

Policy And Procedure Area	Rental Income Management
Date Created	22 November 2018
Policy Holder	Group Director of Business performance
Date Approved by ET	Dec 2018
Date Approved by the Board (if required)	
Date of next review	November 2023
Target Group	All Housing Staff
Training/Dissemination	Initial implementation will be achieved through training sessions, and subsequently with all new starters as part of the core training programme.
Location of policy/procedure	Insight
Related external documents	Regulator of Social Housing Home Standard Regulator of Social Housing Tenancy Standard Regulator of Social Housing Financial Viability Standard
Related Internal Policies	Referral & Assessment Policy and Procedure Tenure Management Policy and Procedure Procedural flowchart – Referral Procedural flowchart – Move In Procedural Flowchart Support Procedural Flowchart – Arrears AL1 – first arrears letter AL2 – second arrears letter AL3 – third arrears letter AL4 - Repayment Agreement AU1 - audit form AU2 - Monthly reporting form

1. Objective

- 1.1 These rental income procedures deal with the different stages and processes involved in collecting and recording rent income, preventing rent arrears and proactively managing arrears effectively.
- 1.2 This procedure covers the four stages at which actions must be taken to ensure an acceptable level of rent collection:
 - › At referral
 - › At move in
 - › During support delivery
 - › If arrears occur

2. Policy Statement

- 2.1 Being able to manage a rent account is one of the key skills residents will need to be able to go on to live independently. If we are not equipping residents with that skill, we are failing in our duty to support them to develop the skills they need to live independently, and are likely contributing to the revolving door of homelessness by increasing the likelihood of them being evicted from future homes.
- 2.2 As such, rental income management is a support function.
- 2.3 The key principles of this policy and procedure are prevention of arrears occurring, and responding proactively if they do occur.
- 2.4 This policy also works on the principle that there is no reason not to issue a resident a rent letter at the correct time according to the procedure. Failure to give residents the most up to date information as to the condition of their rent account is physically denying them the knowledge they need to manage their rent accounts effectively.

3. Equality Impact Assessment

- 3.1 Financial abuse is one area where we must ensure we are protecting vulnerable adults.
- 3.2 By having a clear policy and procedure on rental income, we minimise the risk of staff abusing Residents financially.
- 3.3 We also ensure that staff do not discriminate against Residents by ensuring that every worker within YMCA St. Paul's Group follows the same procedure. We ensure that timings in relation to the issuing of formal proceedings for arrears are followed and staff are not making decisions based on value based judgements.

4. Definitions

- 4.1 NTD – Notice to Determine
- 4.2 NOSP – Notice Order Seeking Possession
- 4.3 S21 – Section 21 Notice
- 4.4 Staff – refers to either support staff or Rental Income Advisor where relevant. Allocations of responsibility for post holders will be defined in the relevant job descriptions.

5. Guidance

Procedure at referral

At this stage, it is extremely important to explain to applicants the importance of ensuring that the rent is paid and kept up to date.

Applicants should be warned that if their rent account falls into arrears they could lose their licence. It should also be stressed that ensuring the rent is paid remains the resident's responsibility even if they are receiving benefits. This means it is their responsibility to advise both the relevant benefits office and YMCA St. Paul's Group if there are any changes in their circumstances.

At interview, an applicant's income should be determined. If they are on benefit it must be ensured that the individual has a live claim. If they are working, the amount they will be required to pay should be calculated (using a Housing Benefit calculating sheet).

Applicant's National Insurance number and sufficient identification to satisfy the Housing Benefit verification framework should be produced at the referral interview and copies taken.

If this information is not available at referral, this should be highlighted when the decision to accept or decline the applicant is made by the manager.

Procedure at move in

At move in, the resident should be asked to provide proof of a live welfare benefit claim or evidence that a claim has been made.

In cases where this may prove difficult, they must provide evidence of an appointment with the Department of Work and Pensions (DWP).

The resident must provide sufficient ID to satisfy the local Housing Benefit verification framework.

The resident must sign consent forms to allow YMCA St. Paul's Group staff to act on their behalf regarding any benefit issues.

Working residents should provide 4 weeks' worth of pay slips if paid weekly, 2 months if monthly, a bank statement covering the last 3 months and a week's rent in advance.

If any of the above points are not satisfied, the applicant should not be signed up and moved in until the information is received without the approval of the Manager.

During the move-in process, the Staff must stress the importance of keeping a clear rent account; describe the arrears procedure and the possible implications should the resident fall into arrears.

In particular it should be made clear that:

- the resident is fully responsible for all accommodation charges;
- the resident is responsible for the success of the Housing Benefit claim by providing information to the Housing Benefit office which is factual and correct and within local timeframes;
- the resident is responsible for informing YMCA St. Paul's Group and the Housing Benefit office of any changes in their circumstances that could affect their claim;

- that non-payment will affect resident's move on options;
- YMCA St. Paul's Group has a responsibility (under s.14 of the Fraud Act 1997) to notify the Housing Benefit office of any material change of circumstance as soon as they become aware of it;
- arrears letters will be sent and, at the appropriate point, a notice to regain possession of the tenancy will be issued if arrears start to accrue;

Staff must ensure that the HB application form is completed correctly with the resident and signed by the resident at the point of move in. All HB application forms must be photocopied for the resident's file and be delivered to the local HB office on the day of move in, but within 3 working days of the move in date at the latest. A receipt should always be obtained from the local HB office.

Residents should be advised that ensuring the rent account is up to date is their responsibility.

After two weeks from the move in date, staff should contact the local Housing Benefit office to confirm that the claim is being processed and to find out wherever possible if any outstanding information is required.

If further information is required, staff should take responsibility for ensuring the resident is aware of the potential consequences of failing to ensure that all the relevant information reaches the local Housing Benefit office within the specified time limits (usually four weeks from the date of the submission of the Housing Benefit claim).

Housing Benefit notifications should be checked in relation to assessed entitlement by the staff- any queries should be followed up and copies of notifications sent to the resident.

If no Housing Benefit payments have been received after 14 days, an interim payment should be requested by staff. Claims can be paid in the interim whilst assessments are carried out. The request can only be successful if the resident has submitted all requested documentation; this should be checked by staff.

Support

Rent statements should be issued and explained to residents once a month at keywork sessions.

Any changes in the resident's circumstances should also be discussed, recorded and acted upon in respect of their Housing Benefit claim.

Residents accruing arrears should have their risk assessments and support plans reviewed in light of this, and appropriate changes made.

Any arrears letters should be issued in person and followed up by a keywork session to ensure that the appropriate support intervention is being made by staff to assist the resident in addressing the cause of said arrears.

Arrears

The procedure for arrears must be followed in all cases. The only acceptable deviation from the arrears process is at the point of eviction where a manager can decide not to evict based on a thorough assessment of risk and the potential to recover the monies owed.

Individual staff should monitor residents' rent accounts weekly, and provide four weekly reports to their line manager on rental income management actions.

As soon as a resident's rent account falls into arrears, every effort must be made to secure a written agreement with the resident to pay their current weekly charge together with a regular amount off their arrears. This amount should be realistic and based on the resident's ability to pay. This involves assessing the minimum amount that will be acceptable to YMCA St. Paul's Group and the maximum amount that the resident can reasonably afford.

Residents with bank accounts must be encouraged to complete a Standing Order Mandate.

Where an agreement has been obtained, formal action should only be suspended once a payment has been made. If a payment is missed then formal action should be continued at the point it was suspended.

If a resident makes an agreement to pay at any point in the procedure, but then breaks that agreement, the arrears process starts again at whichever point it was halted.

For actions at eight weeks of arrears, staff should refer to the Tenure Management Policy and Procedures for guidance on issuing the correct notice type.

First Notice for excluded licenses should have a minimum 28 day notice period. Subsequent notices for arrears should have a 14 day notice period, then 7 days.

Auditing

Teams will be subject to periodic auditing of compliance with the Rental Income Management Policy and Procedures.

The audit process will be aligned to team performance, and run on a monthly cycle to correspond with arrears reporting.

The following criteria will be applied:

- Teams achieving a green traffic light for current customer arrears – No audit
- Teams achieving an amber traffic light – a light touch audit of four customer files
- Teams achieving a red traffic light – a more in-depth audit of eight customer files

Managers will be required to self-audit files prior to the audit using form AU1.

A member of the Quality Team will then re-audit these files as part of the audit process.

Actions identified through the audit will then be communicated to the line manager of the team manager for follow up in one to ones.

6. Procedure

Refer to:

- Procedural flowchart – Referral
- Procedural flowchart – Move In
- Procedural flowchart - Support
- Procedural Flowchart – Arrears

7. Risk Assessment

Financial Implications	Our financial viability would be significantly impacted on by poor Rental Income Management
Reputational Risk Implications	Our reputation as a provider of excellence would be damaged by poor Rental Income Management practices
Staffing Implications	None