

Income Collection Policy

1.0	SCOPE
	Purpose
1.1.	This document sets out whg's Policy towards income collection, ensuring that income into the business is maximised and, where possible tenancies are sustained. It applies to collecting rent and/or service charges and debts arising under tenancy agreements, leases and licenses.
	Legal and regulatory framework
1.2.	The key legislation in relation to tenancies is the Housing Act 1988 as amended by the Housing Act 1996, which contains the Grounds for Possession.
1.3.	When taking possession action against customers the Pre Action Protocol for Possession Claims by Social Landlords must be adhered to.
1.4.	The Landlord and Tenant Act 1985 defines a service charge and sets out the requirements for reasonableness and prior consultation of leaseholders. The item or service must be included in the lease to be chargeable and, therefore, recoverable.
1.5.	The County Court Act 1984 and the Civil Procedure Rules and Directions allow for and give directions on how debts can be recovered in the county court.
1.6.	The Regulator of Social Housing's (RSH) Tenancy Standard states Registered providers must support tenants to maintain their tenancy or licence. Where a registered provider ends a tenancy or licence, they must offer affected tenants advice and assistance. The Transparency, Influence and Accountability Standard requires Registered Providers must treat tenants and prospective tenants with fairness and respect and must take action to deliver fair and equitable outcomes for tenants and, where relevant, prospective tenants. Registered providers must also ensure that communication with and information for tenants is clear, accessible, relevant, timely and appropriate to the diverse needs of tenants.
2.0	POLICY STATEMENT

	Arrears action
2.1.	whg aims to ensure that customers have successful tenancies/leases and are provided or signposted to the most appropriate support to achieve this. whg will make sure that the customers' responsibility to maintain their contractual payments is clear and if there is a risk to payments being made, the customer is clear who to contact for support. Where a customer does not proactively contact whg when one or more payments are missed or there is a risk of a payment being missed, whg may use multiple communication channels to contact the customer to obtain engagement.
2.2.	Although whg understands that approaching whg colleagues to discuss financial matters can be difficult, whg expects the customer to proactively get in contact as soon as there is a potential there may be shortfall in payment. This early indication of financial issues enables whg to support the customer as soon as possible and attempt to minimise the debt or financial impact.
2.3.	New customers will be required to pay in line with their tenancy agreement or lease which, may be a payment in advance from the start of their tenancy. This is to ensure that at no point during their payment cycle their rent account is in arrears and, therefore, in breach of their contractual terms. This is the case for all customers, including those claiming benefits. Payments in advance will be determined by the frequency the customer pays. For example, monthly payers will need to pay a month in advance, customers who pay every two weeks will pay two weeks, and weekly payers will pay a week. Where it can be evidenced, a lump sum payment to bring the account into advance will leave the customer in financial hardship, whg aims to work with the customer and provide options to bring the account into credit over an agreed period. Failure to cooperate with whg during the application and offer stage may result in an offer of a home being withdrawn, in line with our Allocations Policy.
2.4.	whg aims to consider the personal circumstances of customers when making agreements during the arrears recovery process. The circumstances of the customer and the levels of engagement may determine the course of action whg takes to recover the debt. Colleagues are empowered to utilise their skills in determining what process is most appropriate taking into account each unique set of circumstances a customer may have. This may or may not involve legal action depending on the levels of positive engagement from the customer which is explained in section 2.8.
2.5.	whg will seek to use a proactive data-led approach to identify households that may be at risk of arrears even if they are not currently. This is so tailored, and proactive interventions can be made to support the customer and prevent financial hardship. whg will continually seek to identify

	opportunities to implement technology to target proactively as well as using reactive interventions.
2.6.	An agreement/arrangement is a mutually agreed payment plan to pay off arrears or bring an account into advance that has been discussed with the customer. Colleagues at whg will review a customer's financial circumstances and work with the customer to set a manageable agreement. This may vary from customer to customer depending on the circumstances and their household's income and expenditures.
2.7.	When negotiating arrears agreements with a leaseholder or freeholder, they will be asked to clear service charge arrears by the end of the financial year. Agreements to pay large amounts for improvement recharges may be negotiated over a longer period, but the starting point will always be to request payment in full as per the lease arrangements. Where the customer will not pay or a suitable agreement is not reached, the mortgage company (where there is a mortgage) will be asked to clear the debt. Alternative legal action may be taken if there is no mortgage on the property.
2.8.	<p>whg see eviction as the last option in the arrears recovery process and will attempt to work with the customer to prevent this from happening. whg aims to engage with the customers through multiple channels to ensure that the customer is given many opportunities to work with whg to sustain their tenancy. If a customer engages positively with whg, whg will not proceed to eviction on the grounds of rent arrears. Examples of positive engagement are;</p> <ul style="list-style-type: none"> • Responding to communication from whg regarding rent or service charges and acting upon the request. • Maintaining their agreement and arrears consistently reducing. • Updating whg colleagues with any change of circumstance which may impact their ability to pay and acting upon the guidance given by either whg or an independent debt advice service. • Informing whg when a payment commitment cannot be made with a genuine reason why and working with whg to put a plan in place. • Attending appointments with services deemed appropriate which may improve the customer's financial position. These services could be internal, such as whg's Money Advice Team, Stronger Communities Team, or external partners, such as Citizens Advice or the Local Authority. • Acting upon advice to contact the Local Authority or DWP to ensure their housing entitlement and/or benefits are maximised and processed. <p>The above will only be considered positive engagement if it is consistent and timely. The Income Team will determine whether a customer has been positively engaging and, therefore, no legal action to be taken. This will be</p>

	done on a case-by-case basis, considering the customer's circumstances and any vulnerabilities.
2.9.	Customers with leases (excluding Shared Owners) or freehold covenants to pay service charges or estate charges will be signposted to external Money Advice if they fall into arrears. All other customers, including Shared Owners, will be offered whg's Money Advice Service if whg are made aware they are experiencing financial hardship or require support.
	Legal Action
2.10.	If a customer does not positively engage as outlined in section 2.8. whg may commence legal proceedings, which will result in a recharge of court costs being applied to the customer's rent account to be paid. Legal action is generally taken as another way to encourage engagement and for a legal arrangement (court order) to be put in place to secure payment where other means have failed. There may be instances where the customer does not maintain their court order and whg may proceed to eviction and gain possession of the property. Where an eviction is to take place, whg will make every attempt to engage with the customer during this process to avoid the eviction going ahead. whg will also signpost the customer to external services with the aim to avoid homelessness once whg gains possession of the property.
2.11.	whg will use the appropriate grounds to enforce a tenancy if legal action is required, allowing courts to decide the most appropriate order to serve. Ground 8 is a mandatory Ground for Possession, which means that the Court does not have any discretion to adjourn or suspend the case and can only make an outright order for possession if the Ground is proven. For this reason, before issuing a notice using Ground 8, approval from the Director of Housing and Customer Services is required.
2.12.	As whg has a commitment to only utilise the eviction process where all other appropriate methods of engagement have failed, the Income Collection team requires approval prior to any eviction taking place. The case must be presented to the Eviction Prevention Panel and if the panel upholds the decision to proceed to eviction, the Director of Housing and Customer Services must approve this action prior to bailiffs attending the property.
2.13.	Where legal action is taken against leaseholders, a money judgment will usually be sought to secure the debt. Forfeiture of the lease will usually only be sought where there are serious breaches of the lease in addition to rent arrears and only where the lease allows for it. If the leaseholder disputes or whg wishes to prove the reasonableness of the service charge or improvement charge, the case will first be heard by the First Tier Tribunal. The tribunal only has the power to determine reasonableness; a money judgment can only be made by the County Court.

2.14.	<p>Once an order for possession or a money judgment has been obtained, whg will use the most appropriate enforcement action from the following list, depending on the customer's circumstances and the type of occupancy agreement.</p> <ul style="list-style-type: none"> • Warrant of possession (eviction – tenants only) • Warrant of control (collect money or goods) • Attachment of earnings (payments direct from the customer's wage/salary) • Third party debt order (against a bank or other third party to pay money owed by the customer from their bank account or other) • Charging order (against the property - leaseholders or other homeowners only)
	Methods of Payment
2.15.	<p>whg will offer a range of payment methods that allow for customer preferences and requirements. Where appropriate, whg will encourage customers to either self-serve through whg's portal or via an automated and regular payment method such as direct debit.</p>
2.16.	<p>Although direct debit is whg's preferred payment method and a contractual obligation in all new tenancy agreements, whg recognise that this payment method is not always appropriate for the customer. If it is established that direct debit is not the most appropriate option for the customer, we will discuss an alternative.</p>
2.17.	<p>If a customer receives Universal Credit (UC), whg may work with the customer to obtain an Alternative Payment Arrangement (APA) where the customer's housing entitlement is paid directly to whg from the Department of Work and Pensions (DWP). whg will only request this if the circumstances align with the criteria set by the DWP. whg may also request a managed payment/arrears deduction from the DWP to contribute to the arrears. whg aim to only request this with prior agreement from the customer, however, if a customer does not positively engage, we may request this from the DWP without agreement to prevent legal action or eviction. The DWP will determine whether whg meets the criteria for a managed payment and approve accordingly. whg will only apply for this if the customer fails to positively engage or we fail to establish a payment plan (agreement) with the customer.</p>
	Priority of debt repayments
2.18.	<p>When payment is received from a customer with multiple debts, payment will generally be offset against the debts held by the customer in the following order unless the customer specifically states that the payment should go towards another debt:</p>

	<ul style="list-style-type: none"> • Current main account • Current account court costs • Rechargeable repairs attached to current accounts • Former account • Former account court costs • Rechargeable repairs attached to former accounts
2.19.	Leaseholders will be expected to make payments to their current main account and their recharge account concurrently.
2.20.	If a customer becomes eligible for compensation or other payment from whg, whg reserves the right to use this payment to clear or contribute to outstanding arrears.
	Write Off
2.21.	<p>Where it is determined that a debt a former customer holds is unrecoverable or uneconomical to pursue, it may be written off. Examples of these circumstances are:</p> <ul style="list-style-type: none"> • Bankruptcy or Debt Relief Orders – debts included in these orders must be written off as they are generally not recoverable. • Debt that has been static for a long period of time where all efforts to collect have failed. • Debts where recovery has been unsuccessful or would cost more in resources to collect than would be recovered. • Following the death of a customer where there is no estate to clear the debt. <p>If an account is in credit and a former customer cannot be located it will be written off. If the customer is located after the credit has been written off, they will be entitled to any credit that was written off.</p>
2.22.	Write offs require approval from the relevant colleague depending on the level of the debt to be written off. These levels are specified within whg's Financial Delegations.
2.23.	Debts that have been written off will be reinstated onto the former rent account if circumstances change and it becomes economical to pursue them. Examples of this include when a former customer rejoins the housing register or is nominated by the local authority, and whg would want to pursue collection of this debt before any property offer being explored.
3.0	PERFORMANCE MEASURES

3.1.	Current arrears are a key KPI and are reported to GEXEC, Customer Service Oversight Committee and Group Board. Levels of debt and trends are monitored by the Income Collection Team monthly. An annual report regarding write off's is produced for Audit and Assurance Committee.
3.2.	If a Ground 8 notice is served, an annual report will be presented to the Customer Service Oversight Committee and the whg Board advising of the number of cases where Ground 8 for Possession has been used and under what circumstances.
4.0	EQUALITY AND DIVERSITY
4.1.	whg will only act or decide the most appropriate action based on a customer's financial circumstances and levels of engagement. There will be instances where some customers will be eligible for financial support from the Government or Local Authority however these rules are governed by their own Policies and eligibility. whg appreciates that some customers will need more support to maintain their tenancy than others. whg aims for every customer who requires support be given the right guidance based on their individual circumstance, which may vary from person to person. An Equality Impact Assessment (EIA) has been completed for this Policy.
5.0	TRAINING AND DISSEMINATION
5.1.	The new Policy will be distributed across all teams that interact with customers throughout their journey with whg. If required, the Income Team will be a key contact for any colleague that may need guidance in supporting customers with their rent account. The Policy will also be made available to customers on whg's website.
6.0	MONITOR AND REVIEW
6.1.	This Policy will be monitored by the Director of Housing and Customer Services and reviewed every three years by the Policy Group or earlier if there any changes in legislation.
6.2.	whg undertake an accreditation each year conducted by Housing Quality Network (HQN) called MIST (maximising income, sustaining tenancies). During this accreditation this Policy is reviewed to ensure it is fit for purpose and compliant. Feedback from the most recent MIST accreditation in November 2023 has been integrated into this Policy review.
7.0	ASSOCIATED DOCUMENTS, POLICIES AND PROCEDURES
7.1.	Documents, policies and procedures associated with this Policy are: • Money Advice Policy

	<ul style="list-style-type: none"> • Pre Action Protocol for Possession Claims by Social Landlords • Allocations Policy • Restricted Access Policy • Tenancy Policy • Lodgers, Subletting and Tenancy Fraud Policy • Mutual Exchange Policy • Rent and Service Charge Policy • RSH Rent Standard
Document author	Assistant Director of Housing - Customer
Document owner	Director of Housing and Customer Services
Legal advice	None required
Consultation	Customer consultation, Income and Housing colleagues
Approved by	GEXEC May 2024
Review Date	April 2027
Our Plan transformational projects	<ul style="list-style-type: none"> • Data driven decisions • Forward thinking services • Social justice – transforming lives
Equality Assessment	
Key changes made	<ul style="list-style-type: none"> • Changes in language due to feedback from customers • Simplifying sentences due to feedback from customers • Actions from Assurance Audit to remove write off amounts