

Income Collection Policy

DESIGN HEADER TO INCLUDE POLICY NAME AND DATE RANGE

INFORMATION

Policy Name	Income Collection Policy
Effective Date(s)	February 2025
Approved By	Customer Services Committee
Approval Date	6 February 2025
Policy Owner/Dept	Darren Shelley – Customer Services
Policy Author	Darren Shelley
Review Date	February 2027
Version Number	

Version Control

Version	Date	Changes	Approver
1	Nov 22		
2	Feb 2025	<ul style="list-style-type: none"> Removal of references to outdated legislation Removal of references to Money Advice Officers – replaced with Welfare Benefits & Debt Advice Officers Strengthening of section around former tenant arrears. 	

Your Housing Group Strategic Priorities			
Safe	<input type="checkbox"/>	Viability	<input checked="" type="checkbox"/>
Landlord	<input type="checkbox"/>	Growth	<input checked="" type="checkbox"/>
People	<input type="checkbox"/>	Technology	<input type="checkbox"/>

Relevant National Standards or Regulation	Please State if the Policy aligns to any of the Regulators Standards: <ul style="list-style-type: none"> Governance and Financial Viability Standard Value for Money Standard Rent Standard Tenancy Standard
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Relevant Legislation	Please list any legislation applicable to the Policy <ul style="list-style-type: none"> • Housing Act 1985 • Housing Act 1988 • Equality Act 2010 • Localism Act 2011 • Welfare Reform Act 2012 • Homelessness Reduction Act 2017 • Data Protection Act 2018 • Civil Procedure Rules • Pre-action Protocol for Possession Claims by Social Landlords 2020.
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1. Purpose of the Policy

This policy sets out the principles for rent and service charge collection for Your Housing Group.

Delivering an effective income collection service is crucial to YHG's financial viability. To safeguard its position, the Group must try to ensure that all rent & service charge payments are made in line with the obligations detailed in the tenancy agreement or licence.

Your Housing Group promotes a positive payment culture which expects all customers to maintain a clear rent account.

Whilst we adopt an approach of early intervention to reduce the likelihood of arrears accruing, Your Housing Group recognises that from time to time a customer's circumstances may change unexpectedly. In these instances, we will attempt to work with the customer and all appropriate support functions to reach a positive outcome. Our approach will be fair and firm where necessary.

This document will be available on Your Housing Groups intranet, for internal customers and made available on the website.

2. Scope of the Policy

This policy will establish the groups approach for collection of **all** income owed to the organisation let on the following agreements:

- Assured
- Secure
- Assured Shorthold
- Licence

This policy is not applicable to the following:

- Supported Housing
- Grove Village
- Key Worker Accommodation

All staff within the income team are expected to maintain the standards outlined within this policy.

3. Definitions

Rent – refers to all rent and/or service charge due to YHG.

Customers – In this policy refers to all customers of YHG including current and former.

4. Consultation

Consultation in relation to this policy has taken place with:

- Key internal stakeholders including YHG’s Housing Management, Income collection, Money Advice and finance teams.
- Customer Focus Group
- Customer Services Committee
- Risk & compliance

5. Background and Context

The key aims of the income collection team are to:

- Maximise YHG Income
- Minimise arrears and bad debt
- Maximise customer income by ensuring our customers receive the benefits they are entitled to
- Minimise tenancy failure resulting from non-payment

6. Policy Detail

This policy will outline the overarching principles of our approach to income collection.

Income Collection Principles

Your Housing Group believes that prevention and early intervention in Income Collection is crucial to maintain and sustain tenancies and will only seek eviction as a last resort.

Eviction has high social and economic costs and as such Your Housing Group places great emphasis on alternative approaches with a focus on preventative and support mechanisms, rather than reactive strategies.

Essential to this we will:

- Ensure transparency with our customers and provide them with access to Your Home Hub to view accounts online 24 hours a day, rent statements will only be sent on request or where required in law as part of the income recovery process.
- Keep up to date with Welfare Reform legislation to enable Your Housing Group to support our customers through the impact of these changes and provide a specialist in-house welfare benefit & debt advice service to our customers, free of charge.
- Treat all customers in a respectful and courteous way, ensuring confidentiality when dealing with any rent or arrears issues, and provide a formal complaint process for customers who are dissatisfied.
- Provide a wide and varied range of payment options including:

- Direct Debit
- Debit or Credit Card
- Via the Home Hub online portal
- By telephone (24-hour automated payment line or through an operative during office hours)
- Online at www.allpay.net
- Via the allpay app (available on smart phones)
- allpay card (cash paid at a Pay Point or Post Office)
- Internet Banking / Bank Transfer
- Standing Order
- Cheque
- Where more than one debt is owed to YHG we will prioritise payments as follows:
 - Current Rent/Service Charge Arrears
 - Support & amenity charges
 - Current tenancy legal costs
 - Garage charges
 - Former Tenancy Arrears
- If an account falls into arrears, we will intervene early to bring this to our customers attention using a variety of methods including email, telephone, text, letter & visit.
- We provide a free of charge welfare benefit & debt advice service to assist customers who are struggling with rent arrears/debts and/or benefit concerns, we will refer customers to this service if our discussions determine that is it needed, we can also signpost customers to other support services if we feel this would be beneficial or independent support is requested.
- We will sensitively explore our customers circumstances to ensure that we have enough information upon which to offer advice and make decisions, our decisions may deviate from the normal collection process if we consider a customer to be 'vulnerable' so that we can provide more intensive support either directly or via third party agencies. Examples of customer vulnerability may be any of the following, however this list is not exhaustive:
 - Drug/alcohol dependency
 - Living in an abusive household
 - Being a care leaver
 - Physical & Mental Health conditions
 - Literacy & numeracy issues
 - Age
 - Being the subject of financial abuse
- YHG also recognises that customers can become vulnerable based on their financial circumstances and where this is apparent our welfare benefit & debt advice team can provide support or refer customers to alternative sources of assistance.
- Where customers receive benefit from Housing Benefit or Universal Credit, before taking legal action YHG would ensure that any housing costs due to the customer are paid directly to YHG in line with Housing Benefit & Universal Credit regulations.
- We will also seek third party deductions from Universal Credit & legacy benefits, where necessary, to safeguard a tenancy.

- When a tenancy is ending YHG will request that arrears are cleared prior to termination, failing this a payment plan will be sought. We will actively pursue any debts left by the organisation and will employ a debt collection agency to recover debts where necessary.

Credits

Where there is credit held on a customer's account a refund form should be completed which will be usually paid within 28 days, if there is any housing benefit or universal credit in payment, checks will be made to ensure that there is no debt owed to the local authority or Department for Work & Pensions.

Should there be no outstanding overpayments; a refund will be approved only in the following circumstances:

- Weekly payers – any credit over and above 1 week
- Fortnightly payers – any credit over and above 2 weeks
- Four weekly payers – any credit over and above four weeks
- Calendar month payers – any credit over and above one calendar month

Where we identify a financial vulnerability YHG will work with customers to agree a mutually suitable arrangement.

Arrears Recovery & Legal Action

Customers are deemed to be in arrears when they have missed one weekly, fortnightly, four weekly or monthly rent payment. Customers will be encouraged to settle their arrears in full, where this is not possible, we will negotiate a repayment plan to gradually reduce the arrears owed to avoid the need for legal action.

When calculating the agreement, we will consider the circumstances of the customer's household including the income, expenditure, and other outstanding debts.

We will offer the customer the opportunity to ensure that they are claiming all relevant welfare benefits to which they are entitled and provide them with welfare benefit and debt advice and/or signposting to free and independent services.

All legal action will be taken in compliance with the pre-action protocol. (www.justice.gov.uk)

The guidelines for service of legal documents are:

- Notice of Seeking Possession (NOSP) when the balance is 4 weeks full rent arrears or had an arrears balance for more than 8 consecutive weeks
- Court application will be made when the level of debt is typically 8 weeks rent or more

YHG may deviate from these guidelines based on individual customer circumstances.

Court Applications

YHG may apply for possession of a property based on the following grounds which relate directly to non-payment of rent/service charges:

Ground 10 is a discretionary ground for possession where rent which is lawfully due from the customer has not been paid by the time the possession proceedings are started and was owed at the time the Notice Seeking Possession was served.

Ground 11 is a discretionary ground for possession where the customer has repeatedly failed to pay rent on time. There need not be rent arrears at the time possession proceedings are started.

Ground 8 is a mandatory ground for possession of an assured tenancy contained with the Housing Act 1988. An outright order must be granted where Your Housing Group can prove that two months' or eight weeks' arrears exist at the service of the notice and at the court hearing. The court has no discretion as to whether to grant the order.

Former Tenants

YHG will continue to take action to recover monies owed by former tenants where it is economical to do so, including pursuing customers who don't provide a forwarding address. This may include using reputable third-party collection agencies. Recovery action will continue until the debt is repaid.

Where former debt is uneconomical to pursue or there is no prospect of recovery, the debt will be written off in accordance with the following:

- The debt relates to an agreement that ended over 6 years ago.
- The customer has entered into a full and final settlement agreement for part re-payment of the debt.
- Customer has not responded to contact & cannot be traced despite three attempts using tracing software.
- The debt is under £25 and uneconomical to pursue.
- The debt is included in a Debt Relief Order or Bankruptcy Order.
- Customer is deceased, and we have no next of kin information or have received confirmation that there is no estate to clear the debt.
- The customer has entered residential care on a permanent basis, has no power of attorney and is confirmed as, or suspected to, lack capacity.
- The customer has complex needs, is receiving wider support from YHG and the write off is supported by the housing management team.
- We have proof that the customer has been given a prison sentence, of more than 2 years, and attempts to contact the customer have proven unsuccessful.
- The customer has emigrated, has not provided a forwarding address and there have been three unsuccessful attempts to trace.
- Customer can provide evidence that they are a victim of domestic abuse and whereby economic abuse has been a factor and the write off is supported by the housing management team.

- Customer can provide evidence that they are a victim of a crime and whereby economic abuse has been a factor and the write off is supported by the housing management team.
- There has been a service failure by YHG, and it is unreasonable to pursue the customer for the debt and the write off is supported by the housing management team.

7. Responsibilities under this Policy

The Service Manager is responsible for ensuring all relevant staff have access to and understand the content of this policy and, have appropriate training to undertake their roles. The Service Manager will undertake a review of this policy in accordance with the businesses review schedule.

8. Risk Management

In failing to adequately adopt the standards outlined within this policy we risk customer detriment through homelessness, reductions in our income streams, which will impact our ability to provide services to our current and future customers.

9. Data Protection, Record Storage and Retention

Customer data relating to rent accounts is held in our housing, finance & document management systems in accordance with relevant Data Protection policies.

10. Equality and Diversity

This policy demonstrates adherence to the Equality Act 2010 to ensure equality of treatment for all customers without discrimination or prejudice. This policy has also been developed in line with YHG's Equality, Diversity and Inclusion Policy and has been Equality Impact Assessed. YHG will be proactive in its approach to provide translations of all its documents, policies and procedures in various languages and other formats by utilising the data it holds about its customers and, will seek to keep this data updated at reasonable intervals.

On request, YHG will provide translations of all its documents, policies and procedures in various languages and other formats by contacting YHG.

11. Communication

This policy will be publicised on the Groups intranet for access to all employees and in addition and made available to the public on YHG's website.

12. Learning and Development

Colleagues operating to this policy will be provided with training upon joining the business and additional refresher training as required, to remain updated with changes to any internal and external business practices, including benefit reforms. It is the responsibility of the Service Manager to ensure delivery of such training.

13. Performance Management of this policy

Performance against this policy will be measured by

- Income Collection Performance
- Arrears Performance – Current & Former Arrears
- Number of evictions
- Number of advice referrals

14. Review of this Policy

This policy will be reviewed in February 2027 by the Service Manager.

Related Documents

Document Type	Name
Connected Policies and Procedures	
Forms and Letters	
Leaflets/Publicity Material	
Training Materials Available	
Intranet/ Website Page	

Checklist

(To be completed as far as possible by the Policy Author before submission for quality checking by Research and Policy Manager prior to Risk and Compliance Group)

Policy Name: Income Collection Policy	
Version No:	Effective Date: February 2025
Status: New Policy /Partial Review/Full Review (please delete as appropriate)	
Previous Policy Name (where appropriate): Income Policy	
Brief Summary of Changes from Previous Version: <ul style="list-style-type: none"> • Removal of references to outdated legislation • Removal of references to Money Advice Officers – replaced with Welfare Benefits & Debt Advice Officers • Strengthening of section around former tenant arrears. 	
Internal Consultation Groups: <ul style="list-style-type: none"> • Key internal stakeholders including YHG’s Housing Management, Income collection, Money Advice and finance teams. • Customer Focus Group • Customer Services Committee • Risk & compliance 	Customer Consultation: <input checked="" type="checkbox"/>
	Date of Customer Consultation: January 2025
	Customer Consultation Brief Details:
Link to Consultation Document(s):	
Date Initial Equality Impact Assessment Undertaken: January 2025	Equality Impact Assessor name(s): Dean Slavin
Reason for Decision: Reviewed in line with renewal period	
Date Full Equality Impact Assessment Undertaken: N/A	
Brief Outline of any Changes Recommended from EIA: Consider some additional (and if possible, targeted) communication to customers advising them rent statements are available on request (not all customers will read the policy). This could be one page leaflet issued within rent statements and / or on sign up.	
Data Protection/ GDPR Implications: <input type="checkbox"/>	
Brief Outline of Data Protection/GDPR Implications:	
Legal Implications: <input type="checkbox"/>	Legal Panel Consulted: <input type="checkbox"/> Date:
Risk Implications: <input type="checkbox"/>	Risk Logged on Datix: <input type="checkbox"/> Date:
Resource Implications	People: <input type="checkbox"/> Finance: <input type="checkbox"/> Asset: <input type="checkbox"/> Other: <input type="checkbox"/>
Brief Summary of how Resource Implications have been addressed:	
How will communication on this Policy take place: (please delete as appropriate) Intranet/ YHG Website/ E-Learning/ Email/ Face to Face Training	
Policy Owner: Customer Services	Policy Author: Darren Shelley
Policy Signed Off by: (service manager or sponsor):	Date: January 2025
Policy Quality Checked by Research and Policy Manager:	Date: February 2025
Policy Approved by Risk and Compliance Group:	Date: January 2025
Policy Approved by Customer Service Committee:	Date: February 2025