

Introduction

This Policy sets out our approach to maximising our income through the collection of customer rents, service charges, estate charges, recharges, and the recovery of former customer debts, for Great Places and Plumlife properties.

Our income management approach enables the delivery of commitments in the Great Communities section of our Corporate Plan; helping to deliver core services, create sustainable communities and help us in reducing poverty and improving lives for our customers. As these services help us collect our main income stream, effective performance is critical to the financial health of the organisation.

The aim is to deliver an efficient and effective income management service working within our Service Delivery Frameworks that supports customers and former customers to understand, take responsibility for and meet their responsibilities, whilst providing help and advice for those requiring additional support.

Context

We follow regulatory and legal requirements including ensuring that our social and affordable rents are increased in accordance with Government guidance: currently the 2020 Rent Standard. Our rents are approved annually by our Board in line with policy, best practice and regulatory guidance. There may be properties where, by exception, the full increase is not applied based on our assessment of affordability and demand for the property. This supports our aim to create sustainable, settled communities.

Service charges are covered by the Landlord and Tenant Act 1985, and aim to be cost reflective they are compliant with the Rent Standard and set within national guidance so that they are affordable for customers.

Secure rents are set by the Rent Tribunal Service, and Shared Ownership rents and any other leaseholder charges are set in accordance with the terms of the relevant lease. Affordable rents are set within 80% of market rents.

Market rents are set by Plumlife taking into account rent levels of similar properties in the locality.

This Policy embodies the principles of our Service Delivery frameworks:

- Doing things 'with' not 'for' customers
 - *For example, developing the confidence of our customers to make benefit applications for themselves, and to become self-reliant and independent*
- Being easy to do business with and here to help
 - *Self service options for rent payment or access to advice and assistance on our website, allowing time for our colleagues to support those in need of more specialist support*
- Involving partners and working with them for our customers' benefit

- *Working with like-minded partners such as debt advice services, better skilled and placed to support our customers.*

Our approach is designed to prevent customers from falling into debt, with all the associated detrimental impacts that this can have on households.

As some of our customers' transition to Universal Credit advice and support to assist this move is provided.

Changing customer profiles also inform our income management approach. Our customer data tells us that we are housing;

- more customers who are working, many on low incomes or facing uncertainty of hours and poor job security,
- younger people,
- vulnerable people with complex needs, including some who have experienced homelessness.
- We are also conscious that families in larger, more expensive properties may face financial challenges.

Great Places has signed up to a number of local and sub-regional commitments to ending homelessness. We provide easy access to effective tenancy support services and operate a flexible arrears policy in line with our Service Delivery Frameworks, and identify and proactively engage customers who could struggle to maintain their property without support. We signpost to partner services where appropriate, and work with others in pre-eviction partnerships to ensure emergency accommodation is available if there is no option but to take possession proceedings. We ensure that our debt recovery meets the pre-action protocol, communicating with customer at all stages during the arrears process. We avoid possession action where customers demonstrate they are doing all they can to maintain repayments to keep their home.

This Policy supports the organisation in managing the corporate risk GC4 'failure to manage the impact of customer poverty and welfare reform on the inability to pay rent'.

What we currently do

Since the last Policy we have restructured our Customer Services Directorate, introducing new Service Delivery Frameworks, new teams and ways of working which underpin our vision for service delivery and a new relationship with our customers. To support this vision we have improved our rent management systems, automating more actions and enabling text reminders to customers who miss a payment or fail to keep to repayment arrangements. We have changed our ways of working and trained colleagues to work more flexibly in line with our vision. We have established a Service Development Team which includes specialist support services including a Welfare Benefit Advisor role to provide specialist support for colleagues working with customers. We have also introduced a Tenancy Coach service which directly supports customers in debt, and have a new Community Investment Team which works with customers to get them into employment increasing their income.

Aims and objectives

This Policy sets out our high level commitment to income management through the following:

Key aims and objectives

We aim to help customers to understand and pay their rent, support them to maximise their income and promote a strong payment culture. Our objectives to achieve this are to:

1. Manage and collect our income and minimise customer debt
2. Promote a payment culture and provide customers with easy ways to pay
3. Support customers through tailored communications and advice

1. Manage and collect our income and minimise customer debt

To maximise our income we proactively seek to prevent arrears, and aim to collect rent when it is due, where possible in advance from tenancy commencement.

1.1. Rent Setting;

- We set rents and service charges and send out increase or decrease notices in a timely way, ensuring the right charge is made and customers are given clear information about meeting their responsibilities
- Our property and rent data is checked to ensure accuracy and we will ensure that property valuations used in setting any rents are up to date

1.2 Efficient collection and management;

- Applicants for housing are informed of all charges for a property, and encouraged to check that these are affordable so that they can make an informed choice about whether to take the property or not
- The rent system automation and text messaging to customers ensures we contact customers as early as possible, as lower debts are easy to recover. This leaves colleagues free to deal with complex cases requiring additional time and support
- Our mobile working tools enable colleagues to access to all the information they need to discuss account issues in customers homes, with chip and pin machines providing the ability to collect rent 'in the moment'
- Repayment arrangements are agreed following a payment review with customers which will be realistic, monitored and periodically reviewed
- Our colleagues receive the training and support they need to be able to provide the appropriate level of advice to customers. Customers with more complex needs or multiple debts may be signposted to our Tenancy Coach service or other partners for support
- Customers on benefits including Universal Credit (UC) are able to seek support from the Hub or local staff, access support information on our website, or are signposted to partners who can support with applications and complex queries. For UC claimants in arrears we can make a claim for direct payment of rent

- We seek to improve the energy efficiency ratings of our homes to reduce running costs for customers
- We will use data and evidence to target customers towards using more efficient, cost effective payment methods
- Where we have ineligible service charges in I&W properties we invest to remove the need for these where possible
- If customers are struggling financially in a home that is too large we support them to downsize
- Customers contacting us when experiencing a significant event, for example relationship breakdown or bereavement, will be proactively offered money advice support
- We will ensure that we review services and service charges so that they are appropriate and affordable
- For customers in I&W properties who secure employment we work with them to fast track them into general housing where rents are lower
- If a Great Places or Plumlife customer leaves us with a debt, our third party identity brand (Start Solutions) seeks to recover this with the most appropriate course of action
- We are reviewing the current working practices of Start Solutions to create a service that maximises the collection of debts, and minimise outstanding debt, by providing support and guidance to customers and colleagues

1.3 Partnerships

- We ensure that we have local relationships with credit unions, CAB, debt services and food banks that we can signpost customers to
- We promote low-cost tenant insurance to prevent customers from experiencing uninsured losses
- Customers needing affordable furniture packages will be signposted to these

2. Promote a payment culture and provide customers with easy ways to pay

Setting the scene for the payment culture starts as soon as we meet a prospective customer, and through the behaviour of our colleagues throughout the customer journey. By setting clear expectations and ensuring that these are understood by customers will help us develop the right behaviours and actions to support sustainable tenancies where regular rent payments are maintained. We will ensure this through the following actions;

- When the customer moves in we discuss the importance of making rent payments on time, and explain the consequences of not doing this, and the support we can offer if customers struggle to make payments
- Customers have a range of convenient and accessible ways to pay including online, chip and pin, by telephone, and by Direct Debits offering flexibility of payment date
- We use campaigns to promote prompt rent payments and use of Direct Debits
- We actively encourage customers to use the portal to check their rent balance at any time
- We will report the level of legal action taken, and evictions carried out and encourage customers to contact us early if they are struggling to prevent this happening encouraging them to enter into repayment agreements and maintaining them if facing hardship

- If customers need rechargeable repairs we will collect the money before the work is undertaken where possible
- We will offer early and late appointments for working customers who need money advice or arrears visits
- We are reviewing our recharges policy and procedures to ensure that we recover costs for damage

3. Support customers through tailored communications and advice

Providing the right information, advice and support to help our customers maintain regular rent payments is central to our new approach to ensuring customers are clear on their responsibilities, and out expectations of them. We will support and communicate with our customers in the following ways;

- Our customers have access to a customer portal at all times, this enables them to check their rent balance and make a payment.
- Our website also provides information about welfare benefits, money advice and signposts to other relevant sources of information or support.
- We will continue with our customer profiling and insight so that this shapes our rent arrears messaging and support campaigns. This means targeting appropriate advice for customers based for example on their work status, income, and level of debt, gender, location, household composition, age, and digital activity.
- Understand customer groups who are more likely to experience difficulties in making payments will help us provide more proactive and appropriate support. Neighbourhood level data on incomes and debt, including our use of Geographical Information Systems would give us the opportunity to target a specific area for advice and support.
- Following recommendations from our Customer Scrutiny Group 'Insight' we have in place targeted automated SMS messaging for customers moving onto Universal Credit giving advice and links to our website for information or other sources of support.
- Insight have also approved the introduction new information tools and a support campaign to further develop the awareness of the impact of Universal Credit on customer income and rent account management.
- We monitor the use of our website using Google Analytics and will continue to review how easy our money advice pages are to find and how useful customers seem to find them.
- Our communications plan for income management will raise the profile of our digital offer as helpful sources of information for customers to better manage their money, budget or seek specific debt or benefit advice.
- Colleagues are able to support or signpost to organisations that can provide the relevant advice, and we will promote the detail and access to these services across our communications channels.

Financial / value for money implications

Rental income is the principal source of income for Great Places and Plumlife. Non payment of rent is detrimental to our finances and impacts on our ability to deliver services to individuals and

communities. Debt reduces cash available and increases the costs of income management services. Transaction costs for payments are increasing as more customers move to UC or are working. We encourage customers to use Direct Debits as these are the lowest cost for us.

Implications for customers

We prioritise timely support and intervention for customers as we know that debt can have a negative impact on well-being. We seek to ensure a balance between the consequences of non-payment and being empathetic of those who are facing financial hardship. We will be supportive of customers who make efforts to maintain rental payments and seek to reduce any arrears, but will take legal action as a last resort for those customers who will not pay.

Equality and Diversity implications

The rent and service charge increases are applied to all our properties as appropriate. The increase is applied to the property and has no bearing on the profile of the tenant including age, race, gender. The rent increase does not target or disproportionately affect any group of people based on any of the protected characteristics. Whilst the rent increase does not target any specific group, the increase will have more of an impact on households on lower incomes.

How performance will be monitored

Rent collection is currently one of our Board Critical Success Factors with a minimum and stretch target set annually by the Board, so performance is seen by the Board to be critical to the success and financial health of the organisation. In addition income management performance is reported through a number of other metrics, broken down by region, local authority and patch level, and which are included in the monthly balanced scorecard reported across management forums in the organisation. We also report on welfare reform and Universal Credit performance monthly, highlighting payment levels and trends. Where performance is outside of our assumptions these are highlighted in our 'early warning monitor' report highlighting potential risks in our ability to deliver our Business Plan. Income Management performance is also included in our current internal audit programme, with audit reports and progress against recommendations reported to our Audit and Assurance Committee.

Risk

The risks to achieving our objectives include housing an increasing number of people of working age many of whom may be on low or insecure incomes, this has implications for staff time compared to a traditional base of older customers, and risks arrears increasing. We have mitigated the risks by developing greater levels of automation and efficiencies within the processes we use so that colleagues feel able and empowered to engage with customers, to establish relationships and build up trusting and respectful relationships. Maintaining a dialogue and arrangements to reduce debt will minimise customer evictions or abandonments.

Another risk is that customers move onto Universal Credit from other benefits or work and find the change in managing their finances a struggle, particularly where they already have an arrears history.

We have mitigated this risk with increased automated information to customers and early contact with them following a move to UC. We also monitor weekly changes in arrears for UC claimants.

It is easier to recover a debt situation when levels are lower, so staff will focus on early intervention, supported by automated prompts to customers. A risk to this policy is that colleagues are not sufficiently trained to support or signpost customers to the relevant information they need; to mitigate this risk we will ensure that appropriate professional training and induction, supported by clear guidance and updates, is provided. The Rent SEG will take a lead in considering how appropriate training is, and identify areas of new training required.

Links to related policies

Customer Experience Strategy
 Community Investment Strategy
 Customer Voice Strategy
 Allocations and Lettings Policy
 Tenancy Management Policy
 Anti-Social Behaviour Policy

Equality Impact Assessment

1. Is this a key strategic document, major policy or procedure or service change	Yes		No	
	✓			
2. What impact will your document or delivery change have on the public or staff, giving regard to potential impacts on minority groups?	High	Medium	Low	Don't know
			✓	

What are the main conclusions of the EIA?
There is minimal impact on customers.
As a result of these conclusions what actions if any will be included in your business actions and wider processes?
None required.

Approval date	February 2020
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Safeguarding impact	
Review date	February 2022
Lead team	Service Development Team Rent and Service Charges Service Excellence Group
Level of authorisation required	Directors