

Housing Income Management Policy

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Consultees

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Links to other documents

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Tenancy Agreement	
Tenancy Policy	
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1.0 Introduction / foreword

1.1 The Income Management Policy provides clarity to customers, elected members and staff on the setting, collection, and enforcement of Income across the Councils housing stock.

2.0 Scope

2.1 This Policy sets out the Council's Income Management approach with regard to all current and former accounts

Payment methods
 Rent Setting
 Rent (dwelling)
 Licence Charges/ Temporary accommodation (dwellings)
 Rent (garage)
 Temporary Accommodation
 Travellers' sites
 Services Charges
 Leaseholder Charges
 Rechargeable Accounts
 Court Costs

2.2 The Council's Policy for Income collection is based on the following principals:

Prevention of debt
 Maximising income
 Personal contact
 Signposting and support
 Consistent recovery and enforcement
 Prevention of homelessness

More detail on these principles is given in section 4.

2.3 The Council aims to ensure that all customers have a transparent and fair procedure in the collection of income.

2.4 The Council aims to achieve high standards of customer care and support for all customers, considering individual needs at any given time and signpost where relevant.

2.5 The Council will set all rents and charges in accordance with legislative requirements and standard guidance as directed by Central Government.

3.0 Local context

3.1 As at 1st April 2021, North Northamptonshire Council owned and managed 8,224 homes including 965 in sheltered schemes and 890 leasehold properties, Traveller sites, Temporary accommodation, Private Sector Leasing and the Transition project. Accommodation comprises of a variety of houses, flats, bungalows and maisonettes.

3.2 The income stream into the Council is needed to enable us to manage and maintain our housing stock. The revenue funds not only the day-to-day repairs and staffing costs, but also the major improvements to the stock and new homes being built.

3.3 The Council aims to make its rent and occupation charges as affordable as possible. Charges are set by several factors including Local Housing Allowance, property type and government legislation. A proportion of residents within the North Northamptonshire area will be affected by welfare reforms, such as the Under Occupation Charge, Universal Credit, Housing Benefit, and the Discretionary Housing Payment Scheme.

4.0 Principles

4.1 Prevention of debt

Preventing debt is a key aim of this policy. The Council will achieve this through early intervention and a customer centred approach. Clear communication will set out expectations and contact with customers will be encouraged to provide adequate advice and support to avoid debts escalating. This policy will focus on the importance of income collection, rather than penalising customers who are suffering financial difficulties.

When debts become apparent, we will work closely with customers to prevent them from escalating through affordable payment plans. Customers will be encouraged to engage with internal financial support services and professional debt advice agencies.

In cases where debts with other council departments become evident, such as Housing Benefit overpayments, customers will be made aware of the impact of these and be advised of the ways to overcome them.

4.2 Maximising Income

Where a customer is eligible for, or in receipt of benefits, colleagues will work with customers to ensure that they are supported to maximise their income. Internally, we will liaise with the relevant departments to ensure that payments made in relation to income collection are correct and actioned accordingly. When required, contact with Department of Work and Pensions (DWP) will be prompt to ensure the customer's income is processed.

The Council aims to maximise income for all tenants to protect the provision of services. A wide range of payment methods are offered to meet the diverse needs of our customers. We will work towards an affordable payment plan that is realistic. We will make full use of incentive schemes and welfare benefit

schemes to reduce arrears, such as Downsizing and Discretionary Housing payments to eligible customers.

4.3 Personal contact

The Council will conduct a financial assessment prior to allocation of the property and, when required throughout the duration of the tenancy, to ensure customers are aware of their financial liabilities.

Procedures will be reviewed and updated as required to reflect best practice, high standard of customer care and relevant changes such as legislation. To achieve effective income collection, focus will be on the prevention of arrears and enforcement options will be explored only when all other avenues are exhausted.

Any changes to account charges will be communicated to customers to prevent rent arrears.

Methods of contacting customers may include:

- Officer visits
- Office/Home interviews
- Telephone calls
- Text messages
- Letters
- Emails

The Council will contact customers directly and will also contact named persons who have been given the appropriate authority to act on their behalf. This includes power of attorneys and executors of estates. During any contact with a customer, officers will ensure that their personal contact details are kept up to date and recorded.

4.4 Signposting and support

Officers will treat each customer in a fair and consistent manner, sensitive to the individual circumstances. We may refer customers to internal tenancy officers and/or external financial support partners. Staff will maintain good relationships and work in partnership with other agencies to prevent debts and sustain accommodation agreements.

Examples of where joint working will be used can include homelessness prevention, Adult and Child Social Care, Mental Health Services, Citizens Advice Bureau, Step Change, Community Law and the Royal British Legion.

In all cases regarding income management, the expertise and advice offered is in the best interest of both parties for an agreed outcome to be achieved.

4.5 Consistent recovery collection

The Council will ensure that income collection is recovered in a consistent manner with action occurring at key stages during the operational procedures required to deliver this Policy.

We will actively work with our customers to agree and sustain affordable repayment plans before any enforcement action is considered to recover debt(s). These plans will be based on actual income and expenditure declarations with customers and focus on a repayment timeline with an agreed minimum payment amount.

Where contact with customers fail, recovery procedures will continue in the best interest of both parties, whilst continually attempting to make personal contact.

4.6 Prevention of homelessness

The Council is committed in the prevention of homelessness, and we will abide by the pre-court and pre-eviction protocols.

As part of these protocols referrals to the Housing Options Team will be completed. Where relevant, the Council will engage as necessary with external agencies such as, Community Law and Citizens Advice Bureau. Early intervention to prevent homelessness is at the forefront of the Council's vision.

5.0 Payment methods

The preferred method of payment is direct debit the Council currently accepts the following:

Cash office
Direct debit (weekly and monthly)
Standing Order
Online
Over the phone
Pay point (Kettering residents only)
Direct payment from Universal Credit

6.0 Rent Setting, Service Charge Setting and Annual Review

6.1 The Council will set rent for its housing stock in accordance with legislation and guidance from central government.

6.2 Annual rent review increase (or decrease) will be applied following consultation with the Tenant Advisory Panel and a Full Council decision.

6.3 New NNC HRA housing stock built with either capital reserves or Government funding will have its rent set in accordance with Affordable Rent guidance. Affordable rents will be capped at Local Housing Allowance (LHA) rates. This is carried out on each new letting and is specific for each property.

6.4 All new tenancies will be offered at target rent.

6.5 On occasions where the Council acts as a managing agent, we will set the rent alternative tenures where appropriate in discussions with the property owner(s).

6.6 The Council will set its Occupation charges for its temporary accommodation for its dwellings.

6.7 The Council will also raise variable service charges for services provided to tenants and leaseholders, in accordance with actual costs and government guidance.

7.0 Rent (dwellings) and Rent Arrears

7.1 The Council will predominately use social rent and affordable rent for its properties.

7.2 The rent for Council owned properties rent is charged in advance for 48 weeks.

7.3 Rent accounts will be monitored on a weekly basis. Low level arrears action will be taken before any issuing of formal Notices.

7.4 Notices will be served when debt levels reach the appropriate level in the rent arrears procedures.

7.5 Ways to gain independent legal advice will be formally offered to customers during the recovery process.

- 7.6 The Council will not write off any current tenant rent arrears.
- 7.7 Officers will ensure that policy and procedures have been followed before taking enforcement action. When enforcement action for arrears is necessary, customers will be kept informed, and will be actively encouraged to resolve arrears before any court hearing.
- 7.8 The Council will ensure customers have access to support.
- 7.9 Upon awarding of County Court Judgements, the Council will ensure that customers are aware of the terms and conditions of these.
- 7.10 Warrants for Eviction will only be considered by a Senior Officer when all other avenues have been exhausted.
- 7.11 A Senior Officer can be responsible for making a decision to withdraw a Warrant for Eviction application.
- 7.12 Charges will be applied when customers receive additional services where they live
- 7.13 Service charges are deemed part of the gross rent payable.

8.0 Licence charges/Temporary Accommodation (dwellings)

- 8.1 Rent is charged over 52/53 weeks of the year. Rent is due, in advance, on a Monday of each week.
- 8.2 Accounts will be monitored on a weekly basis. Any accounts that fall into arrears will trigger the Temporary Accommodation arrears recovery procedure
- 8.3 Low level arrears action will be taken before any issuing of a formal Notice. Should the debt be paid within the 28 days the Notice will become invalid and will be cancelled. Ways to gain independent legal advice will also be formally offered to customers at this stage. The Council will apply to the County Court for a Possession hearing.
- 8.4 The Council will ensure customers have access to adequate support.
- 8.5 When a Possession hearing is awarded by the County Court Judgement the Council will ensure that customers are aware of the terms and conditions of this order.

9.0 Rent (garages)

- 9.1 Rent is charged over 48 weeks and is due in advance, on a Monday of each week.
- 9.2 Accounts will be monitored on a weekly basis. Any accounts that fall into arrears will trigger the Garage rent arrears procedure.
- 9.4 Low level arrears action will be taken before any issuing of a formal Notice. Should the debt be paid within the 7 days the Notice will become invalid and will be cancelled.

10.0 Traveller's site

- 10.1 Accounts are charged over 52/53 weeks of the year. Charges are due, in advance, on a Monday of each week.

10.2 Accounts will be monitored on a weekly basis. Low level arrears action will be taken before any issuing of a formal Notice. Should the debt be paid within the 28 days the Notice will become invalid and will be cancelled. Ways to gain independent legal advice will also be formally offered to customers at this stage. The Council will apply to the County Court for a Possession hearing where required.

10.3 The Council will ensure customers have access to adequate support.

11.0 Leaseholder charges

11.1 Leasehold annual charges will be collected yearly, and repairs invoices will be added quarterly as completed. The Council will allow up to 14 days for payments.

11.2 Accounts will be monitored on a weekly basis. Accounts that fall into arrears will trigger the leasehold arrears recovery procedure.

11.3 Where outstanding debts are in excess of £1000 and where no arrangements have been made, legal actions may be taken. This may include application for a County Court Judgement to Forfeit the Lease and repossess the property. The Council may also contact the leaseholders mortgage company to raise concerns.

11.4 Additional Service Charges will be applied when customers receive additional services where they live. Examples include (but are not limited to) communal cleaning and lighting charges.

11.5 Service charges are deemed part of the gross rent payable.

12.0 Recharges

12.1 Recharge accounts will be raised when repairs are completed that are identified as a tenant responsibility.

12.2 Recharges will be raised for vacating tenants where required.

12.3 Accounts will be monitored on a regular basis. Accounts that fall into arrears will trigger the Rechargeable Repairs arrears recovery procedure. Court action will only be actioned if economical to do so.

12.4 In cases where recharge invoices are disputed by the tenant / leaseholder, a senior officer will review the case.

12.5 Recharge accounts will be raised for aborted appointments, missed call outs, access warrants and other agreed costs.

13.0 Court costs

13.1 Court costs will only be raised when the County Court has awarded them.

13.2 Court costs due form part of any Court order awarded by the County Court, and until both accounts are paid in full (satisfied) the order will remain in force.

13.3 Payments made onto accounts will be credited to the tenancy balance unless otherwise remade firstly onto main rent account and secondly onto Court costs accounts.

14.0 Former customer accounts

- 14.1 The Council aims to minimise the losses from former customers where accounts end.
- 14.2 Accounts will be monitored on a regular basis. Officers will follow the former arrears recovery procedure to collect any outstanding former debts. An application for a Money Judgement Order maybe considered if economical to do so.
- 14.3 Officers will use a variety of methods to trace Former customers to try and establish a new address.
- 14.4 When all recovery methods have been exhausted, debts will be submitted for write off.
- 14.5 The Council will agree to affordable repayment plans, when debts can't be paid in full. Where repayment plans cause financial hardship, Officers may use discretion to amend the payment plan.
- 14.6 Ways to gain independent legal advice will be formally offered to customers during the recovery process.
- 14.7 Disputes for Former accounts can be submitted to the Landlord Services department for consideration.

15.0 Deceased accounts

Where debts are in respect of a deceased tenant action will be limited to contacting the next of kin or executor to claim against the estate. If the deceased has no estate, the Next of Kin or executor will be asked to complete the relevant documentation and the debt can be submitted for write off.

16.0 Writing off debt

When all recovery methods have been exhausted and the former tenant debt is no longer economical to pursue, we will give consideration for it to be written off.

All cases will be submitted to the Income Team Manager to ensure all necessary action has been taken before approval.

We will consider when a debt may be written off, categorised as follows:

	Title	Comment
1	Deceased - no estate	No funds left in deceased customer's estate - confirmation received from the executor and/or in receipt of means -tested benefit
2	Deceased - partial payment	No funds left in deceased customer's estate following partial payment
3	Deceased - no response	No response from the executor
4	Deceased - no details	No executor details known and unable to trace
5	Low level debt - uneconomic to pursue	Small debt - presented to Senior Manager write off
6	No response and uneconomic to pursue	Smaller debt where initial enquiries to trace debtor are unsuccessful and further enquiries uneconomic
7	Unable to trace	Debtor cannot be traced

8	Aged debt	Should the creditor fail to maintain contact with the debtor for a period of 6 years or more, the outstanding debt is 'Statute Barred' under the conditions of the Limitations Act 1980
9	Debt collectors unable to recover	Referral to external debt collection agency, their recovery actions unsuccessful
10	Recovery inappropriate - debtor's circumstances	Recovery not appropriate due to the debtor's circumstances
11	Recovery inappropriate - North Northants responsibility	Recovery not appropriate due to North Northants procedural error causing or contributing to the debt
12	Bankruptcy/Debt Relief Order	Former debt included in bankruptcy/DRO proceedings

17.0 Reinstating debts after write-off

Should former customers be traced, a debt will be re-instated and recovered according to the Former Arrear Recovery procedure. Where the tenancy was in joint names each debtor is jointly and severally liable for the debt, recovery action will be pursued against all liable individuals.

Former Debts re-instated over 6 years old will not be collected through the Courts. Officers will continue to follow the Former arrears recovery procedure.

18.0 Refunds

18.1 When a current account is in credit by more than a week in advance, customers can request a refund. Refunds will be processed only if there are no other debts outstanding to other Council departments. These will be paid before any refund is issued. All refund requests will aim to be processed within 28 days. When/if approved, the refund will be paid into the customers chosen bank account or via cheque payment.

18.2 Customers who have credit on their former accounts can request a refund. All requests will aim to be processed within 28 days. Checks will be completed to ensure that there are no outstanding balances to other Council departments. If debt(s) with other departments are found, these will be paid before any refund is issued to the customer.

18.3 When a customer is deceased the Next of Kin or executor can request the refund. In cases of any dispute concerning the credit, this should be raised with the Housing Income Manager for investigation. Checks will be completed to ensure that there are no outstanding balances to other Council departments. If debt(s) with other departments are found, these will be paid before any refund is issued to the Next of Kin/Executor.

19.0 Complaints

Complaints will be investigated and responded to in line with our Corporate Complaints Policy.

20.0 Equalities Statement

We recognise the needs of a diverse population and always acts within the scope of its own policies, The Human Rights Act 1998 and The Equalities Act 2010.

21.0 Legislation and Guidance

Relevant legislation and guidance includes:

- The Housing Act 1985
- The Housing Act 1996
- The Homelessness Reduction Act 2017
- The Protection from Eviction Act 1977
- The Landlord and Tenant Act 1985
- The Domestic Abuse Act 2020
- The Human Rights Act 1998
- The Equality Act 2010
- The Localism Act 2011
- Housing Benefit Regulations 2006
- Welfare Reform Act 2012
- General Data protection Regulation 2016
- Rent Standard guidance