



St George Housing

Income Collection policy

December 2023

Contents

1. INTRODUCTION	3
2. POLICY STATEMENT.....	3
3. LEGAL FRAMEWORK	4
4. SCOPE AND OBJECTIVES	4
5. ARREARS PROCESS.....	4
7. INCOME COLLECTION PRINCIPLES	5
8. REFUND AND CREDITS:.....	6
9. ARREARS RECOVERY & LEGAL ACTION	6
10. COURT APPLICATIONS	7
11. FORMER TENANTS	7
12. RESPONSIBILITIES UNDER THIS POLICY	7
13. RISK MANAGEMENT.....	8
14. DATA PROTECTION, RECORD STORAGE, AND RETENTION.....	8
18. EQUALITY IMPACT ASSESSMENT	8
19. RELATED INTERNAL POLICIES	8
20. CONSULTATION	9
21. REVIEW AND APPROVAL	9

1. INTRODUCTION

- 1.1 The purpose of this policy is to provide guidance to colleagues working in income collection and sets out the arrears escalation process. All SGH income team members are expected to uphold the standards outlined in this policy.
- 1.2 This policy outlines the principles governing rent collection at St George Housing (SGH). The effective management of income collection is vital for SGH's financial sustainability, and adherence to tenancy agreements is crucial for maintaining the organization's position. SGH is committed to fostering a positive payment culture and assisting residents facing unexpected changes in circumstances. This policy sets the framework for a fair and firm approach to income collection.

2. POLICY STATEMENT

- 2.1 SGH is committed to sustaining tenancies and building thriving communities. We take a preventative rather than a reactive approach to income collection and arrears management to ensure difficulties are resolved without court proceedings wherever possible. Early intervention and pre-action contact is key to this process.
- 2.2 SGH will follow the pre-Action Protocol for rent arrears, where appropriate, in managing its general needs income collection.
- 2.3 Advice and assistance will be offered to tenants at the point of sign up and all times during their tenancy.
- 2.4 If SGH is aware that the tenant has difficulty in reading or understanding information, we will take reasonable steps to ensure that the information has been appropriately communicated and the tenant understands any information given.

3. LEGAL FRAMEWORK

3.1 This procedure has taken account of the following key legislation and regulation:

- Housing Act 1985, 1988 and 2004
- Localism Act 2004
- Deregulation Act 2015
- Landlord and Tenant Act 1985
- The Human Rights Act 1998
- The Equality Act 2010
- Protection from Eviction Act 1997
- County Courts Act 1984
- Pre-Action Protocol for Possession Claims by Social Landlords

3.2 This policy complies with Regulator of Social Housing (RSH) Standards,

4. SCOPE AND OBJECTIVES

4.1 This policy applies to the collection of all income owed under the following agreements:

- Assured
- Assured Shorthold

4.2 The objective of this policy is to provide guidance when managing rent arrears cases through the rent arrears escalation process. It aims to ensure that tenants pay their rent in accordance with their tenancy agreement and offers guidance to staff to access the most appropriate support for tenants who fall into arrears.

5. ARREARS PROCESS

5.1 Early intervention is key to arrears management as small amounts of arrears may seem insignificant but can escalate quickly.

5.2 Affordability Assessments are carried out by housing officers on all new nominations to ensure prospective tenants who are facing financial difficulty are offered the best support before entering into a tenancy agreement.

5.3 To promote tenancy sustainment and income maximisation, we proactively monitor arrears using our tenancy management system" to:

- Monitor movements on accounts weekly, four weekly and on a monthly basis. This will include those that have missed payments where arrangements were previously made, failed payments and stopped housing benefits and Universal Credit payments.

- Record all actions, letters and conversation at all stages of the arrears process in accordance with the Pre-Action Protocol 2015. A copy of the Pre-Action Protocol can be viewed [here](#).

6. BACKGROUND AND CONTEXT

- 6.1 The income collection process's primary goal is to maximize SGH income, minimize arrears and bad debt, ensure residents receive entitled benefits, and minimize tenancy failure resulting from non-payment.

7. INCOME COLLECTION PRINCIPLES

- 7.1 SGH adopts a prevention and early intervention approach, viewing eviction as a last resort due to its social and economic costs. The following principles guide income collection:

- 7.2 **Transparency:** Provide residents access to their online account for 24-hour viewing of their rent account. Rent statements will be sent on request or as legally required.

- 7.3 **Welfare Reform:** Stay updated with legislation to support residents through changes. We also offer signposting to a free, money advice service.

- 7.4 **Respectful Treatment:** Interact respectfully and courteously with residents. Maintain confidentiality and provide a formal complaint process.

- 7.5 **Payment Options:** Offer a range of payment options, including Direct Debit, Debit or Credit Card, online portal, telephone, online platforms, bank transfer, and more.

- 7.6 **Early Intervention:** Intervene early if an account falls into arrears, using various communication methods.

- 7.7 **Support Services:** Provide a free money and welfare benefits advice service and refer residents to other support services when needed.

- 7.8 **Resident Vulnerability:** Sensitively explore resident circumstances for intensive support, considering factors like drug/alcohol dependency, domestic abuse, care leavers, physical & mental health conditions, literacy & numeracy, and age.

- 7.9 **Benefit Safeguard:** Ensure Housing Benefit or Universal Credit housing costs are paid directly to SGH before legal action. Also seek third-party deductions when necessary.

- 7.10 **End of Tenancy Arrears:** Request clearance of arrears before termination. Pursue debts left by residents and employ debt collection agencies if needed.

8. REFUND AND CREDITS:

- 8.1 Upon identifying a credit balance on a resident's account, a refund form must be completed, typically processed within 28 days. Checks will be conducted for Housing Benefit or Universal Credit payments to ensure no debts are owed to the Local Authority or the Department for Work & Pensions.
- 8.2 Refunds will be approved under the following circumstances:
- Weekly Payers: Refund any credit exceeding one week.
 - Fortnightly Payers: Refund any credit exceeding two weeks.
 - Four Weekly Payers : Refund any credit exceeding four weeks.
 - Calendar Month Payers: Refund any credit exceeding one calendar month.
- 8.3 In cases without outstanding overpayments, refunds will only be approved under the specified circumstances above. Additionally, if financial vulnerability is identified, SGH will collaborate with residents to establish a mutually agreeable arrangement.

9. ARREARS RECOVERY & LEGAL ACTION

- 9.1 Residents are considered in arrears if they miss one weekly, fortnightly, four-weekly, or monthly rent payment. Our approach is to encourage full settlement of arrears; however, when this is not feasible, we will initiate negotiations for a repayment plan, aiming to gradually reduce arrears and prevent the necessity for legal action.
- 9.2 When calculating the agreement, we take into account the resident's household circumstances, including income, expenditure, and outstanding debts. Residents will be given the opportunity to review and optimize their entitlement to relevant welfare benefits. Additionally, we can signpost to free money advice services.
- 9.3 All legal actions will strictly adhere to the pre-action protocol outlined on the Justice.gov website [here](#).
- 9.4 Notice of Seeking Possession (NOSP): is issued when the arrears balance reaches 4 weeks of full rent or has been in arrears for more than 8 consecutive weeks.
- 9.5 A court application may be made when the debt level reaches typically 8 weeks of rent or more, and there is no payment plan in place. Deviations from these guidelines are possible based on individual resident circumstances.

10. COURT APPLICATIONS

10.1 St George Housing (SGH) may seek possession of a property under specific grounds directly related to non-payment of rent. The following grounds outline our approach:

10.2 Ground 10: Discretionary Ground for Possession

10.3 This ground is applicable when rent lawfully due from the resident has not been paid by the time possession proceedings commence and was owed at the time the Notice Seeking Possession was served. Possession under Ground 10 is discretionary.

10.4 Ground 11: Discretionary Ground for Possession

10.5 Under this ground, possession may be sought when the resident has repeatedly failed to pay rent on time. Notably, there need not be rent arrears at the initiation of possession proceedings. Possession under Ground 11 is discretionary.

10.6 Ground 8: Mandatory Ground for Possession (Assured Tenancy - Housing Act 1988)

10.7 This ground mandates possession of an assured tenancy. An outright order must be granted if SGH can prove that two months' or eight weeks' arrears exist at the service of the notice and during the court hearing. The court has no discretion in granting the order. SGH considers utilising Ground 8, and details of its application are outlined in the Ground 8 Policy.

11. FORMER TENANTS

11.1 St George Housing (SGH) is committed to pursuing the recovery of rent owed by former tenants where it is economically feasible, even in cases where forwarding addresses are not provided. This may involve collaboration with reputable third-party collection agencies, and recovery efforts will persist until the debt is fully repaid.

11.2 SGH will assess the economic viability of pursuing former debts and employ various strategies when recovery efforts are justified. Collaboration with reputable third-party collection agencies may be undertaken to enhance the effectiveness of the recovery process.

11.3 When former debt is considered uneconomical to pursue or there is no foreseeable prospect of recovery, SGH follows the Debt Management Policy, resulting in the formal write-off of the debt. This decision aligns with established policies, ensuring responsible and transparent debt management practices. All write-offs must be approved by the SGH Board.

12. RESPONSIBILITIES UNDER THIS POLICY

12.1 The Chief Executive is responsible for ensuring access, understanding, and appropriate training related to this policy. Regular policy reviews will align with the business review schedule.

13. RISK MANAGEMENT

- 13.1 Non-compliance with this policy poses risks of resident detriment, homelessness, and income stream reductions, impacting SGH's ability to provide services.

14. DATA PROTECTION, RECORD STORAGE, AND RETENTION

- 14.1 Resident data related to rent accounts is stored in compliance with relevant Data Protection policies. SGH has adopted the NHF data retention schedule which can be viewed [here](#).

15. EQUALITY AND DIVERSITY

- 15.1 Adheres to the Equality Act 2010, promoting equality of treatment. Aligned with SGH's Equality, Diversity, and Inclusion Policy, and regularly assessed for equality impact.

16. LEARNING AND DEVELOPMENT

- 16.1 Staff operating under this policy will receive training upon joining and refresher training as required. The Service Manager is responsible for ensuring delivery of such training.

17. PERFORMANCE MANAGEMENT OF THIS POLICY

- 17.1 Performance will be measured by Income Collection and Arrears Performance in accordance with our agreed KPI metrics.

18. EQUALITY IMPACT ASSESSMENT

- 18.1 In writing this policy we have carried out an assessment to ensure that we are considering, equality, diversity, and inclusion. Our assessments did not indicate that any group had been adversely impacted by our approach to income collection.
- 18.2 We have also carried out a privacy impact assessment as information regarding applicants is sensitive. However, responsible information sharing plays a key role in the letting of our homes. We follow information sharing protocols with local authorities and our partner where they in place.

- 18.3 To request copies of these assessments, please contact info@stgeorgehousing.co.uk

19. RELATED INTERNAL POLICIES

- 19.1 Tenancy Management Policy
19.2 Liquidity policy
19.3 Complaints Policy
19.4 Equality and Diversity Policy

20. CONSULTATION

- 20.1 This policy will be reviewed in consultation with the Senior Leadership Team and our services delivery partners.

21. REVIEW AND APPROVAL

- 21.1 This policy will be reviewed at least every 2 years or as required to take into account changes in legislation.

Responsible officer: Chief Executive Officer

Policy Author: Director of Finance

Policy version: V1

Date of SLT Approval: December 2023

Date the next review is due: December 2024