



Camden Living (Housing Association) Limited

Income Management Policy

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Policy Owner:	Board
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1. Introduction

- 1.1. Camden Living (Housing Association) Limited ("**CLHA**") is committed to providing an efficient and effective income management service which maximises the income which is collected and collectable from rent and other charges. This in order to ensure that CLHA can continue to deliver a high level of services to its residents and remain financially viable.
- 1.2. CLHA is also committed to working with our residents to support them to sustain their tenancies.

2. Purpose

- 2.1. The key objective of this policy is to manage our income effectively, maintain a minimum level of debt and ensure the continued viability of the organisation. Our income management policy will always reflect good practice and meet legal and regulatory requirements.
- 2.2. When residents are facing financial difficulty, CLHA aims to achieve a balance between supporting residents when they are in difficulty and taking firm but fair actions against these individuals. In cases of persistent warnings, we will take appropriate legal action to repossess the property.



- 2.3. On all our properties, the rent payments and other charges will be set and collected in accordance with the tenancy agreement, and our rent and service charge policy and any regulatory requirements which may apply.

3. Legal and Regulatory Requirements

- 3.1. CLHA's income management policy is compliant with the legislative requirements of the:

- Housing Act 1985, amended 1998
- Housing Act 1988, amended 1996
- Landlord and Tenant Act 1985
- Localism Act 2011
- Welfare Reform Act 2012

- 3.2. CLHA's procedures will take account of the Pre-Action Protocol for Possession Claim for rent arrears (issued under the Civil Procedure Rules in October 2006 and updated April 2013).

4. Policy Scope

- 4.1. CLHA is currently seeking to provide homes for rent.

- 4.2. This policy applies to the income and recovery of:

- Rent
- Service Charges
- Ground Rent;
- Court Costs; and
- Other applicable charges under terms of the tenancy agreement.

5. Approach

- 5.1. CLHA is committed to promoting preventative action and financial inclusion by working with residents and its staff to promote a rent first payment culture, prioritising rent payments above most other expenditure.
- 5.2. CLHA stress the importance of rent payment as a condition of tenancy and emphasise that residents are responsible for paying the appropriate charge when it is due. This includes residents who receive benefits for some or all of their rent.

6. Arrears



- 6.1. CLHA recognises that occasionally residents may have financial difficulties and be unable to pay their rent or other charges due. Residents who do not pay their rent or other charges are in breach of their tenancy which could lead to the loss of their home.
- 6.2. In these cases, we will adopt a firm but fair approach to arrears recovery, offering all residents, where possible, clear, practical and affordable repayment plans.
- 6.3. We will be supportive of all residents experiencing financial difficulties and will always provide clear, consistent and practical information to residents about the implications of any failure to make payments in accordance with the tenancy agreement. We will seek to negotiate mutually acceptable payment plans for repayment of arrears before taking enforcement action.
- 6.4. CLHA will ensure the confidentiality of its residents and their circumstances when dealing with other agencies or individuals. Authorisation will be sought from residents before any information is shared with a third party. CLHA will work with partner agencies to develop information sharing protocols and joint working arrangements to facilitate this.
- 6.5. If these actions do not resolve the arrears, then CLHA will proceed with the forfeiture of the tenancy agreement. If the court finds the resident guilty then CLHA will repossess the property and evict the tenants.
- 6.6. CLHA will establish and maintain relationships with the Department of Work and Pensions, local authority Housing Benefits departments, homelessness prevention teams, Citizens Advice, courts and other agencies to provide support and independent advice to residents in arrears.
- 6.7. CLHA will promote financial inclusion through links to credit unions, banks and other affordable credit options. Residents in arrears may also be referred to specialist debt counselling agencies or internal money advice or tenancy support services.
- 6.8. Where residents are identified as having a particular need, vulnerability or disability, CLHA will provide reasonable adjustments and give appropriate advice and assistance.
- 6.9. CLHA will be responsible in their actions to make sure anyone experiencing difficulties in making rent is made aware of sources of advice available including welfare benefits and debt counselling. We will offer prompt and practical advice at all times.

7. Former Tenant Arrears



- 7.1. CLHA's formal recovery procedure for former tenant arrears begins at the point that a tenant hands in the notice. As it is neither in the interest of CLHA or the residents for arrears not to be cleared, CLHA will offer preventative and support mechanisms to encourage an early settlement of the debt. However, CLHA reserves the right to pass the collection of former tenant's arrears to a third party but will monitor the performance and action of any third party.
- 7.2. Legal action will be taken to recover a former tenant debt based on the principle of whether we can recover the money rather than whether we can obtain a money judgement.
- 7.3. CLHA will assist the tenant with maximising their benefit entitlement for the notice period. When there is no agreement or a broken agreement, we will attempt contact within 15 days of the tenancy ending.
- 7.4. Tenants with arrears will not be able to transfer to another CLHA property unless there are exceptional circumstances.

8. Payment

- 8.1. CLHA encourages a positive payment culture amongst residents and stresses the importance of rent payment as a condition of the tenancy agreement. The deposit and any payments due in advance will be stated in the tenancy agreement.
- 8.2. Payment by Direct Debit is the most efficient method to collect income and reduce arrears administration. This will be of increasing importance where payment of housing costs through Universal Credit is made directly to the tenants in the future. CLHA will offer a wide range of payment methods, including some or all of:
 - Direct Debit
 - Telephone - Automated payment
 - PayPoint (cash)
 - Post Office
 - Standing order
 - Housing Benefit/ Universal Credit payments; and direct deductions from Department of Work and Pensions (DWP).]

9. Frequency of Payment



- 9.1. Residents will receive clear information regarding any charges payable in respect of their home. This will include the frequency of the charge, amount payable and the reason for the charge.
- 9.2. Property rental charges are monthly in advance. Where cases are awaiting Universal Credit, a manual calculation will be completed to identify any payments will be due to the account. In these circumstances, the resident will be advised of any charges payable by them.
- 9.3. In recognition that some residents may require additional support to access welfare benefits they may be entitled to, CLHA will provide appropriate advice where needed, including signposting to external agencies.

10. New Residents

- 10.1. At the point of the tenancy agreement being signed, CLHA and its managing agent will:
 - Take the first contractual payment at sign up;
 - Reinforce the terms of rent and the importance of regular rent payments being made;
 - Assist where appropriate with the prompt completion and submission of a housing benefit application;
 - Use a range of appropriate contact methods to recover arrears. Key contact will be supported by formal letters.

11. Statements

- 11.1. Residents can obtain a copy of their rent statement with a clear breakdown of charges at any time. This may also be available in different formats or languages on request.

12. Changes to Charges

- 12.1. Residents will be informed of changes to rent and other charges at least one month before these changes come into effect.

13. Policy Management

- 13.1. The board is responsible for ensuring this policy is kept up to date, implemented, monitored and evaluated.



- 13.2. This policy will be reviewed annually or more frequently when there is a change in circumstances, in work practices or the introduction of new legislation.
- 13.3. Diversity information relating to residents in rent arrears will be reviewed to ensure that this policy and our services are accessible to all. Any concerns identified will be addressed and additional support or reasonable adjustments offered.
- 13.4. CLHA will ensure that procedures are kept under review to reflect good practice and changes in legislation and regulation.

14. Background Documents

- 14.1. This policy should be read in conjunction with the following strategies and policies:
 - Equality and Diversity Policy
 - Rent Setting Policy
 - Tenancy Policy
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