

Income Management Policy

1. Aim

- 1.1. The overall aim of this policy is to maximise rent and service charge collection, minimise arrears and enable our customers to maintain their tenancies and leases. To maximise income through preventative measures and firm but reasonable pursuance action whilst supporting vulnerable customers.

2. Scope

- 2.1. The policy covers all current and former customers of Onward Homes, including Contour Property Services, regardless of tenure type or frequency of rent and other charge.
- 2.2. For the purpose of this policy, arrears include current rent arrears, service charge arrears, former customer arrears, ground rent arrears, administration charges, and housing management sundry debts including associated court costs and debt recovery fees arising from the above.
- 2.3. Ensure the Income Management policy is followed at all times.

3. Payments and collection of charges

- 3.1. We encourage customers to pay via Direct Debit and also provide a range of accessible and cost-effective payment methods, ensuring Payment Card Industry (PCI) compliance.
- 3.2. We expect customers to comply with the terms of the Tenancy Agreement and Lease and pay rent and service charges in advance, and other charges as demanded. We expect customers to pay in advance in line with the frequency of their payments. This applies to new and existing customers and includes any tenancies which incorporate rent free or non-chargeable weeks.
- 3.3. As examples of paying in advance, if you pay your charges monthly, we expect your account to be paid a month in advance. If you pay your charges weekly, we expect you to be paid a week in advance. Your account should never show an arrears balance if paying correctly in advance.
- 3.4. Onward may make arrangements with customers to pay over-time to move their account into credit in order to be paying fully in advance in some circumstances.

4. Prevention of rent arrears

- 4.1. Prior to being allocated a tenancy, applicants will undertake an affordability assessment. The applicant may be discouraged to take up the tenancy if they are assessed as unable to afford the rent for the tenancy.

- 4.2. The importance of paying rent as per the terms of the Tenancy Agreement will be reinforced to the customer pre-tenancy and at sign-up. With the correct payment taken from the customer at sign-up.
- 4.3. Homeowners will be notified of rent and / or service charge payments during the purchase process and will be issued a welcome letter explaining payment options and reinforcing the importance of paying their charges in line with the terms of the lease.
- 4.4. Taking prompt and effective action at an early stage with an emphasis on early intervention, personal contact and supporting new customers.
- 4.5. We will place an emphasis on the prevention of debt with information and advice available in person and via our website and social media. Our Money Advice Specialists will provide advice and support to enable customers to be in the best position to sustain their tenancy. We will always ensure that any advice we provide or agencies to which we signpost are free of charge to the customer.
- 4.6. Onward will use every opportunity, where appropriate to do so, to have a constructive conversation with a customer and discuss payments.
- 4.7. Customers are encouraged to speak to the Onward Customer Accounts team if their circumstances will soon change or have changed, so an arrangement and support can be put in place.

5. Current customer arrears pursuance including legal action

- 5.1. We will take a firm approach to pursuing arrears and ensure that reasonableness and respect for the customer is at the core of all arrears actions and decisions taken.
- 5.2. When a customer misses a payment, they will be contacted at the earliest possible in order to come to an agreeable and reasonable arrangement to clear the debt including administration fees & court costs. Each agreement made will have a review date.
- 5.3. Specialists in the Customer Accounts team may make flexible arrangements with customers as and when circumstances require. Referrals will be made to Money Advice and other supporting teams where required.
- 5.4. We will tailor our service in line with customer needs in accordance with the Equality Impact Assessment and the Equality Act 2010.
- 5.5. We are committed to the principles of diversity and inclusion throughout the organisation and aim to:
 - 5.5.1. Meet the needs and choice of people from all backgrounds by taking an individual, tailored approach to account management and customer service.
 - 5.5.2. Ensure that our services are relevant, responsive and sensitive to the needs of our existing and future customers.
 - 5.5.3. Ensure that all customers have equal access to our services by promoting and offering a multitude of ways that customers can understand and engage the service.
- 5.6. Our Income Management Policy will ensure that customers will be treated as individuals and with fairness and respect.

- 5.7. We will utilise a variety of targeted communication methods to pursue arrears including letter, phone call, home visit, text and video conferencing, with the action taken recorded in the Housing Management system. We will use translation services to correspond with customers where English is not spoken by the customer or in the household. We will make use of technology and automation to improve our ability to make contact with customers in arrears at the earliest possible opportunity.
- 5.8. At least two attempts will be made to contact customers who fall into arrears prior to the start of the legal process.
- 5.9. Court action will be taken as a last resort when extensive efforts to engage a customer have been exhausted. However, a zero-tolerance approach will be applied to those who will not pay their charges and outstanding debts and fail to engage. The up to date, relevant pre-action protocol will be complied with, and that compliance evidenced in Onward systems, and at court during possession proceedings.

6. What are “legal grounds”?

- 6.1. Legal grounds are the official reasons, set out in law, that a landlord can use to take action (like going to court) if a tenant falls behind on rent or breaks the terms of their tenancy agreement.
- 6.2. For Assured customers, including Shared Ownership customers, in addition to the discretionary Ground 10: Rent arrears and 11: Persistent rent arrears in Schedule 2 to the Housing Act 1988, as amended, we will also rely, where appropriate, on the mandatory Ground 8: where both at the date of the service of the Notice and at the date of the hearing, at least 8 weeks rent is unpaid.
- 6.3. For Secure customers we will rely on Ground 1: Rent arrears or other breach of tenancy in Schedule 2 to the Housing Act 1985.
- 6.4. For Assured Shorthold customers and other forms of tenancy we have the option to rely on all the grounds contained in the Tenancy Agreement, along with available legal remedies.
- 6.5. In all cases, including where Ground 8 is used, we will comply with the provisions contained in the Pre-Action Protocol for Possession Claims by Social Landlords.
- 6.6. For leasehold customer we will rely on the civil procedure protocol or respective court protocol for the owner’s country of residence.
- 6.7. We incur a cost when making Court applications, and in all cases, apart from where the case is withdrawn or dismissed, we will ask for an order for costs.
- 6.8. The Regional Director, with delegated authority from the Board will approve all bailiffs warrant and CCJ applications, including where possession is being sought for Assured Shorthold customers using Housing Act 1988 Section 21 provisions. Approval will last for a maximum of 12 months, after which new approval is required on which to base any action.
- 6.9. A risk assessment, signed off by a Manager may be carried out prior to evictions taking place.

7. Collection of charges

- 7.1. Collection of charges is crucial to the effective running of Onward. We rely on our income to provide the service, pay loans, fund improvement works and undertake initiatives complimentary to our business. We want to collect as much as we possibly can of any charge that we make for any property. We will insist on maintaining the terms of the agreements we use. We will publicise our approach to the collection of charges.

8. Prevention of Debt and Possession Proceedings

- 8.1. Currently customers may have several accounts with Onward Homes, including the following:
- 8.1.1. Current main rent or service charge account or ‘mesne profits” account (this term relates to a charge which becomes payable by persons in occupation of a property once a tenancy has ended – examples include but are not limited to a family member occupying the property following the death of the customer or a former joint customer who remains occupation upon the expiry of a notice to quit served by their former joint customer)
 - 8.1.2. Former customers arrears
 - 8.1.3. Court costs sub account
 - 8.1.4. Injunction costs
 - 8.1.5. Garage account, if they rent a garage
 - 8.1.6. Chargeable repairs and other items
 - 8.1.7. Allotments / other charges
 - 8.1.8. Other Sundry Debts
- 8.2. Where a customer owes a number of debts to Onward, colleagues will ensure that that priority debts are always paid first. When a payment is made that payment will be credited to the accounts in priority order
- 8.3. Residential customers may also have a commercial lease with Onward. In these incidences rent debt at the customer’s home will take priority.
- 8.4. If a payment is made to a lower priority account, staff will seek permission from the customer to re-direct to the priority account, unless a specific alternative agreement has been made.
- 8.5. The priority for the payments are:
- 8.5.1. Rent or service charge account or ‘mesne profits” account
 - 8.5.2. Court costs – these are awarded by court orders which will remain enforceable until cleared in full unless the order states otherwise
 - 8.5.3. Garage rent and arrears
 - 8.5.4. Injunction costs
 - 8.5.5. Chargeable repairs
 - 8.5.6. Former customer’s arrears
 - 8.5.7. Allotment charges or similar

8.5.8. Other Sundry Debts

9. Management of leasehold and commercial

- 9.1. Onward manages accounts and collects income for non-social renting customers, including but not limited to, market rent tenancies, home ownership leases, and commercial leases. The nature, management and escalation of these accounts differs from social rent tenancies, and Onward's procedures reflect this different approach. Due to the more rigorous financial verifications, and typically more robust financial capacity of this customer base, the steps in the arrears recovery process are fewer and with less flexibility than social renting tenants. Furthermore, there are stricter requirements within these types of tenancies and leases in relation to payment of charges. Onward will always operate in line with the terms of our customers' tenancy agreements and leases.
- 9.2. Onward may apply fees for processes related to pursuance of arrears and setting of arrangements. As per policy clause 3.4, Onward will rely upon civil procedural protocol to take legal action for non-payment of charges, including county court judgements, attachment of earnings, bailiff instruction, Ground 8, and forfeiture of lease. These actions will be carried out within agreed internal approval frameworks.

10. Former customer arrears pursuance including legal action

- 10.1. All outstanding debts will be consolidated at the termination of tenancy and we will pursue all arrears outstanding from former customers, including rent arrears and sundry debts, including, but not limited to chargeable repair and court costs.
- 10.2. We will utilise tracing agencies in the pursuance of former customer debts and will take legal action and refer cases to external Debt Collection Agencies where appropriate.
- 10.3. We will consider the use of incentives to encourage payment of former customer debts although the full debt must be cleared prior to the former customer being considered for rehousing by Onward.
- 10.4. We will consider write-off or archiving of former customer debts where pursuance avenues have been exhausted and reports will be prepared on a periodic, usually quarterly basis with delegated authority for write-off being provided by the Board.

11. Bankruptcy and Debt Relief Orders (DROs)

- 11.1. Customers may be declared bankrupt or have a DRO made and this may impact on our ability to pursue debt, but will not impact on our ability to take enforcement action, unless the customer has been discharged from bankruptcy or the 12 month moratorium provided by the DRO has expired and there are no arrears outstanding that have arisen after the date of the DRO / Bankruptcy Order. A joint customer or leaseholder who is not declared bankrupt or included on the DRO can still be pursued for the debt.
- 11.2. Dependent on the circumstances it may be appropriate to transfer any debt which form part of a bankruptcy or DRO to a sub-account pending review and/or future write-off, and advice will be sought from a Manager and/or Solicitor on the most appropriate course of action to be taken.

11.3. We will not grant permission for any money owed to Onward to be included in an IVR arrangement.

12. Responsibility and monitoring

12.1. The Customer Experience Director is accountable for ensuring this policy is legally compliant and reviewed and updated as required. The Income and Financial Inclusion Manager is responsible for producing the policy, ensuring the policy is implemented and work practices throughout the Onward organisation are compliant with the policy.

12.2. Performance information across a range of metrics, including year to date and rolling 12 month rent collection, current and former customer arrears as a percentage of rent roll will be monitored against target by Income Management Team Leaders and the Head of Income & Financial Inclusion, with performance information provided to the Board and Senior Leadership Team on a monthly basis.

Linked documents:	Rechargeable Repairs Procedure, Lettings & Allocations Policy, Rent Policy, Financial Inclusion Policy Bad Debt Policy
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Policy lead:	Rob Davies, Head of Customer Accounts & Money Advice
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