

Income Management Policy

1. Summary

- 1.1. This policy sets out SHAL's commitment to an efficient and effective income management service which maximises the income due and collectable from rent, service and other charges.
- 1.2. The policy applies to all SHAL's homes and covers all tenants where they pay or were contracted to pay rent, service or other charges.

2. Objectives

- 2.1. SHAL aims to minimise outstanding debt. The key objective of this policy is to
- 2.2. manage our income effectively and minimise debt levels to ensure the continued financial viability of the organisation.
- 2.3. Our income management policy will seek to always reflect good practice and meet legal and regulatory requirements. We will continually monitor good practice and statutory and regulatory requirements.
- 2.4. Our procedures will take account of the Pre-Action Protocol for Possession Claim for rent arrears (issued under the Civil Procedure Rules in October 2006 and updated April 2013)
- 2.5. We recognise the need to help people avoid getting into financial difficulty and sustain their tenancy. We aim to achieve a balance between supporting tenants when they are in difficulty and taking firm but fair action against individuals that are in debt. In cases of persistent debt, following appropriate warnings, SHAL will take appropriate legal action to repossess the property.

3. Details

- 3.1. Debt Prevention
 - 3.1.1. Prevention is better than cure and therefore SHAL will act in a responsible manner when letting homes and seek to ensure new tenants can afford the rent and understand their responsibilities.

- 3.1.2. SHAL will ensure the rental charge is clearly communicated along with the expectation that payment of rent is the tenant's responsibility and it must be paid weekly in advance.
- 3.1.3. A minimum of 1 month rent will be required by incoming tenants at sign-up.
- 3.1.4. A rent first culture will be promoted by all staff at SHAL to ensure people understand payment of rent is their priority.
- 3.1.5. SHAL will offer a wide variety of ways to pay rent, with an emphasis on Direct Debits as the preferred method of payment. Other ways to pay rent include, online, via telephone, standing orders, Allpay cards and cash at the office.
- 3.1.6. New tenants will be risk assessed with regards to the potential for tenancy breaches. A visit to the home will be carried out within 6 weeks of the start of every tenancy or sooner if the risk assessment requires a need and will address any early problems which may be arising with rent payments.
- 3.1.7. Starter Tenancies will be applied to all new tenancies and the management of the Starter Tenancy will be done in conjunction with the risk assessment of new tenants with regards to the likelihood of there being a breach of the tenancy agreement in the first 12 months.
- 3.1.8. Where arrears are present SHAL reserves the right to withhold certain improvements until the debt is repaid or a payment plan is being adhered to for an agreed period
- 3.1.9. SHAL will not evict any tenant from their home as a result of financial hardship caused by a pandemic, where they are working (or engaging) with us to get their payments back on track.

3.2. Minimising rent arrears

- 3.2.1. SHAL recognises that tenants may at times experience financial difficulties and will respond to such situations in an empathetic and fair

manner, seeking open and honest communication with tenants at all times.

- 3.2.2. SHAL will offer a range of communication options for tenants including text messaging, which will give tenants the ability to receive an up to date rent balance, request a call back and the ability to send messages directly to SHAL which will be answered promptly by the Housing Officer. Other communication options include telephone or visiting the office, home visits and where appropriate out of hours appointments.
- 3.2.3. Where a tenant is unable to clear an arrear balance in full, we will establish financial circumstances, offer advice and assistance and discuss a suitable repayment plan.
- 3.2.4. SHAL will use our discretion to request direct payments of Universal Credit to minimise the risk of rent arrears where necessary.
- 3.2.5. SHAL will work closely with external agencies to ensure tenants receive appropriate advice and support with their financial circumstances.
- 3.2.6. SHAL will help tenant to access benefits and other support to alleviate financial hardship, including supporting people to get to work where possible.
- 3.2.7. SHAL will work with any tenant who is struggling to find arrangements to pay rent that is manageable for them in the long term. Legal action will only be taken in serious circumstances – for example, as a last resort where a tenant will not agree a plan with their us to help them pay their rent, or where it is needed urgently in cases of domestic abuse or of anti-social behaviour that is putting other residents or communities at risk.

3.3. Large rent arrears

- 3.3.1. SHAL aims to minimise debt and in doing so, will be diligent in ensuring arrears don't increase to high levels.

- 3.3.2. SHAL will use all relevant legal remedies where tenants repeatedly fail to pay their rent, arrears are increasing, and tenants are failing to reduce them.
- 3.3.3. SHAL will use eviction as a last resort, when all other avenues have been exhausted and arrears are not being paid in accordance with a court order
- 3.3.4. SHAL will work with tenants who are in arrears in a fair manner balancing the need to sustain the tenancy with the need to recover outstanding arrears.
- 3.4. Former tenant arrears
 - 3.4.1. Where former tenant debt exists, we will make every effort to pursue the full repayment of this debt using all means available.
- 3.5. Rechargeable repairs
 - 3.5.1. Any repairs which are deemed rechargeable to the tenant will not be carried out until the tenant has paid in full. Exemptions to this may be considered where the repair is an emergency and there is a risk to the tenant or the property. In this case the amount outstanding will be due immediately following the repair.
 - 3.5.2. Where payment for a rechargeable repair is outstanding, the debt will be pursued.
- 3.6. Service charges
 - 3.6.1. Service charges, where applicable, will form part of the overall rental charge for a property and will be pursued in the same way as rent arrears.

4. Outcomes

- 4.1. SHAL will maximise its rental income and minimise outstanding debt owed by both current and former tenants.
- 4.2. The level of rent arrears will be controlled and tenants in arrears will receive all the necessary advice and assistance available.

- 4.3. There will be a culture of payment among tenants and staff with rent being emphasised as a priority.

5. Consultation

- 5.1. A draft copy of this policy will be available on our website to allow members of the public an opportunity to comment on its contents prior to being submitted for approval by SHAL's board.
- 5.2. All tenants will be contacted by text to let them know of its availability online and a draft copy will also be made available on request.
- 5.3. SHAL's tenant scrutiny panel will also be invited to review the policy and suggest any comments and amendments prior to the policy being approved by the board.

6. Equality and Diversity

- 6.1. SHAL celebrates diversity and promotes that equality for all is a basic human right. In applying this policy SHAL will consider the individual needs of all tenants and will not discriminate on grounds of age, disability, gender reassignment, sexual orientation, marriage and civil partnership, pregnancy and maternity, race, religion and belief and gender.
- 6.2. The needs of vulnerable residents where this effects their ability to make payments, will be considered in accordance with the pre-action protocol for possession based on rent arrears and the Equality Act 2010.

7. Value for Money

- 7.1. This policy will provide value for money by maximising SHAL's income from rent and other charges due from its tenants. Also, by minimising debt and tackling financial exclusion.
- 7.2. We will regularly review our rent arrears process to ensure resources and services are providing best value for money to our tenants.

8. Owner

8.1. Housing Manager

9. Version and Revisions

9.1. This policy will be reviewed every 2 year(s).

9.2. Revisions

New version	Date	Revision details
2	June 2023	Paragraph 3.1.3 – 1 months rent in advance at sign up