

Policy Name: INCOME

1. Policy Summary...

The purpose of the policy is to manage our income effectively by keeping debt to a minimum and maximizing income due from rent, service, and other charges. This is crucial to maintain and improve our stock, provide services to tenants, and respond to our regulatory requirements.

2. It applies to...

The policy applies to all Midland Heart Tenants and Residents. A tenant or resident is somebody who pays rent, service charges and planned leasehold charges to Midland Heart.

3. Policy Principles

Midland Heart recognises the need to help people avoid getting into financial difficulty and sustain their home. We aim to achieve a balance between supporting tenants when they are in difficulty and taking firm but fair action against individuals who are in debt with Midland Heart. Our aims are to operate preventative measures:

- Apply early intervention mechanisms to prevent arrears arising.
- Provide additional support for those who need it.
- Have an effective arrears escalation process in line with the law.
- Minimise the risk of fraud and anti-money laundering with effective income procedures.

4. Service Provision

The Income Service will:

- Ensure tenants receive benefit and debt advice when required by referring to our internal Money Advice Team.
- Work collaboratively with internal teams and refer to external agencies for support.
- Tailor our approach to ensure vulnerable tenants can access the Income Service.
- Offer a variety of ways for tenants to contact staff.
- Offer a variety of payment methods, including payment by direct debit on any day and payment via the customer app.
- Provide digital access to rent statements, however, may request a paper copy if required
- Comply with the Rent Arrears Pre-Action Protocol 2015.
- Check credit balances to minimise the risk of money laundering.
- Report suspected fraud to any relevant external agency.

5. Preventative Arrears Measures:

We will implement the following to minimise the risk of arrears occurring:

Allocations Process and Customer checks

The Allocations Policy sets out the eligibility for housing. An affordability assessment is also carried out to ensure that the individual can afford the property they have been shortlisted for.

For Shared Ownership sales and Market Rent tenancies, financial appraisals, credit and referencing checks are carried out on each potential client to ensure they can pay their rent and service charge.

Money Advice

A referral will be made, in liaison with the tenant, to the internal Money Advice Service when there are concerns about a tenant's ability to financially manage a tenancy.

Tenancy Sign Up/Commencement

At the tenancy sign up, Midland Heart will advise the tenant of their responsibility to pay their rent, ensuring they are aware of the potential consequences of non-payment.

Midland Heart will obtain information required to provide additional support to tenants to ensure they are able to access the Income Service.

Rent in Advance

General Needs sign-ups will not proceed without proof of at least one week's rent in advance having been paid. Any exemption will be approved by the Voids and Lettings Manager.

For Shared Ownership sales and Market Rent tenancies, an apportionment of rent and service charge is collected for that month plus an additional month's rent/service charge in advance.

Benefit Assessments

Where a tenant has submitted a claim for either Housing Benefit or Universal Credit, Midland Heart will estimate whether this is likely to cover full or part of the rent based on current circumstances. Where a shortfall is calculated, Midland Heart will encourage tenants to make the relevant payments towards the rent until Housing Benefit or Universal Credit is processed and the award is known.

Digital Access

Midland Heart has introduced a digital platform to enable customers to view, monitor and make payments to their accounts.

Raising Awareness

We will have dedicated arrears campaigns to encourage payments and reduce the number of people falling into arrears.

6. Rent and Service Charge Arrears Recovery

- Rent arrears recovery will be based on a staged escalation process. Arrears control and recovery action will be activated when an account falls into arrears before the debt becomes unmanageable. The emphasis will be on arrears prevention by attempting to make contact and ensuring support is given.

In the case of joint tenancies, tenants are jointly and severally responsible for all aspects of the tenancy, including the payment of rent and any arrears owing.

- All debt will be expected to be paid in full. If this is not possible an affordable repayment plan will be negotiated based on the tenant's income and circumstances at the time. Staff will actively encourage customers to take ownership of the debt but will offer support that could precipitate debt problems. Wherever possible, staff will arrange for rent/arrears paid by Housing Benefit or Universal Credit to be paid direct to Midland Heart by the appropriate statutory authority.
- All attempts will be made to collect former tenancy debt in line with the Former Tenancy and Writs Off procedures. Cases will be sent to an external Debt Collection Agency once all attempts by Midland Heart staff have been exhausted.
- There may be occasions where there is good reason to apply discretion when deciding on the action we take to recover arrears. We will always consider the individual circumstances of the tenant, and the individual involved when making our decisions.

7. Serious/Persistent Arrears Legal Action

When rent and arrears are not paid regularly, Midland Heart will take legal action to recover the debt. We will commence possession proceedings or forfeiture of the lease in line with the pre-action protocol for rent possession proceedings and will include a Money Judgement for the arrears. Midland Heart will seek to recover the legal costs incurred from the customer. Evictions will only be considered as a last resort.

Use of Ground 8 (Housing Act 1988)

Midland Heart can use Ground 8 for persistent non-payers of rent, this is grounds for mandatory possession at court. Any use of Ground 8 is done fairly and with the approval of a Senior Manager, who will consider factors such as:

- Failure to engage with support.
- Whether the tenant is in receipt of direct benefit payments for rent and withholding money that is owed to Midland Heart.
- Where there is no/little contact by the tenant, and we believe they are no longer living at the property.

8. Reasonable Adjustments and Support

An Equality Impact Assessment has been carried out on this policy and can be accessed through the External Affairs Team. We recognize that we have tenants with a variety of different needs and requirements and aim to ensure a consistent approach in delivering a fair Income Recovery Service. To assist our tenants, we offer/carry out the following:

- Accessible documentation
- Access to an interpreter if required (staff will use Language Line to assist with this)
- Home appointments and support with benefit applications where required
- Liaison with third party support.

Safeguarding

Midland Heart is committed to the safety and protection of vulnerable customers and participates in multi-agency arrangements to safeguard children and vulnerable adults.

9. Ensuring we are doing what we say...

The level of rent arrears, number of individuals claiming Universal Credit, Money Advice and number of evictions is reported to Midland Heart Boards monthly as an indicator of how we manage rent collection and support our customers to sustain their tenancy.

Statutory Performance Indicators are reported to external agencies.

The following data is included in the Annual Report to tenants:

- Total arrears compared to the gross rent debit (amount charged)
- Total number of evictions carried out in the financial year
- Total Former Tenancy Arrears
- Money Advice Service Gains

10. Related Law and Regulations....

Legislation/Regulation	Relevance to This Policy
Housing Act 1988	<p>Grounds used for an Assured Tenancy when applying for rent possession proceedings at court:</p> <p>Ground 8: mandatory ground that can be used when there is a minimum of 8 weeks rent arrears at the time of service of notice and at the date of the hearing.</p> <p>Ground 10: first of the further grounds dealing with rent arrears and applies when rent is in arrears both at the date when the proceedings for possession are commenced, and at the date of service of the notice of seeking possession.</p> <p>Ground 11: can be used whether or not any rent is in arrears on the date on which proceedings for possession are begun, the tenant has persistently delayed paying the rent.</p> <p>Ground 12: where any obligation of the tenancy (other than one related to the payment of rent) has been broken or not performed.</p>
Housing and Landlord and Tenant Act 1985; Housing Act 1996, LandTA 1985 and 1987	<p>Ground 1 s2: Ground used for secure tenants for rent lawfully due that has not been paid or an obligation of the tenancy has been broken or not performed.</p> <p>Obligation to pay rent and service charge.</p>
Civil Procedure Rules 1998, Part 70 and County Court Rules 1981, order 27	<p>Should a customer default by way of repayments (in breach of a money judgment court order), Midland Heart may apply to the appropriate Court for one of the following orders to be implemented: Attachment of Earnings Order, deductions from</p>

	DWP benefits under Housing Costs, Charging Order, Enforcement Agents and Forfeiture.
Commonhold and Leasehold Reform Act 2002. The Leasehold	Commonhold and Leasehold Reform Act 2002. The Leasehold

Policy Document Control

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Version Number: 3.7

Customer Insight (if applicable): *How has customer insight shaped the development of the policy to satisfy the TIE Standards: 1.2.1 Registered Providers shall ensure that tenants are given a wide range of opportunities to influence and be involved in: a. the formulation of their landlord's housing-related policies and strategic priorities.*

Approved By/Date Approved: Martin Jones, Acting Director of Income and Letting Services, October 2024

Next Review Date: October 2026