



INCOME MANAGEMENT POLICY

2023-2026

Income Management Policy

Adopted:	August 2021
Contact Officer:	Wendy Walker, Corporate Head of Income & Enforcement
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Version/Reviewed by:	V1–1st version (August 21) by (CSP/CLT/ELT) V2–2nd version (November 23) by (CSP/CLT/ELT)
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Formal Review of Policy by:	Corporate and Executive Leadership Teams
Policy Links:	Rent Setting Policy Service Charge Policy Leasehold Management Policy Choice Based Lettings Policy Garage and Parking Facility Management Mutual Exchange, Assignment & Subletting Lettings and Transfer Policy Lone Working Policy Rechargeable Repairs Policy Succession Policy Financial Regulations

Brief Policy Summary:

This policy sets out the objectives and methodology LHP takes to ensure there are effective income collection processes in place, balanced against supporting customers to improve their financial capability.

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1. Introduction

- 1.1 This policy sets out the objectives and methodology LHP takes to ensure there are effective income collection processes in place, balanced against supporting customers to improve their financial capability.
- 1.2 It is essential that we maximize income and minimise the amount of money lost due to bad debt and write off, to protect the financial viability of the company.
- 1.3 We aim to provide high quality services to our customers and prevent arrears/debts occurring by increasing the customers' financial awareness and ability to pay supported by offering a range of payment methods. This is balanced by firm action to obtain payments where necessary.
- 1.4 We make use of all available remedies and Court action to recover balances due but, will only use the Possession Orders for eviction as a last resort.

2. Scope

- 2.1 The term "customer" used in this policy refers to any person receiving a service from LHP. These include but are not limited to:
 - Social Rented (Current and Former)
 - Intermediate rented
 - Shared Ownership
 - Private rented
 - Freeholders
 - Leaseholders
 - External businesses / Organisations
- 2.2 Colleagues that rent from LHP will receive the same service as any other customer, including the use of legal action.
- 2.3 The term "support" refers to money management support provided in-house by the Income Teams Money Support Service or by the use of external agencies such as Citizens Advice.
- 2.4 LHP receives Income from many different streams, some housing and some non-housing activities. A variety of charges are used and monies due will be collected in the following order of priority:
 - Rent & Service charges
 - Warden Service charges
 - Telecare Equipment Charges
 - Dementia Services Charges
 - Community Support charges

- Court Costs
- Rechargeable Repairs
- Sewage treatment works
- Access Agreements

2.5 The Income Team will manage the collection of all monies due with the exception of:

- Telecare equipment and monitoring charges to private individuals and charges not added to customers rent accounts, income collection is managed by the Integrated Telecare Monitoring Team.
- Dementia Services charges are managed by the Integrated Living and Support Service Team.
- Community Support Charges are managed by the integrated Living and Support Service Team.

2.6 This policy does not cover the setting of rent and service charges and the processing of income payments.

3. Income Collection

3.1 LHP provides a wide range of payment methods to suit the customers' needs and that of the Company, taking into consideration their convenience, cost effectiveness and security.

3.2 The payment methods available are:

- Direct Debit (LHP's current preferred method)
- Allpay App
- Standing Order
- Swipecard at the Post Office or Paypoint outlets
- Debit or Credit Card
- Recurring Card payment
- Online Banking
- Barcoded Invoices
- Alternative Payment Arrangement (APA)
- Third Party Deductions from DWP (APA+)

3.3 All payment methods are publicised and detailed on our website, and Card payments can be made through the QL Customer Portal and App.

3.4 We promote LHPs preferred payment method of Direct Debit at every opportunity.

- 3.5 We monitor the usage and costs of payment methods and will consider adopting new ones as they become available and withdraw any payment method that does not prove value for money or meet the needs of our customers or LHP.

4. New Customers

- 4.1 Pre-tenancy financial assessments are conducted to ensure affordability of a property with support offered to all customers to ensure they are able to manage their money and sustain their tenancy.
- 4.2 New customers are advised of all the charges they have to pay, what they are for and which ones are eligible for Housing Benefit/Universal Credit and are assisted with making any claims.
- 4.3 The different payment methods available are explained and a suitable payment method arranged at sign up. Customers are encouraged to take up the Company's preferred payment method, Direct Debit.
- 4.4 New customers are advised of the importance of paying in advance and the consequences of non-payment, who their Income Officer is and how to contact them.

5. Arrears Management

- 5.1 An account is set up for each customer to enable charges and payments to be processed and monitored, with statements provided upon request detailing charges, payments and adjustments.
- 5.2 All accounts and Agreements are monitored routinely to ensure payments are received as required.
- 5.3 If payment is not received the customer is contacted promptly by their preferred method and time requesting full payment. If contact is unsuccessful all mediums of contact are attempted at a variety of times.
- 5.4 If full payment is not possible we will establish the reasons why and offer a partial payment and agreement, or a full agreement to clear any debt in accordance with their situation, ensuring any agreement is affordable and sustainable.
- 5.5 Customers in debt with LHP and customers that are considered to be either vulnerable or have special needs, are offered support from the Money Support Service. Where relevant we will contact the family or friends or involved outside agencies including Social Services to help resolve any situation and support our customers.

6. Support

- 6.1 LHP promotes financial inclusion, literacy and awareness, and offers support to all customers as an integral part of our service.

- 6.2 Support is provided regarding general information relating to bank accounts, savings products and credit facilities. Household budgeting, benefit checks, maximising income, reviewing and minimising outgoings.
- 6.3 Support includes a look at the customers whole financial situation and if we are unable to assist we will signpost to appropriate Agencies for example Citizens Advice and National Debtline.
- 6.4 Customers in receipt of Housing Benefit and Universal Credit are encouraged to notify us, and the respective local authority or DWP, immediately of any changes to their circumstances that may affect their entitlement to benefit.
- 6.5 Customers are encouraged to learn the skills they need to manage their money themselves and to understand the priority debts. Payment of Rent and any debt to LHP remains a top priority.
- 6.6 Customers are provided with access to a low cost home contents insurance scheme and the Company actively promotes and encourages take up of this scheme

7. Legal Action

- 7.1 If the customer will not pay their debt we will take enforcement action. The type of enforcement action taken will depend upon the nature of the debt owed and the customer's current circumstances.
- 7.2 A Possession Warrant will only be used to end a tenancy as a last resort when all other attempts to secure payment have failed.
- 7.3 If appropriate the County Court may be used to obtain:
 - Attachment of Earnings – to be used on customers in paid employment
 - Third Party Debt Order – to be used if the customer has funds in a Bank account
 - Warrant of Execution – County Court Bailiff to seize and sell customers goods
- 7.4 Customers are warned in advance of the enforcement action LHP is preparing to undertake and further action will not be instigated if the customer clears any outstanding debt or maintains an agreed payment arrangement.
- 7.5 If enforcement action is being taken the customer is informed of the action taken, advised of their options and encouraged to seek independent advice. Customers are kept informed at all the stages including dates and times of hearings and the terms of any orders.
- 7.6 Legal action must be authorised:

- Possession Orders must be authorised by the Income Manager, with either an alternative Manager or the Corporate Head of Income & Enforcement deputizing for absence
- Section 21s, Mandatory Grounds, Warrants of Possession and Warrants of Execution must be authorized by the Corporate Head of Income & Enforcement and the Head of Customers, with either an alternative Head of Department or Director deputizing for absence.

7.7 All aspects of the Pre Action Court Protocols must be adhered to.

7.8 We may consider the withdrawal of legal proceedings if the customer clears the whole debt, this is at the discretion of Corporate Head of Income & Enforcement or the Director of Customers.

7.9 Court fees are recharged to a customer if granted by the Judge.

7.10 Mandatory Grounds for possession will be considered in the following circumstances where the tenancy agreement allows:

- It is considered that the arrears are due to an intentional act or omission, including failure by the customer to assist in the processing of a Housing Benefit or Universal Credit claim
- There is a history of non-payment of rent over a sustained period of time or where the customer has repeatedly gone into high arrears
- There has been no contact with the customer or any discussion about the arrears due to the customers behavioural patterns or lack of co-operation
- Customers are unwilling to enter into a repayment arrangement or have had a long history of failed arrangements
- There are anti-social behaviour issues alongside rent arrears

7.11 The services of Solicitors may be used to support LHP with the legal recovery of housing and non-housing related debts where the situation is complex or there is a high risk to LHP for financial or reputational loss.

8. Guarantors

8.1 In some situations a Guarantor may be in place, this is where the customer signs a tenancy agreement as normal but a guarantor (friend or relative) also signs an agreement used to guarantee the performance of the customer and the customer's obligations with reference to the tenancy agreement, including payment of rent.

8.2 If the customer gets into rent arrears we will take legal proceedings against both the customer and guarantor. Both are named on the possession proceedings

and we seek both possession and a money judgment against the customer (first defendant) and money judgment against the second defendant as guarantor.

9. Commercial & Properties Leased to External Agencies

- 9.1 An account will be set up in QL for each contract/lease to enable charges and payments to be processed and monitored in accordance with the specific contract or lease.
- 9.2 All accounts and Agreements will be monitored routinely to ensure payments are received as required.
- 9.3 If payment is not received contact will be made promptly requesting full payment. If contact is unsuccessful all mediums of contact will be utilised at a variety of times.
- 9.4 If payment is not received despite every attempt the matter will be referred to Solicitors to obtain advice and/or action on recovering the debt..
- 9.5 The appointed Agents for our Commercial contracts will be responsible for charging and collecting payments, and pursuing arrears up to the point of legal action being required. At this point LHP will refer to Solicitors to obtain advice and/or action on recovering the debt.

10. Former Tenancy Debts

- 10.1 LHP actively pursues the recovery of debts owed by former customers.
- 10.2 If they are unable to clear the balance in full we will either make a payment arrangement and monitor the account to ensure compliance, or we may discuss a “Full and Final Settlement” payment – refer to the Write off section.
- 10.3 LHP may use an external Debt Collection Agency to trace their whereabouts and obtain the outstanding monies owed to the Company, either by the agency’s collection methods or court action. Any contracted Debt Collection Agency used by LHP will be a member of the Credit Services Association, Institute of Licensed Debt Practitioners, or similar trade body and operate in accordance with its Code of Practice.
- 10.4 Legal action must be authorised by the Corporate Head of Income & Enforcement and will be considered where:
 - The whereabouts of the debtor is known
 - Attempts have failed to achieve the debt being paid off by agreement
 - The debtor has been warned of possible court action
 - The sum owed exceeds the cost of the court proceedings
 - There is a realistic prospect of successful enforcement
 - The Pre-Action Court Protocol for Debt Claims has been adhered to

10.5 The type of enforcement action taken will depend on the debtor's circumstances and could be:

- Attachment of Earnings – to be used on customers in paid employment
- Third Party Debt Order – to be used if the customer has funds in a Bank account
- Warrant of Execution – County Court Bailiff to seize and sell customers goods
- Charging Order – a charge on their property

11. Write Offs

11.1 Debts identified as unrecoverable or uneconomical to recover will be recommended for write off. For example:

- The customer has died and there is no money in the Estate
- The customer has left the country
- The whereabouts of the customer is unknown and untraceable
- The arrears are below £75.00 and considered to be uneconomical to recover
- Statute Barred Debts – see section 12
- The customer is unwilling or unable to pay and the prospect of a successful court order is extremely low

11.2 Full and Final Settlement will be considered by writing off some of the debt where the debtor has offered a substantial percentage. A maximum reduction of 25% will be considered and the case reviewed by the panel of Corporate Head of Income & Enforcement & Corporate Head of Customers. In extreme cases more will be considered but will require the authorisation of the Director of Customers.

- All write offs to be recorded on the relevant rent account, the debt will be considered settled if the customer approaches LHP for re-housing.

11.3 Current arrears of £10 or less may be written off as uneconomical to pursue where all collection activities have been exhausted, however these must follow the same authorisation and process as former debt write offs.

11.4 All write offs must be approved in accordance with the LHP Financial Regulations.

12. Statute Barred Debts

12.1 A housing related debt becomes statute-barred and unrecoverable 6 years after it is accrued with 2 exceptions:

- 12.2 If the debtor 'acknowledges' the debt before the claim becomes statute-barred – this means that they 'acknowledge their indebtedness and legal liability to pay the claim in question'. The acknowledgement has to be in writing. If this happens then the period is reset (i.e. LHP has 6 years from the date of the acknowledgement to bring a claim).
- 12.3 If the debtor makes part-payment before the debt becomes statute-barred, this also resets the clock. Therefore, if a customer has been making payment towards the arrears and stops, then the 6 year period would run from when the arrears payments stopped. (i.e. LHP has 6 years from the date of the last payment to bring a claim).
- 12.4 All statute-barred debts will be written off as non-recoverable except for where there is a live Court Order to repay the debt (ie a court order was obtained before the debt became statute-barred and the order is within its 6 year duration).
- 12.5 Any debt over 12 years old will be written off regardless of any court order.

13. Bankruptcy

- 13.1 If a customer owes LHP money and is declared bankrupt the Company may register its interest with the Official Receiver/Insolvency Service and if there is any prospect of a payment, we will notify the Official Receiver of the amount of the debt.
- 13.2 If the bankrupt is unwilling to pay and there is no payment by the Official Receiver, we will write the debt off once the debtor is discharged from bankruptcy. Any such write off must be approved in accordance with the Financial Regulations.
- 13.3 If LHP has taken possession action against the bankrupt prior to the time of bankruptcy and they have been allowed to stay in possession provided they pay off the arrears, the Company will continue with the proceedings (i.e. issue/re-issue a warrant of possession) if they break the terms of the court order.
- 13.4 If the bankrupt person accrues rent arrears after they have been declared bankrupt, we will take court action if it is deemed appropriate in the circumstances.

EQUALITY IMPACT ASSESSMENT

Insert Name of Policy

Provide a brief summary of the aims and main activities of the initiative (bullet points):

- To provide a pro-active and supportive service to our customers in Income Management
- Maximising income collection for all income streams
- Minimising arrears and bad debts
- Compliance with the Pre Action Court Protocols

Completed By:

Wendy Walker

Date:

16/10/2023

Guidelines: Things to consider

- Where a negative (i.e. adverse) impact is identified, it may be appropriate to make a full EIA (see Stage 2), or, as important, take early action to redress this – e.g. by abandoning or modifying the initiative. NB If the initiative contravenes equality legislation, it must be abandoned or modified.
- Where an initiative has a positive impact on groups/community relations, the EIA should make this explicit, to enable the outcomes to be monitored over its lifespan.
- Where there is a positive impact on particular groups, does this mean there could be an adverse impact on others, and if so can this be justified? - e.g. Are there other existing or planned initiatives which redress this?
- It may not be possible to provide detailed answers to some of these questions at the start of the initiative. The EIA may identify a lack of relevant data, and that data-gathering is a specific action required to inform the initiative as it develops, and also to form part of a continuing evaluation and review process.
- It is envisaged that it will be rare for full impact assessments to be required. Usually, where there are particular problems identified in the screening stage, it is envisaged that changing the approach at this stage, and/or setting up a monitoring/evaluation system to review a policy's impact over time will tackle the problem.

STAGE 1: SCREENING

This stage establishes whether a proposed initiative will have an impact from an equality perspective on any particular group of people or community – i.e. on the grounds of race, religion/faith/belief, gender (including transgender), sexual orientation, age, disability, or whether it is “equality neutral” (i.e. have no effect either positive or negative).

EQUALITY IMPACT ASSESSMENT

Q 1. Who will benefit from this initiative? Is there likely to be a positive impact on specific groups/communities (whether or not they are the intended beneficiaries), and if so, how? Or is it clear at this stage that it will be equality 'neutral' i.e. will have no particular effect on any group? *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

All customers will benefit and it is envisaged that it will be equality neutral

Q 2. Is there likely to be an adverse impact on one or more minority/under-represented or community group as a result of this initiative? If so, who may be affected and why? Or is it clear at this stage that it will be equality 'neutral'? *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

We do not envisage any negative impact with any of our service delivery through the implementation of this policy – however we will be monitoring diversity to keep this under review.

Q 3. Is there sufficient data on the target beneficiary groups/communities? Are any of these groups under or over represented? Do they have access to the same resources? What are your sources of data and are there any gaps? *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

Yes, we collect data on all customers in relation to gender, age, disability, household make-up. We will analyse the data for customers who receive the service to identify any differences between these groups of customers and the customer profile as a whole. We will be analysing this data from now on and will consider any differences which are identified and take actions to improve our policy and procedures in response.

Q 4. Outsourced services – if the initiative is partly or wholly provided by external organisations / agencies, please list any arrangements you plan to ensure that they promote equality and diversity. *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

Referrals are made to external agencies, such as the Citizens Advice, who are committed to our Equality and Diversity Policy.

Q 5. Is the impact of the initiative (whether positive or negative) significant enough to warrant a full impact assessment – see guidance? If not, will there be monitoring and review to assess the level of impact over a period of time? *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

We do not perceive any negative impact that would warrant a full equality impact assessment – however if our monitoring identifies any significant impacts then we will revisit this decision.

Q 6. To be completed at six monthly review Detail actions taken to assess the level of impact over a period of time, or to address any gaps in data. *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

We will revisit this impact assessment in 6 months once we have reviewed the monitoring data against our customer profile – to identify if any actions required.

EQUALITY IMPACT ASSESSMENT