

Housing Management

Income Management

Scope:	This policy applies to: Circle 33 Housing Trust, EPIC Trust, Merton Priory Homes, Mole Valley Housing Association, Mercian Housing Association, Old Ford Housing Association, Roddons Housing Association, Russet Homes, South Anglia Housing, Wherry Housing Association.
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Signed Off :	Group Policy Forum, 30 July 2010
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Policy Owned by:	Group Policy
National Standards/ Regulation	Tenancy Standard Governance and Financial Viability Standard Value for Money Standard
Legislation:	Data Protection Act 1998 Housing Act 1985 Housing Act 1988 Equality Act 2010

Income Management

1 Scope

- 1.1 The policy applies equally to:
- Starter, Assured, Assured Protected, General Needs Assured Shorthold, Temporary Social Housing and Secure tenants and Licensees.
 - Supported housing tenants and tenants living in sheltered schemes and where Circle Anglia provides housing management services and a separate organisation provides support.
- 1.2 This policy does not apply to Leaseholders, Intermediate Rent, Key Worker or Market Rent properties or former tenant arrears.

2 Policy Statement

- 2.1 Circle Anglia works to enhance Life Chances [by](#) providing safe, secure and affordable homes, developing quality services that meet local needs and engaging with residents and service users to build inclusive and sustainable communities.
- 2.2 We promote a positive payment culture which focuses on supporting residents to help them meet their obligations. We expect prompt payment of rent and other charges and we will prioritise preventative action in the early stages of any arrears.
- 2.3 We will work with tenants to sustain tenancies and explain all available remedies to reduce arrears. We will take enforcement action in a fair manner and avoid any unnecessary evictions.
- 2.4 We are aware that multiple debts are a problem for many of our tenants and we will work within the framework of our wider-ranging [Resident Debt](#) policy.

3 Policy

- 3.1 Circle Anglia is committed to providing full information to new tenants about their rent-paying obligations and the impact that non-payment will have on their tenancy. We will ensure that tenants have the necessary facilities to make their rent payments and that they are referred to welfare advice and money management advice as necessary.
- 3.2 Early identification of arrears allows us the time and opportunity to offer support to tenants and discuss a range of options for clearing arrears. Staff will be proactive and establish contact with the tenant as soon as possible.
- 3.3 Housing benefit problems are a frequent cause of rent arrears and we will work together with the tenant to resolve the issues. We will not start possession proceedings where arrears are due to an outstanding housing

benefit claim and the tenant has provided all of the information required of them and is paying any sums due which are not covered by housing benefit.

Static Debts and Low-level Debts

- 3.4 We will periodically review cases of static or low-level debts and assess whether it represents value for money to pursue them. A management decision may be taken to serve notice on static or low-level debts and proceed to court action.

Joint tenants

- 3.5 In legal terms, both parties to a tenancy are jointly and severally responsible for rent arrears on the property. This means each individual tenant is responsible for payment of the full rent and any arrears.
- 3.6 We will address initial correspondence to tenants individually, regardless of whether both are known to be resident at the property, with follow-up letters sent to both jointly. We will endeavour to ensure that both tenants sign any agreements and attempt to see both tenants when making visits.

Insolvency Arrangements – Bankruptcy, Individual Voluntary Arrangements (IVA) and Debt Relief Orders (DRO)

- 3.7 Where a tenant has an insolvency arrangement and stays in occupation, the tenant is liable to pay current rent as usual.
- 3.8 Following the Harlow v Hall case 2006, we are not obligated to write off rent arrears where bankruptcy has occurred. We may deal with repayment of rent arrears in line with this policy, and follow standard procedures for recovery action where arrangements are not kept to.
- 3.9 The main feature of a DRO is a ban (called a moratorium) which prevents creditors pursuing debts for a period of 12 months. Tenants with a DRO are still liable to pay rent, and rent arrears incurred after the DRO has been made are not covered by the moratorium. We will deal with repayment of these arrears in the standard manner.

Pre-action Protocol

- 3.10 The Civil Justice Commission issued the Pre-Action Protocol in October 2006 to ensure that there is more contact between tenants and landlords before court action is taken. The requirements of the protocol are built into our policy and procedure.

4 Vulnerable Tenants

- 4.1 There is no standard definition of what is meant by the term 'vulnerable' for social housing landlords. In the context of income management, we define as vulnerable anyone who does not have the ability to pay rent either in the short or long term. Vulnerabilities may include:

- people with physical or sensory disabilities, or mental health problems
- people who find it hard to read and write
- people who are elderly or have recently been bereaved
- people who are receiving support from a social worker
- people who do not speak English as a first language.

4.2 We recognise that vulnerability requires extra work on our part in helping people to pay and in preventing and tackling arrears. It does not mean disregarding failure to pay rent or repay arrears. We will comply with the Equality Act 2010 at all times and the pre-action protocol for possession claims based on rent arrears.

5 Loss of Rights for Tenants in Arrears

- 5.1 The individual circumstances of tenants will be taken into account, and the relevant tenancy agreement and policies will be considered before any rights are removed.
- 5.2 Supported Housing tenants who are in arrears will not usually be considered for move-on.
- 5.3 Tenants in arrears will not usually be accepted on to a Register Provider's transfer list. Furthermore, tenants who fall into arrears while on the transfer list will be suspended from the list. In exceptional circumstances, a management decision may be made to allow a tenant to transfer where arrears are a factor.
- 5.4 Tenants in arrears may not be able to carry out tenancy changes such as mutual exchanges and creating joint or sole tenancies.
- 5.5 If a tenant is in arrears, any payments such as compensation for service failure or under-occupation entitlements will be credited to their rent account.

6 Notice

- 6.1 We will serve notice for arrears where a tenant is 28 calendar days/ 4 weeks or more in rent arrears and the tenant has not responded to our efforts to make contact, or has broken their agreement to repay the arrears.
- 6.2 Service of the notice may be delayed where housing benefit eligibility has been established, where the willingness of the tenant to pay is not in question or where the vulnerability of the tenant has highlighted significant support issues.

Notice of Seeking Possession (NOSP): Secure tenancies

- 6.3 We will seek possession under Ground 1 of Schedule 2 of the Housing Act 1985 where, 'Rent lawfully due from the tenant has not been paid or an obligation of the tenancy has been broken or not performed'.

Notice of Seeking Possession (NOSP): Assured and Starter tenancies

- 6.4 The Housing Act 1988 provides three grounds for possession for rent arrears:
- We will usually seek possession under the discretionary Ground 10, where, 'Some rent lawfully due from the tenant is unpaid on the date on which proceedings for possession are begun' and '...was in arrears at the date of service of the Notice under that section relating to those proceedings'.
 - Ground 11 may also be used in conjunction with Ground 10, where, 'whether or not any rent is in arrears on the date on which proceedings for possession are begun, the tenant has persistently delayed paying rent which has become lawfully due. '
 - We will not use the mandatory Ground 8. This ground requires a judge to issue a possession order where the criteria are met, and allows no discretion.
- 6.5 For other debts or arrears which are not rent related, Ground 12 'any obligation of the tenancy (other than one related to the payment of rent) has been broken or not performed' may be used.

Notice to Quit (NTQ) – Licensees

- 6.6 We will serve a Notice to Quit where a licensee has up to 28 days or more in arrears and has not responded to our efforts to make contact, or has broken their agreement to repay arrears.

7 Court Action

- 7.1 Where no contact or agreement has been made and the arrears are not reducing, Circle Anglia will apply to court for a possession order once the NOSP has expired. We will always use discretion when making this decision and take into account the personal circumstances of the tenant.

Adjournments

- 7.2 We will normally adjourn a case on terms if an agreement is made and maintained prior to the court hearing. Under the Housing Acts 1985 and 1988 there is a duty on the court to impose some form of payment on the tenant on making an adjournment, save where it would be unreasonable.

Court orders

- 7.3 We will take into account the individual circumstances of the tenant, including their ability to repay the debt, their housing benefit situation and their payment history. We will usually seek either a Suspended Possession Order (SPO) or an Outright Possession Order (OPO) from the court. A money judgement will always be sought with any possession order, in addition to an order for costs incurred.

Eviction

- 7.4 We will only consider eviction when all other options for clearing arrears have been exhausted. We will only carry out an eviction where a county court bailiff is present and we will work with the bailiff to ensure that it is done as sensitively as possible. Tenants will be advised of their right to appeal as appropriate.

8 Equality and Diversity

- 8.1 Circle Anglia will treat all customers with fairness and respect. We recognise that we have an ethical and a legal duty to advance equality of opportunity and prevent discrimination on the grounds of age, sex and sexual orientation, disability, race, religion or belief, gender reassignment, pregnancy and maternity, marriage and civil partnership.
- 8.2 All customers will have access to this document either through the customer website www.circleanglia.org/customers or on request to their local Provider.
- 8.3 This document and any related leaflet may be translated or interpreted, or provided in accessible formats such as large print or Braille according to customers' needs. Further information can be found in our Translations, Transcriptions and Interpreting policy, which is available on www.circleanglia.org/customers or on request to their local Provider.
- 8.4 All staff receive Equality and Diversity training on joining Circle Anglia and are responsible for ensuring that the Equality and Diversity policy is incorporated into all work activities and all dealings with customers and colleagues. The Equality and Diversity policy is available on www.circleanglia.org/customers or on request.