the Housing Service efficiently and effectively in accordance with legislative requirements and the provisions of the regulatory framework.

Financial Implications: Rent collected is paid into the Housing Revenue Account for dwellings and garages/garage ground rent plots (GGRP). It is therefore important to maintain the revenue stream. However, as Council housing is designed to help those in housing need, there are many vulnerable people on low incomes living in our properties. As a result of this, and more so when Universal Credit is introduced in late 2015 to Devon, consideration must be given to individual circumstances when making decisions about tenancy enforcement action.

Legal Implications: The Housing Services tenancy agreement contains a clause which states that tenants are responsible for paying their rent and other charges on time. Rent is due on a Monday. The Housing Service offers tenants many different methods of payment and also accepts payments on a weekly, fortnightly or monthly basis as long as rent is paid regularly.

Having a clearly defined policy ensures consistency of approach and ensures that no tenant or resident is treated any more fairly or unfairly than any other.

Risk Assessment: Failure to provide housing management staff with policies to use in the course of their day to day activities could result in a less consistent and effective service.

1.0 Introduction

- 1.1 As a registered provider (RP) of social housing, the Council is regulated by the Homes and Communities Agency (HCA). The regulatory framework consists of a number of standards and the Council is expected to comply with the provisions of those relating to consumer regulation.
- 1.2 The Council is committed to improving the Housing Service. The review of this policy reflects changes in good practice and allows for any legislative changes to be updated accordingly. It will provide a framework for staff to enable them to be consistent in their approach to delivering the Housing Service. It will empower staff as it will provide guidance to them on how they

should approach the management of rent collection for Council dwellings, garages, GGRP's and other charges.

- 1.3 The aim of this policy is to create a rent payment culture and to ensure 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.
- 1.4 The following organisations were given an opportunity to comment on the revised policy during April and May 2015:
 - Churches Housing Action Team (CHAT), Tiverton
 - Torridge, North, Mid and West Devon Citizen's Advice Bureau (CAB)
 - Wiser£Money
- 1.5 Wiser£Money commented on the revised policy and their comments have been incorporated into it.
- 1.6 The Rent Arrears Management Policy was adopted at the meeting of the Decent and Affordable Homes Policy Development Group in May 2011. The policy is due to be reviewed by May 2015.
- 1.7 Tenants Together approved the draft Income Management Policy at their meeting on 11 June 2015.

2.0 Proposed policy changes

- 2.1 The policy has been revised to take into account the different income streams that the Housing Service collects, not just rental income. With this in mind, the title of the policy has been reworded from Rent Arrears Management Policy to Income Management Policy to reflect these changes.
- 2.2 The policy has been updated to explain the different methods of payment available to tenants including the new payment kiosk in Phoenix House reception. The importance of paying rent or charges on time has been emphasised, even if the tenant is in receipt of benefits.
- 2.3 A decline in rental income can have a massive impact on the Housing Service. The ability to maintain the housing stock will be affected if there are reduced financial resources available in the Housing Revenue Account. The level and quality of service will be affected if income levels decline as it will reduce the capacity to improve and deliver the service. Therefore, we have included information on preventive measures that will be taken to reduce arrears and to prevent them escalating in order that any impact on resources is minimised.
- 2.4 With the introduction of Universal Credit, new recovery measures have been introduced by the Department of Works and Pensions where a tenant fails to pay rent direct to their Landlord. The new mechanisms to collect housing costs direct from the DWP have been included in the policy.

- 2.5 The Housing Service will continue to pursue the recovery of former rent arrears. The policy re-iterates that every effort will be made to trace and contact debtors and that we may use debt recovery agencies or initiate proceedings through the County Court, to recover any unpaid sums.
- 2.6 The policy makes it clear that the tenant is responsible for claiming any benefits or paying back any overpayments. Tenants are reminded that in the case where Universal Credit is only paid to one member of the household or where one joint tenant has left the property, they are still responsible for paying their rent on time.
- 2.7 The policy highlights that those tenants who have an insolvency arrangement in place, are still liable to pay current rent as usual on time. In addition, the importance of paying rent on time or making arrangements to clear any arrears is highlighted in the policy. It is made clear that a tenant's home may be at risk if they fall into arrears and we may start possession proceedings against them.
- 2.8 Finally, the Housing Service considers eviction to be a last resort, therefore, additional clauses has been added to make tenants aware that they may be able to apply to the Court to have a possession order varied, subject to meeting certain conditions, to enable them to remain in their home.

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Circulation of the Report: Councillor Ray Stanley, Management Team

List of Background Papers: A copy of such papers to be made available for public inspection and included on Website