



# Income Maximisation Policy

## A Sovereign Network Homes Policy

December 2023

### **Important**

**Policies and procedures must be coordinated through the Business Development Team for compliance, auditing and control purposes. A Policy Registration Form must be completed before**

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any revisions are made by contacting the Business Development Team at [NH.Policy@networkhomes.org.uk](mailto:NH.Policy@networkhomes.org.uk)

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**Title: Income Maximisation Policy**

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<b>February 2021</b>	<b>Head of Income and Service Quality Manager</b>	<b>V1.5</b>	<b>3-year review of policy</b>
<b>December 2023</b>	<b>Head of Income and Service Quality Manager</b>	<b>V1.6</b>	<b>3 Year Review and Rebrand</b>

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## 1. Introduction

- 1.1 This policy sets out Sovereign Network Homes' approach to rent collection, prevention and recovery of current rent arrears and service charges. This policy relates to all tenancy types across Sovereign Network Homes.
- 1.2 This policy complies with the HOMES Regulatory Framework
- 1.3 Network will continue to identify tenants in need of support to reduce rent arrears and maximise income,whilst ensuring we can maintain our financial position and demonstrate sound financial long-term plans for the Income Revenue Account

## 2. Aims and Objectives

Sovereign Network Homes are committed to sustaining tenancies and maximising our ability to

(not needed) protect the level of service we provide. Sovereign Network Homes recognises the impact of universal credit and are seeking to mitigate against its impact. In order to do this successfully Sovereign Network Homes aim to:

- maximise rent and service charge collection
- offer access to Welfare Benefit Advice
- support tenants to maintain their tenancy
- promote a positive payment culture
- minimise arrears
- promote financial inclusion
- ensure Sovereign Network Homes' income collection service reflects legal requirements, best practice and regulatory guidance
- Help tenants help themselves with good advice and signposting, including working with others for options to increase income by training and employment.

## 3. Policy Statement

The Income Team will support residents to sustain their tenancies, to maximise income for Sovereign network homes whilst continuing to work within the legal framework. We have developed an Income Collection and Universal Credit Procedures to enable us to maximise our income collection.

### 3.1 Focus on arrears prevention

- Arrears prevention is key to driving down and managing arrears, Sovereign network homes prioritise early Intervention as the best way of ensuring tenancies are successful in the long run.

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- Sovereign network homes is committed to assisting our tenants avoid getting into arrears. New tenants will be advised of the rent due at the beginning of their tenancy. Rent is due in advance in line with the terms and conditions of their tenancy agreements
- Tenants will be required to pay one weeks rent (or a monthly payment if the rent is due each month) in advance at the sign up of their tenancy
- Tenants will be advised of the implications of non-payment of rent
- Tenants will be given advice and assistance to complete housing benefit applications/ Universal Credit applications online, if appropriate
- Financial health and affordability checks will be carried out with all new tenants
- The tenants rent account will be reviewed as part of the 6 week New Tenant Visit
- Sovereign Network Homes will signpost tenants to relevant debt advice agencies to support tenants in obtaining specialist advice and assistance
- Support with applying for Discretionary Housing Benefit for those affected by the under-occupancy charge and the benefit cap
- Referrals to Worklessness Team for residents wanting help finding work
- Sovereign Network Homes focusses on a creating a culture of payment

### 3.2 Information, advice and assistance

Sovereign Network Homes will ensure our communications are clear, customer friendly and encourage contact. Sovereign Network Homes will:

- Provide advice and assistance on paying rent, claiming benefits and general financial advice will be available to all tenants to ensure that income is maximised and to facilitate the payment of rent due
- Sovereign Network Homes will make available information for tenants on how to pay their rent and what to do should they fall into arrears
- Sovereign Network Homes will ensure that regular rent statements are sent to all tenants, and are available on demand, to enable tenants to manage their rent accounts
- Tenants are provided with access to the rent statement via an online portal
- Sovereign Network Homes may choose to offer incentives to tenants who pay their rent promptly to encourage regular and punctual payment
- Sovereign Network Homes will provide relevant publicity to raise awareness of the organisation’s policy on rent arrears and to encourage tenants to engage with officers to manage any arrears
- As per our Reasonable Adjustment Policy, Sovereign Network Homes will make our rent statements and letters available in a wide range of formats upon request, such as Braille or large format, and will arrange for translations of rent letters when appropriate
- Make safeguarding referrals as required
- Make referrals to our Network Cares Charitable Fund and also our Network Cares Arrears Panel as required.

[Network Cares - Charitable fund \(networkhomes.org.uk\)](https://networkhomes.org.uk)

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### 3.3 Managing the arrears/working with the tenant

- Sovereign Network Homes will use account data to identify tenants who are defaulting on their rent accounts at the earliest possible stage.
- Our income team will use a variety of contact methods, but will always aim to make direct contact with tenants either by telephone, text, email or in person to discuss rent payment problems at all stages of the arrears management process
- outstanding debts will be collected with sensitivity to individual circumstances and minimising hardship, distress or financial difficulty
- realistic, manageable repayment plans will be developed with the tenants that are sustainable
- Sovereign Network Homes will work with a range of specialist services to provide support, advice and financial advice to our residents including Housing Benefit, Department of Work and Pensions, Social Services, and Citizens Advice Bureau
- we will notify relevant agencies where a tenancy is at risk and vulnerable adults or children are involved
- In cases where we are aware that English is not the tenant's first language, we will utilise other agencies to assist with communicating in their preferred language
- Information on how to get help with managing their rent payment and debt will be included in our arrears letters, on our rent statements, in our newsletters and on our website
- Sovereign Network Homes will not let a garage or parking space to a tenant in arrears
- Sovereign Network Homes will repossess a garage or parking space from a tenant with arrears
- Sovereign Network Homes will monitor accounts closely and regularly, taking action where necessary in accordance with our income procedure
- Unless there are extenuating circumstances as assessed by Sovereign Network Homes the tenant will be denied a move if they are in rent arrears

### 3.4 Payment Options

- Tenants will be advised of the range of payment methods available to them with direct debit being Sovereign Network Homes preferred option as this is the most efficient and easy way to pay rent. This includes payments through our My Network Homes Portal and Our Chat Bot system.
- We will encourage all new tenants to set up direct debits when they sign up for new tenancies
- Tenants can also pay using standing order, debit/credit card or payment cards. We will request direct or more frequent payment of Universal Credit housing component via an alternative payment arrangement where appropriate.

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### 3.5 Enforcement and legal action

Sovereign Network Homes takes a robust and firm approach to income collection, legal action will be taken in cases where attempts to resolve cases with tenants have failed. Where we are considering progressing a case to court, we will follow pre-court protocols, including the completion of an Equality Act Duty Assessment for all residents. This is to ensure we have provided all the support we can before progression to Court.

- All action to recover rent arrears will be prompt. Tenants who fall into arrears will be identified quickly and action taken in accordance with agreed procedures.
- Legal action will be taken for recovery of unpaid debts, if the tenant refuses to make or breaks any arrangement to pay or does not engage with Sovereign Network Homes.
- Where a tenant has former tenant arrears in addition to current tenant arrears priority will be given to clearing current tenant arrears.

Evictions are only undertaken as a last resort, and only upon completion of a pre-court checklist that ensures all appropriate measures are taken before applying to court, the award of a valid possession order from the court, and sign-off on an Eviction Report by the Head of Income and Director of Housing.

### 3.6 Financial Inclusion

3.6.1 Sovereign Network Homes is committed to promoting financial inclusion for all its tenants; we recognise that some of our tenants may be:

- financially excluded
- excluded from mainstream financial products – such as a bank account
- vulnerable or disadvantaged

3.6.2 We aim to identify these tenants at an early stage and provide flexible advice and support in response to their needs.

3.6.3 In addition we will also make all residents aware of Sovereign Network Homes' Welfare Benefits Advisors who will provide:

- free and confidential basic money advice
- advice about benefits
- tribunal representation
- fuel poverty advice

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#### 4 **Complaints**

Any tenant who is dissatisfied with how we have managed their rent account is able to submit a complaint using our Complaints process. Once our Complaints policy is complete and if they remain dissatisfied then they can contact the Housing Ombudsman.

#### 5. **Training**

Sovereign Network Homes employees will be trained, resourced and supported to enable them to deal effectively with the recovery of current tenant arrears and income maximisation. Relevant officers will receive training on:

- Housing benefit and welfare benefits
- current legislation and the use of legal remedies
- basic debt advice
- Sovereign Network Homes Income policy and procedure
- Universal Credit (UC)
- Safeguarding

#### 6. **Performance monitoring and responsibilities**

- 6.1 Sovereign Network Homes will on an annual basis review and set performance targets for the collection of current rent arrears and monitoring information will be provided to Sovereign Network Homes board and senior management teams.
- 6.2 Sovereign Network Homes will seek to embed good practice and continuous improvement in respect of income collection.
- 6.3 Sovereign Network Homes will benchmark performance against other members of the G15.

#### 7. **Related documents**

- Income Collection Procedure
- Allocations and Lettings Policy
- Universal Credit Procedure
- Former Tenant Arrears policy
- Former Tenant Arrears Procedure
- Data Protection Policy
- Network Cares Policy and Procedure
- Reasonable Adjustment Policy
- Safeguarding Policy and Procedure

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## 8. Legislation and regulation

The legislation listed in this policy is not intended to cover all legislation applicable to this

- Regulatory of Social Housing - Regulatory Framework
- Housing Act 1985
- Housing Act 1988 as amended
- Housing and Regeneration Act 2008
- Welfare reform Act 2012
- Insolvency Act 1986
- Housing Benefit (General) Regulations 1987
- The Regulatory framework for Social Housing April 2012
- Children Act 2004
- Rent Arrears Court Protocol
- Equality Act 2010
- Data Protection Act 2018
- Consumer Credit Act

## 9. Equality and diversity

We will apply this policy consistently and fairly, and will not discriminate against anyone based on any relevant characteristics, including those set out in the Equality Act 2010.

## 10 Review

All policies should be reviewed every 3 years as a minimum, or sooner if there is a specific legislative, regulatory or service requirement or change in guidance, law or practice.

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