

|  |  |
| --- | --- |
| **Title** | *Income Maximisation and Debt Recovery Policy* |
| **Scope & Relevance** | ***Applies to: emh homes*** |
| **Author** | Head of Income Management |
| **Date Approved**  **Approved By** | Approved by EMT – May 2020 |
| **Review date** | May 2023 |

# emh homes

# Income Maximisation and Debt Recovery Policy

|  |  |
| --- | --- |
| **1** | **Introduction** |
| 1.1 | This policy sets out the approach that emh homes will take in the recovery of rent and service charges. |
| 1.2  1.3  1.4  1.5  **2**  2.1 | This policy seeks to contribute to the Group’s vision “to be the best social housing and care business in the county, leading the market as service provider and employer” by ensuring that income is maximised and reinvested in the service to sustain tenancies. emh vision is to be more than ‘bricks and mortar’ and adopt a supportive approach with eviction as a last resort. We aim to minimise homelessness, support our customers to sustain their tenancies and reduce poverty and debt by supporting tenants to repay arrears with affordable agreements.  The approach taken to arrears management will be focussed on supporting residents to sustain their tenancies and developing a culture of prompt and regular rent payments made in advance. A firm and fair approach will be taken to recovering arrears with priority given to early intervention and preventative action, although enforcement action will be taken if other measures have not resolved the matter.  This policy should be read in conjunction with the:   * Income Collection and Debt Recovery procedure * Former Tenant Debt Recovery procedure * Welfare Reform Strategy and * Income and Home Ownership Risk Register and Controls   A consistent approach will be taken across emh homes. All staff and residents should be aware of the contents of this policy.  **Definition**  This policy applies to all income due from current and former tenants, leaseholders, shared Owners and licensees, for unpaid rent, facilities (stores, garages caravans and car spaces) and service charges. |
| **3** | **Aims & Objectives** |
| 3.1 | Maximise our income by promoting Direct Debit as our preferred payment method by all customers. We will also offer a range of other flexible and convenient rent payment methods. |
| 3.2 | Ensure there is a professional, sensitive, and consistent approach to income and debt recovery, putting the customer at the centre. |
| 3.3 | Ensure our customers are offered access to Welfare Benefits advice, debt management advice and other financial services, such as basic bank accounts. |
| 3.4  3.5 | Ensure that legal action to repossess the property is only taken as a last resort when other actions to recover the debt have been unsuccessful.  Ensure as far as possible homelessness is minimised if not eradicated, through working in partnership with key local authorities, and other partners. |
| 3.6  3.7 | We will utilise several methods to engage with customers who are in arrears including but not limited to letters, phone calls, texts, emails; this may include evening and weekends.  We will work in partnership with Adult and Children’s care teams at Social Services to advise when vulnerable persons are facing eviction requesting their support to prevent this from happening. We will also work with homeless agencies to secure discretionary housing payments or other support agencies to prevent evictions. |
| 3.8 | Support residents to sustain their tenancies using our sustainability toolkit and develop a culture of prompt and regular rent payment in advance. |
| 3.9 | Communicate in a clear, customer friendly manner that encourages contact. |
| 3.10 | Provide a tailored approach for vulnerable residents or residents with diverse needs. |
|  |  |
| 3.11 | We will ensure the promotion of equal opportunities by publishing information and documentation in a range of formats, but more importantly we will agree with individual customers the most appropriate way for them to receive information. |
|  |  |
| 3.12 | We will manage the changes to welfare benefits, setting out risk and helping to mitigate any difficulties for customers by ensuring our officers are fully trained to give good advice and support, including a dedicated financial inclusion offer to support individuals that need more than just advice. |
| **4** | **Payment** |
| 4.1  4.2 | Rent should be paid in advance. We recognise that customers paying their rent via Housing Benefit/Universal Credit may experience some difficulties with this, particularly those that are vulnerable. In these cases, we will take a supportive approach and work with them to achieve this.  emh homes are committed to making it easy for customers to pay rent and other charges. We encourage customers to pay rent and other charges via Direct Debit wherever possible, but recognise that this is not suitable for all and therefore offer other methods including:   |  | | --- | | * Swipe Card at post offices, designated shops or other outlets * Re-occurring debit card payments * Online via our website * Direct payment from Housing Benefit/Universal Credit * 24-hour payment line | |
| 4.3 | Customers can access rent statements online. Tenants will be sent an annual rent statement once per year showing their charges, payments and any balances in credit or arrears. Leaseholders will receive an annual statement. Statements are also available on request. Tenants can also self-service onto their rent account with myhomeonline. |
| **5** | **Legal Advice** |
| 5.1  5.2 | emh homes has a duty to all its tenants/residents to keep costs to a minimum and will take recovery action if a tenant refuses help, fails to engage with us or to give proper priority to the payment of their rent and other charges.  Where proactive methods have failed to recover the rent and service charge debt, legal action will be taken through the County Court. This could be in the form of money judgments, repossession or lease forfeiture or other legal remedies at our disposal. |
| 5.3 | emh homes may use Ground 8 (Mandatory ground for possession) as an absolute last resort and only with the approval of the Executive Director of Housing and where the tenancy agreement allows for this. If Ground 8 is used, this is reported to board. |
| 5.4 | emh homes will adhere to the Pre-Action Protocol for possession claims based on rent arrears. |
| 5.5 | emh homes will build partnerships with support agencies and Local Authorities in order to prevent homelessness and sustain tenancies. |
| **6** | **Value for Money** |
| 6.1 | emh homes will promote Direct Debit as our preferred payment method to minimise transaction costs to the business. Other payment options are available providing flexibility for customers based on their needs. |
| 6.2 | emh homes will look for ways to provide the best service at the most competitive cost in line with customer needs and aspirations. We will actively look for ways to reduce existing costs while providing the same level or better service to customers. |
| 6.3 | emh homes will work in partnership with other local established organisations to provide support services to customer in financial difficulty to minimise the overhead costs and support local services which are accessible to our customers. |
| **7** | **Staff Training** |
| 7.1 | All staff responsible for debt recovery will receive training in relation to the effective collection of debt. |
| 7.2 | emh homes continually assesses the training and development needs of income recovery staff and where additional specific training courses are required, these will be sourced and delivered in the most cost-effective way. |

|  |  |
| --- | --- |
| **8** | **Monitoring, Review and Consultation Process** |
| 8.1 | emh homes will formally review the Income Maximisation and Debt Recovery Policy every three years or as appropriate on the introduction of new legislation or guidelines. |
| 8.2 | Regular reports will be made to emh board, the Regulator and our lenders, detailing our position on rent collection, current arrears, and former tenants and other agreed indicators. |
| 8.3 | Consultation with tenant groups, our tenant scrutiny panel and other stakeholders such as Local Authorities, Benchmarking Groups, and other agencies will be carried out where appropriate to promote continuous improvement and develop good practice in this policy. Good practice sessions will be arranged with tenants including shadowing and coaching sessions to better understand how the service works. |
| 8.4 | An annual report to tenants is produced which includes information on rent collection performance. |
| 8.5 | The Income Management service will be monitored and reviewed to ensure performance is within an environment of continuous improvement, and the structure and other improvements considered as part of the transformation project. |
| **9** | **Key performance Indicators and targets** |
| 9.1 | Emh homes will Comply with the Homes and Communities Agency National Standards framework. |
| 9.2 | We will benchmark information comparing performance on rent collection and arrears on the following, where possible through HouseMark and local benchmarking and networking meetings and groups where possible:   * Percentage and total of rent arrears * Number and percentage of tenants in arrears * Number of Evictions and as a percentage of let homes * Number and value of former tenants’ arrears * Value for FTA’s written off |
| **10** | **Associated Strategies, Procedures and Risk Register** |
| 10.1  10.2  10.3 | Income Maximisation and Welfare Reform Strategy and Neighbourhood Management Strategy.  Income Maximisation and Debt Recovery Procedure and Former Tenant Arrears Recovery Procedure.  Income and Home Ownership Risk Register and Controls. |

|  |  |
| --- | --- |
| **11** | **Key Responsibilities** |
| 11.1 | All Income officers, assistants and all other members of the income management team and housing teams responsible for or involved in debt recovery for income maximisation, have a responsibility to ensure that they adhere to this Policy. |
| 11.2 | The Head of Service will have overall responsibility for keeping the Policy up to date and for ensuring that any updates are issued to staff at the earliest opportunity. |
| 11.3 | The Head of Service will ensure that any updates to this policy will also be available on the intranet. |
|  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Version no.** | 1.0 | **Date effective:** | | June 2020 |
| **Full / partial review?** | | | Fully revised and updated Policy | |
| **Brief summary of changes:** | | | Review of policy based on welfare reform changes and business priorities | |
| **Staff consultation (teams):** | | | First Draft developed by Head of Income  Staff consultation via email | |
| **Resident consultation:** | | | Service Improvement group Sept 2020 | |
| **Trade Unions consultation:** | | | Not Required. | |
| **Other consultation:** | | | None. | |
| **Equality Impact Assessment completed and appended to Policy:** | | | 09.09.2020 – Gwyn Gascoigne Head of Income | |
| **Environmental Impact Assessment completed and appended to Policy:** | | | Not Required. | |
| **Approved by:** | | | EMT – May 2020 | |
| **Author:** | | | Gwyn Gascoigne – Head of Income | |