



**Melton
Borough
Council**

Income Management Policy

Author:	Tenancy Services Manager
Owner:	Assistant Director Housing Management
Version No:	1.0
Date:	September 2022

Approvals

Designation	Title	Date of Approval	Version
Portfolio Holder	Income Management Policy	20.12.2022	1.0

Distribution:

Title	Date of Issue	Version
Portfolio Holder	20.12.2022	1.0
Website		1.0
MIKE		1.0

Contents:

Paragraph	Heading	Page
1.0	Policy Principles	4
2.0	Summary	4
3.0	Policy Statement	5-7
4.0	Associated Legislation, National Standards and Regulation	7
5.0	Monitoring, Evaluation and Review	8
6.0		
7.0		
8.0		
9.0		
10.0		
11.0		
12.0		
13.0		
14.0		
15.0		
16.0		
17.0		
18.0		
19.0		
20.0		
21.0		

1. Policy Principles

Melton Borough Council manages approximately 1800 homes across the borough, and it is essential that there is a robust income management process to ensure that we have a stable and secure Housing Revenue Account to allow us to provide the services to our customer.

It is essential that all efforts are made to recover monies owed to the Council in the forms of current and former tenant arrears. We will take all reasonable steps to trace and pursue tenants who have outstanding housing related debts with the Council.

This policy and procedure will be applied to ensure that there is early contact and support to prevent arrears accruing and that the tenant or licensee can receive the right advice at the earliest opportunity.

When appropriate, legal action will be taken to minimise arrears increasing, seeking possession of the property where required. This action must be reasonable, proportionate and adhere to statutory requirements.

2. Summary

Aims & Objectives

2.1 Aims

- 2.1.1 The aim of this policy is to sustain tenancies by offering a fair and balanced approach to the collection of rental income, and to ensure that early intervention measures are adopted in all instances.
- 2.1.2 Possession action should be used as a last resort, and only where all other methods of intervention have failed.
- 2.1.3 The policy aims to be fair and consistent, whilst also being efficient and effective in its approach.

2.2 Objectives

- 2.2.1 To prevent rent arrears accruing.
- 2.2.2 To clarify the process for dealing with current tenant arrears.
- 2.2.3 To summarise the assistance Melton Borough Council can provide for tenants to assist them with paying the rent and clearing their debts.
- 2.2.4 To prevent homelessness and promote tenancy sustainment.

3 Policy Details – Approach

- 3.1 Melton Borough Council will collaborate closely with other council departments and services along with outside agencies to ensure early intervention measures are adopted and timely referrals are made where appropriate.
- 3.2 We will focus on money management and preventative support/ advise for our customer so help them from falling into arrears early in the tenancy and before it gets to the stage of a Notice of Seeking Possession. We will look to create a payment culture with our customers. This will be through:
- Outlining rental responsibilities to tenants as soon as they are accepted onto the waiting list.
 - Encouraging tenants on the waiting list to save up a deposit to put their account into credit when they are allocated a property.
 - Pre-Tenancy workshops to prepare those on the waiting list for the tenancy.
 - Ensuring that tenants on the waiting list with rent arrears have cleared their account before they are offered a property (as in line with our Allocations Policy).
 - Completing pre-tenancy interviews with incoming customers to check for inform them of:
 - i. Any support concerns
 - ii. Any referrals or signposting that might be required
 - iii. Inform them of any affordability concerns
 - iv. Inform them of the need to prioritise rent above other debt/ payments
 - v. any opportunities maximisations there benefits or income.
 - Mutual exchanges will be refused in line with s. 92 of The Housing Act (1985) where tenants have rent arrears.
 - Assignments to the tenancy will be refused where tenants have rent arrears.
- 3.3 We will encourage customers to get into a habit of making sure their rent account is in advance to enable them to have a cushion on their account should their personal circumstances change.
- 3.4 Wherever possible we will encourage customers to pay by direct debit as our preferred method. Will always be open to other options that might be suitable for our customers, so as not to exclude them.
- 3.5 The Council's Housing Options Team, in line with the Homeless Reduction Act 2017, will be notified of all cases where the customer may be threatened with homelessness.

- 3.6 Where a customer is considered vulnerable Melton Borough Council will collaborate closely with them to avoid possession action where possible, and each case will be referred to the Case Management Team or other support services before any eviction order is sought.
- 3.7 Our primary aim is to recover the debt rather than taking possession action, and evictions are to be considered a failure rather than a success. However, it is recognised that there will be instances where possession action or evictions are unavoidable.
- 3.8 All legal income action against a current tenancy will need to be approved by the Tenancy Service Manager, Assistant Director of Housing or the Housing and Communities Director.
- 3.9 Melton Borough Council will ensure that it fully complies with the Pre-Action Protocol for Possession Claims by Social Landlords before any court applications are made, and wherever cases will be processed through the PCOL (HM Courts & Tribunals Services – Possession Claim Online).
- 3.10 All possession action must be proportionate to the debt owed to prevent tenants from being unnecessarily drawn further into debt with the addition of court costs.
- 3.11 Melton Borough Council will ensure that all tenants with an entitlement to housing benefit (HB) make prompt claims, and where necessary will help complete an application. The Income and Tenancy Sustainment Officer will then monitor each case regularly to ensure there are no delays within the claim which could have been avoided.
- 3.12 Tenants needing to make a claim for Universal Credit (UC) will be directed towards the Department for Work and Pensions website (DWP) to make their online claim. Where a tenant is identified as being vulnerable and unable to get alternative assistance to make a claim, the rent advisor / financial inclusion officer will help and will notify the DWP ‘vulnerable work coaches’ of the case.
- 3.13 Staff will closely monitor UC claimants to ensure they are paying the rent on time and will offer guidance and assistance to the most vulnerable and those facing financial hardship.
- 3.14 Where appropriate staff will apply for an Alternative Payment Arrangement (APA) through the Landlord Portal for any tenant who is unable to manage their money or budget appropriately. These will be monitored, and tenants will be removed from the service when, or if, it is felt they can take responsibility for paying the rent themselves.

- 3.15 All staff are trained in basic debt advice and can offer advice and assistance to any tenants falling into arrears, making arrangements with them to pay off the debt rather than seeking possession action where it is appropriate to do so.
- 3.16 Where customers require more specialist debt advice they will be referred/signposted to the local Citizens Advice Bureau (CAB), Case Management or other specialist support.
- 3.17 The Council will ensure that all debt relief orders, breathing space orders and bankruptcy orders are reviewed and complied with when received from a customer.
- 3.18 The Council's policy is to pursue all former arrears except where to do so is not cost effective. In all cases, the prospects of potential recovery of any former tenant debt will be assessed initially, and cases will also be reviewed and monitored regularly together with cost of any legal action to ensure value for money. Former tenant debt will be managed and collected via Melton Borough Councils Revenue's Team, so ensure a consistent approach to collect these debts in line with our Corporate Debt Policy. All former debts that prove to be irrecoverable will be Debts over £2500 this figure will need to go to Cabinet as per our financial regs. Records of written off debts are retained by the Council so that future recovery action is still possible if the former tenant reapplies for housing later'
- 3.19 Under General Data Protection Regulations (GDPR) which came into force on 25th May 2018, tenants will need to consent to any support before a referral is made to an outside agency.
- 3.20 Any information relating to individuals will be dealt with sensitively and any searches involving social media accounts should be discouraged on the basis that they are not 'necessary and relevant' to taking possession action as part of GDPR compliance.

4 Associated Legislation, National Standards and Regulation

- 4.1 The Housing Act 1985/ 1988/ 1996
- 4.2 Homelessness Reduction Act 2017
- 4.3 Protection from Eviction Act 1977
- 4.4 Equality Act 2010
- 4.5 General Data Protection Regulation tailored by Data Protection Act 2018
- 4.6 Welfare Reform Act 2012
- 4.7 Human Rights Act 1998
- 4.8 Pre-Court Action Protocol – Civic Procedure Rules Coronavirus Act 2020

5 Monitoring, Evaluation and Review

5.1 The Assistant Director of Housing Management is responsible for monitoring the implementation of this policy.

5.2 This policy will be reviewed every three years. In addition, it will be reviewed:

- Following information/ suggestions that the policy is not effective.
- To reflect any service enhancements; and/ or,
- Following the introduction of any relevant new legislation, regulations, or guidelines.