

HFL Homes Income Management Policy

Introduction

This policy covers the aims and objectives of Homes for Lambeth (HFL) in its approach to the recovery of rent arrears and associated charges.

Rent arrears in the context of this policy relates to:-

- All arrears of rent owed by current HFL tenants including water rates and other service or amenity charges.
- Legal costs owed by current tenants that have accrued as a result of possession proceedings being taken against their tenancy.

HFL recognise the need to ensure that there are effective measures in place to enable the service to appropriately manage rent arrears and achieve the objectives of maximising income collection, minimising rent arrears and ensuring the organisation is on a firm financial footing.

We will manage rent arrears voids in compliance with the Housing Regulator's Standards as set out in "The Regulatory Framework for Social Housing in England from April 2012" as updated in 2015 and 2018 and associated guidance documents.

Context

HFL is a newly established organisation that in looking to become a Register Provider (RP) and take a lease on the 70 new affordable homes being built at Lollard St, Lambeth. It is also purchasing the head lease of a number of private sale homes in the borough.

HFL will be providing housing in Lambeth, which is a very diverse borough with a large BME community. The population is mobile and changeable, and deprivation in the borough is widespread. Many of the residents have complex support needs, with Lambeth having one of the highest prevalence of mental health cases in London.

Aims and Objectives

This policy is designed to assist HFL and its managing agent in the management of rent arrears, to achieve our objectives of maximising income, minimising arrears and facilitating top quartile performance.

- HFL will seek to manage rent arrears in a proactive, efficient, effective and innovative manner, putting in place the clearly documented systems required to deliver a timely, informative and customer focused service to our tenants, along with the framework to ensure the appropriate management of information to enable staff to take necessary arrears prevention and / or enforcement action within reasonable timescales.
- HFL will seek to maximise rental income through the consistent promotion of a payment culture amongst tenants with the intention of preventing tenants from getting into arrears in the first place and, where arrears already exist, to minimise and reduce the amount of arrears already owed.
- HFL will aim to sustain tenancies, using court proceedings and / or eviction as a last resort. HFL will focus upon preventing arrears by providing tenants with the information, support and advice required to maximise their income and to prevent, minimise or manage debt. This is a key aim as many of our tenants are adversely affected by changes to welfare benefits that came into effect from April 2013 and the introduction of Universal Credit.
- We will ensure that our tenants and their representatives are treated equally, fairly and with respect by a customer focussed service. Information in relation to rent arrears will be accurate, easy to understand and contain clear information in relation to repayment options, methods of payments available and relevant support and advice agencies.

- We will tailor our rent recovery process to recognise the needs of vulnerable tenants. Where appropriate we will make a recommendation to write-off arrears in cases where genuine hardship or vulnerability issues exist.
- We will ensure that effective liaison arrangements are put in place with key partners such as Lambeth Revenues & Benefits Service and Lambeth Social Services to help provide a more efficient rent recovery service through the promotion of an ethos of cooperation and partnership working.

Legal Framework

We have reviewed the Rent Arrears policy to ensure that it is compatible with and compliant to current legislation.

Recovery Procedure

This policy should be read in conjunction with our Rent Arrears Escalation Procedure. This details in more depth the stages in the process for managing and recovering rent arrears.

The Rent Arrears Escalation Procedure covers:

- The sign-up process for new tenants.
- The prevention work-stream process used to manage low-level arrears cases.
- The enforcement work-stream process used to manage more serious arrears cases that require legal action.

When appropriate, we will also work with external agencies to maximise the effectiveness of the documented recovery process by undertaking specific targeted arrears recovery work designed to increase income.

Housing Benefit

Approximately 65% of tenants in Lambeth are currently in receipt of either full or partial Housing Benefit, with a wide disparity between take-up levels in different areas of the borough and a lower than average take-up when compared to similar inner-London local authorities. We will aim to ensure that the take-up level amongst our tenants are more closely in line with those of neighbouring local authorities to Lambeth and our peers.

HFL and its managing agent will put in place measures to ensure that new and existing tenants are encouraged to claim any Housing Benefit that they may be entitled to. During the sign-up process new tenants will be assisted by staff to submit an application for Housing Benefit; existing tenants in rent arrears will be encouraged to claim Housing Benefit if it becomes apparent that they may be an entitled.

HFL will work closely with the Lambeth Revenues & Benefits Service in order to promote a strong working relationship. A formal Service Level Agreement will be considered, which sets out agreed service standards. Meetings between HFL, its managing agents and Lambeth Revenues & Benefits will be arranged as required to resolve any outstanding issues and develop improvements.

HFL will work with Lambeth Revenues & Benefits Service to deliver take-up campaigns, joint outreach surgeries and specific initiatives to enhance benefit payment levels.

Tenancy Sustainment

HFL recognises the need to ensure that its rent arrears policy emphasises a proactive, preventative approach that encourages stability for low-income households. This has become more important given welfare benefit changes that came into effect from April 2013 and the introduction of Universal Credit.

We are committed to sustaining tenancies whenever possible. Legal proceedings and evictions will only be used as a last resort when all other available options to collect arrears have been exhausted.

We recognise the need to offer a co-ordinated multi-agency approach to providing advice regarding rent arrears and other debts. All staff directly involved with the arrears management process will receive debt advice counselling training.

We will participate, as appropriate, in debt-advice surgeries that have been introduced with the Lambeth Debt Project. We will actively promote support programmes and agencies relevant to HFL tenants including:

- Every Pound Counts – The London Borough of Lambeth’s initiative which provides welfare benefits advice to encourage income maximisation.
- National Debt Helpline – Free telephone service which provides confidential and independent advice on how to deal with debt problems.
- Lambeth Citizens Advice Bureau – Free independent advice service that can provide welfare benefit, Housing Benefit and debt advice.
- Centre 70 – Free independent advice service that can provide welfare benefit, Housing Benefit and debt advice.
- Lambeth Law Centre – Independent legal advice service able to assist with legal advice with regard to Housing Benefit, welfare benefit and rent arrears possession proceedings.

HFL’s aim is to maximise rental income collected. At sign up, new tenants are required to pay rent a week in advance if in full time employment. If they are in receipt of benefits, they will be required to pay £30 (thirty pounds) towards their rent account and make a subsequent arrangement to pay £15 (fifteen pounds) a week until their account is a week in credit. As such we positively support initiatives which are designed to assist tenants in maximising their income and enabling tenants to prioritize their debts in order to pay their rent.

We recognise that in certain cases where genuine hardship can be proven that it may be in HFL’s interest to write-off some or all arrears owed by a tenant in order to enable their tenancy to be sustained. In these situations, each case should be looked at upon its merits and Debt Write-Off may need to be considered.

Vulnerability

We will take into account the specific needs of different groups of residents in considering the delivery of the rent arrears service and in determining the approach to arrears enforcement action taken.

We will endeavour to provide or signpost appropriate housing support services to vulnerable residents and liaise with other agencies about their particular care and support needs.

HFL or its managing agent involved with the rent arrears process will provide assistance to vulnerable tenants in order to ensure that appropriate support measures are put into place to assist them with managing their rent account and / or arrears, with the aim of preventing vulnerable tenants from being put at risk of losing their home.

We recognise that in certain cases where genuine vulnerability can be proven that it may be in the HFL’s interest to write-off some or all arrears owed by a tenant in order to enable their tenancy to be sustained. In these situations, each case should be looked at upon its merits and debt write off may be applied.

Payment Methods

HFL is committed to providing a wide variety of rent payment methods for its tenants. These take into account both traditional and more modern payment options and are designed to meet the needs of all our tenants.

Methods of payment include:

- Swipe Card via PayPoint or similar
- Direct Debit
- Standing Order
- Internet payment via our website
- Automated Telephone payment line
- By Post via cheque payment

We will develop our payment options with the aim of actively promoting the most cost effective methods of rent collection.

Partnership Working

We are committed to putting in place the framework required to enable effective close working with its partners to support the delivery a high performing fully joined-up rent arrears service.

We will ensure that Service Level Agreements and liaison processes are place with key Council service areas as appropriate such as Revenues & Benefits that enable the sharing of information to ensure that we achieve our respective objectives and the creation of agreed service standards to ensure timely and effective liaison.

Performance Indicators

HFL will publish annual performance targets for the management of rent arrears.

Performance Monitoring

HFL will carry out regular monitoring of our performance in relation to rent arrears in order to ensure that progress is being made against the annual performance targets and will share this information in a variety of formats to meet the requirements of stakeholders. This will include:

- The provision of regular reports to the Board.
- The provision of regular information to residents through area newsletters and our website.

Equalities and Diversity

We do not discriminate against residents regardless of their race, religion, language, ethnicity, gender, sexuality, age, health or disability, location, political or immigration status.

We recognise that vulnerable tenants have housing related support needs and will work with agencies to equip those needs.

HFL and its managing agent will work in accordance with the organisation's Equality and Diversity Policy, ensuring that appropriate advice and assistance is given to those disadvantaged in the community, and that adequate translation and interpretation facilities, large print material, Minicom, induction loops etc are available. All actions carried out are in accordance with the provisions of the Human Rights Act 1998.

Training and Promotion

We recognise that the success of this policy and the proper implementation of a Rent Escalation Procedure is largely dependent upon the knowledge and ability of the staff delivering it.

HFL will publicise this policy to staff and its managing agent and residents through the use of its website, and through policy briefings during dedicated training sessions.

Implementation and Review

The overall responsibility for the approval of the Rent Arrears Policy will lie with the Board.

The effective implementation of the policy and management of the service in line with the policy will be the responsibility of a senior member of HFL team. This person will also be responsible for reviewing this policy on a biannual basis. This will enable HFL to reflect any future legislative changes and reflects its aim of delivering a service that is based around continuous improvement.

Sept 2018

HFL Policy Name:	HFL Homes Income Management Policy
HFL Policy Owner:	HFL Operations Manager
Applies to:	HFL Homes Review (as appropriate) & Approval required for rest of Group.
Policy Compliance:	Annual Review
Policy Review Cycle:	Every two years (min or as per legal/regulatory requirements). Next review September 2020
Version Control/Audit Trail:	
	DRAFT 1.0
Version 1.0	Adopted by HFL Homes Board 13 September 2018