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Income Management Policy

1.0 Aim of the Policy

1.1 Coastline recognises the importance of effective and efficient collection of rent and other charges, including the prevention and recovery of arrears. We will maximise our income by ensuring that our customers understand and fulfil their payment obligations and are supported to do so.

2.0 Introduction

2.1 This Income Management Policy sets out our principles for the collection of income from customers. Our main source of income is rent, and this policy covers all income from residential properties including: service charges, Court costs, support charges, former tenant arrears and recharges.

2.2 The Income Management Policy is expected to provide guidance to individual teams and the processes which they follow, and to provide advice and support to customers, in order to maximise income for Coastline effectively and efficiently.

2.3 This Policy is supported by comprehensive procedures. These are separate as it is recognised that procedures may need to be altered to adapt to the needs of the business. Where new procedures are adopted by Coastline, these process and procedural changes will be made in line with the key principles as set out within this Income Management Policy.

The main procedures supporting the Income Management Policy are listed below:

- Managing Customers in Arrears;
- Customer Payment Methods;
- Rent In Advance;
- Managing Customers on Universal Credit;
- Managing Customers on Housing Benefit;
- Welfare Reform Guidance and Support for Customers;
- Former Tenant Arrears and Write Off's;
- Managing Permission to Occupy;
- Leasehold and Service Charge Policy;
- Sustainability Fund Policy; and
- Managing Recharge Accounts.

It should be noted that this list is not exclusive and other procedures may be relevant or added in future.

3.0 Key Principles of Policy

3.1 Rental income and income from other charges is critical to enabling Coastline to achieve its corporate strategic priorities.

3.2 The key principles behind this Income Management Policy are that we should:

- Maximise our rental income, by providing an effective and efficient Income Management process.
- Maximise all other income by identifying where charges should be made to customers.
- Act to prevent customers from falling into arrears with their rent or other charges.
- Respond to customers who are in arrears in a way that is transparent, fair and positive, and provides help and advice in a timely and professional manner.
- Provide a range of payment methods which are easy for customers to use, provides choice and flexibility for customers and are cost effective for Coastline.
- Provide regular and accurate information to customers about their rent and all other accounts.
- Expect customers to pay on time, and in advance, in accordance with their tenancy (or licence) agreements; taking action, including providing support, where this is not the case.
- Seek to manage rent arrears with customers, collecting the rent in a caring way and only consider eviction as a last resort. However, colleagues will ensure that formal arrears letters and Notices of Seeking Possession are issued to customers in accordance with the Managing Customers in Arrears Procedure where there is a risk of non-payment and level of debt on the account akin to a months rent.
- All customer contact is accurately recorded on a range of IT systems. In particular financial transactions, repayment arrangements, advice provided to customers is recorded on CX (rent management system). These IT systems are managed, audited and reviewed regularly.
- Consider use of all alternative income collection processes, such as money judgements, where it is appropriate, and aim to minimise the risk of making anyone homeless.
- Recognise the business case for avoiding eviction; as effective debt recovery is more likely if the customer remains in their home.
- Be clear when eviction is the appropriate outcome and achieve that as quickly as possible. In cases where eviction is considered, Senior Management and the Executive Team will scrutinise and approve an eviction request, ensuring colleagues have fully complied with the requirements of the Pre-Action Protocol for Possession Claims by Social Landlords and that a referral has been made to Housing Options at Cornwall Council.
- Recognise the business case for effective financial inclusion work with customers, as improving customers' financial circumstances and budgeting skills will increase the customers' ability to pay and sustain their tenancy.
- Support customers to maximise their income, including support with benefits, welfare advice and Universal Credit claims and managing their income from benefits.

- Support customers who need assistance in time of financial hardship and crisis, by signposting, helping with applications, and where appropriate providing direct financial support such as from the Sustainability Fund (refer to Sustainability Fund Policy for more detail).
- Support customers to maximise their income from employment, this includes support with volunteering, training and work placement programmes.
- Recognise the importance of working to improve a customers financial well-being.
- Use clear language when discussing arrears, making agreements and proposing any formal action under this Policy.
- Ensure that customers are aware of the potential consequences of legal action, including future eligibility for social housing and / or credit.

4.0 Application of Key principles

4.1 To support the key principles of this Policy, within the service and procedures provided by Coastline to our customer we will:

- Agree an appropriate range of payments methods, in consultation with our customers and ensure that both colleagues and customers are aware of these;
- Ensure that our arrears procedures set out transparently what actions will be taken and on what timescale;
- Use a range of different ways to contact customers, which meets their preference but also ensures contact is made;
- Carry out income and expenditure analysis before agreeing repayments arrangements, so that arrangements are only made when it is appropriate and affordable, and that the agreements are tailored to individual circumstances;
- Support these procedures with protocols, including those required by the Courts, the purpose of which are to ensure that wherever possible tenants remain in their home and eviction is sought only as a last resort;
- Place particular emphasis on financial capability and rent payments in advance, before the start of tenancies:
    - carrying out financial risk assessments on all applicants for our homes,
    - identifying and helping those new customers who may be financially excluded,
    - requiring rent payments in advance, before a tenancy starts,
    - excluding applicants in accordance with our Allocations & Lettings Policy.
- Provide budgeting, money management, debt and benefit advice and support; both internally and by signposting to appropriate external agencies;
- Where appropriate use the Sustainability Fund to provide support to customers;
- Provide teams with training, advice, support and the provision of appropriate technology to deliver the Income Management service;

- Support customers with Universal Credit claims to manage that income and where this is at risk and not being used for housing costs, then establish alternative payment arrangements;
- Offer guidance and support to enable access routes to training or work;
- Provide online access to rent statements and send rent statements by post if requested;
- Have in place arrangements to ensure that former tenant arrears are pursued where it is appropriate to do so and written off promptly where not. Where appropriate we will make use of agencies to aid recovery of that debt;
- Ensure that colleagues know how to deal with circumstances, such as bankruptcy, and relationship breakdown and how these affect rent payment and liability;
- Ensure customers are recharged for remedial works carried out by Coastline owing to customer damage or neglect.
- Have in place clear financial regulations which give authority to colleagues, to make decisions and take actions in respect of payments and arrears; and that ensure that appropriate legal action is taken;
- Manage accounts which relate to Coastline employees with discretion & confidentiality, ensuring that all procedures are followed precisely & monitored closely.
- Provide teams with up to date and efficient reporting tools that support their effective management of cases and implementation of this policy;
- Provide teams with training and ongoing support to enable them to deliver the objectives of this Income Management Policy.

5.0 Legislation, Statutory Regulatory duties & references

5.1 This policy has been written with regard to the following:

- Relevant Housing Acts, as amended by the Localism Act 2011;
- The Regulator of Social Housing's Consumer Standards, in particular the Tenancy Standard – We shall develop and provide services that will support tenants to maintain their tenancy and prevent unnecessary evictions.
- Domestic Abuse Act 2021;
- Equality Act 2021;
- Charter for Social Housing Residents 2020;
- Immigration Act 2014 (Right to Rent);
- Tenant Satisfaction Measures 2021; and
- Civil Procedure Rules & Pre-Action Protocol for Possession Claims for Rent Arrears

6.0 Equality, Diversity and Inclusion

6.1 Coastline is committed to fair and equitable housing policies and to providing equal opportunities for all customers when applying our income procedures. The circumstances of all customers will be considered objectively according to their individual needs and other diversity needs and as a result, exceptions to policy may be considered.

6.2 Coastline is opposed to direct or indirect discrimination and recognises the need for appropriate systems to actively prevent discrimination based on race, colour, ethnic or national origins, gender, age sexuality, mental status, religion, physical disability or mental health.

7.0 Monitoring, review and compliance

7.1 We have a full commitment to this policy and will ensure appropriate training is given to all relevant colleagues.

7.2 This policy will be made widely available to customers and stakeholders.

7.3 This policy will be reviewed every three years, or earlier in line with any legislative, regulatory, or good practice changes.

7.4 To ensure compliance with this policy, we will carry out an internal audit of our income management processes; adopting and introducing changes which may be highlighted by this audit process.

8.0 Cross reference / working in partnership / links to other Policies

8.1 This policy has been written with reference to all relevant legislation as listed in Section 5 above.

8.2 We also work in partnership with Cornwall Council, other Registered Social Landlords, CAB, and various voluntary & statutory agencies to consider financial well-being, cost of living, money management and general financial help that is available to customers in Cornwall. There are operational & strategic meetings between these organisations which Coastline attends and supports, which help to develop our knowledge and policy approach in this area of work.

8.3 This policy has been written with regards to the following:

- Complaints Policy;
- Tenancy Policy;
- Anti-social Behaviour Policy/Procedures; and
- Group Probity Standard.