Rentplus Homes: Income Management Policy

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Approved by:	Rentplus Homes Ltd Board

1.0 Purpose

1.1. Rentplus Homes Limited **("RPH")** is committed to providing an efficient and effective income management service which maximises the income which is collected and collectable from rent, and other charges. This is to ensure that RPH can continue to deliver a high level of focused services to its residents.

1.2. RPH is also committed to working with our tenants and supporting them to sustain their tenancies.

1.3. The policy applies to all RPH properties and covers all current residents who may pay rent or other charges.

1.4. The key objective of this policy is to manage our income effectively, maintain a minimum level of debt and ensure the continued viability of the organisation. Our income management policy will always reflect good practices and meet legal and regulatory requirements.

1.5. When residents are facing financial difficulty, RPH aims to achieve a balance between supporting residents when they are in difficulty and taking firm but fair actions against these individuals. In cases of persistent warnings, RPH will take appropriate legal action to repossess the property.

1.6. On all RPH properties, the rent payments will be set and collected in accordance with the tenancy and our rent policy.

2.0 Legal and Regulatory Responsibilities

2.1 RPH income management policy is compliant with the legislative requirements of the:

- *General Data Protection Regulation* (*GDPR*) (EU) 2016/679
- Housing Act 1985, amended 1998
- Housing Act 1988, amended 1996
- Landlord and Tenant Act 1985
- Localism Act 2011
- Welfare Reform Act 2012

2.2 RPH 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 in April 2013).

3.0 Policy Scope

3.1 RPH is currently seeking to provide homes for rent to buy.

3.2 This policy applies to the income and recovery of:

- Rent
- Court Costs; and
- Other applicable charges under terms of the tenancy agreement

4.0 Approach

4.1 RPH is committed to promoting preventative action and financial inclusion by working with residents and its staff to promote a rent-first payment culture, prioritising rent payments above most other expenditures.

4.2 RPH stress the importance of rent payment as a condition of tenancy and emphasises that residents are responsible for paying the appropriate charge when it is due. This includes residents who receive benefits for some or all of their rent.

5.0 Arrears

5.1 RPH recognises that occasionally residents may have financial difficulties and be unable to pay their rent or other charges due. Residents who do not pay their rent or other charges are in breach of their tenancy which could lead to the loss of their home.

5.2 It is the responsibility of the RPH to assist in the recovery of arrears. In these cases, we will adopt a firm but fair approach to arrears recovery, offering all residents, where possible, clear, practical and affordable repayment plans.

5.3 We will be supportive of all customers experiencing financial difficulties and will always provide clear, consistent and practical information to customers about the implications of any failure to make payments in accordance with the tenancy. We will seek to negotiate mutually acceptable payment plans for repayment of arrears before taking enforcement action.

5.4 RPH will ensure the confidentiality of its residents and their circumstances when dealing with other agencies or individuals. Authorisation will be sought from residents before any information is shared with a third party. RPH will work with partner agencies to develop information-sharing protocols and joint working arrangements to facilitate this.

5.5 If these actions do not resolve the arrears, then RPH will proceed with the forfeiture of the tenancy agreement. If the court finds the resident guilty then RPH will repossess the property and evict the tenants.

5.6 RPH will establish and maintain relationships with the Department of Work and Pensions, local authority Revenue and Benefits departments, homelessness prevention teams, Citizens Advice, courts and other agencies to provide support and independent advice to residents in arrears.

5.7 RPH will promote financial inclusion through links to credit unions, banks and other affordable credit options. Residents in arrears may also be referred to specialist debt counselling agencies or internal money advice or tenancy support services.

5.8 Where residents are identified as having a particular need, vulnerability or disability, RPH will provide reasonable adjustments and give appropriate advice and assistance.

6.0 Former Tenant Arrears

6.1 RPH formal recovery procedure for former tenant arrears begins at the point that a tenant hands in the notice. As it is neither in the interest of RPH or the residents for arrears not to be cleared, RPH will offer preventative and support mechanisms to encourage an early settlement of the debt. However, RPH reserves the right to pass the collection of former tenant's arrears to a third party but will monitor the performance and action of any third party.

6.2 Legal action will be taken to recover a former tenant debt based on the principle of whether we can recover the money rather than whether we can obtain a money judgement.

6.3 RPH will assist the tenant with maximising their benefit entitlement for the notice period. When there is no agreement or a broken agreement, we will attempt contact within 15 days of the tenancy ending.

6.4 Tenants with arrears will not be able to transfer to another RPH property unless there are exceptional circumstances.

7.0 Payment

7.1 RPH encourages a positive payment culture amongst all residents and stresses the importance of rent payment as a condition of the tenancy agreement. The deposit and any payments due in advance will be stated in the tenancy agreement.

7.2 Payment by Standing Order is the most efficient method to collect income and reduce arrears administration. This will be of increasing importance where payment of housing costs through Universal Credit is made directly to the tenants. RPH will offer a wide range of payment methods, including some or all of:

- Telephone - Automated payment
- PayPoint (cash)
- Post Office
- Standing order

8.0 Frequency of Payments

8.1 Residents will receive clear information regarding any charges payable in respect of their home. This will include the frequency of the charge, amount payable and the reason for the charge.

8.2 Property rental charges are monthly in advance. Where cases are awaiting Universal Credit, a manual calculation will be completed to identify any payments will be due to the account. In these circumstances, the resident will be advised of any charges payable by them.

8.3 In recognition that some residents may require additional support to access welfare benefits they may be entitled to, RPH will provide appropriate advice where needed, including signposting to external agencies.

9.0 New Residents

9.1 At the point of the tenancy being signed, RPH will:

- Take the first contractual payment at sign-up or sale
- Reinforce the terms of rent and the importance of regular rent payments being made
- Provide information regarding the alternative methods of payment available
- Assist where appropriate with the prompt completion and submission of a housing benefit application
- Use a range of appropriate contact methods to recover arrears. Key contact will be supported by formal letters

10.0 Statements

10.1 Residents can obtain a copy of their rent statement with a clear breakdown of charges at any time. This may also be available in different formats or languages on request.

11.0 Changes to Charges

11.1 Residents will be informed of changes to rent and other charges at least one month before these changes come into effect.

12.0 Policy Management

12.1 The policy with be reviewed every three years unless legislation, business or sector developments require otherwise – to ensure that it continues to meet the stated objectives and take account of good practice developments.

12.2 Diversity information relating to residents in rent arrears will be reviewed to ensure that this policy and our services are accessible to all. Any concerns identified will be addressed and additional support or reasonable adjustments offered.

12.3 RPH will ensure that procedures are kept under review to reflect good practice and changes in legislation and regulation.

13.0 Background Documents

13.1 This policy should be read in conjunction with the following strategies and policies:

- Diversity and Equality Policy
- Rent Setting Policy
- Tenancy Policy