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**Author****Title of policy**Head of Tenancy  
Sustainment

Income Management

**Section**

Updated: August 2024

Income

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**1 Policy statement**

- 1.1 The aim of our Income Management Policy is to enable us to collect 100% of money due, whilst always reflecting on our role as a social landlord helping the most vulnerable in our society.

**2 Statutory and Regulatory context**

- 2.1 The following legislation is linked to this Policy:

- General Data Protection Regulation 2018
- Housing Act 1985 (as amended by the Housing Act 1996) and Housing Act 2004
- Localism Act 2011
- Equality Act 2010
- Disability Discrimination Act 1995 & 2005
- The Limitation Act 1980
- Protection from Eviction Act 1977

**3 Policy Outline**

- 3.1 The most cost-effective method of receiving payments is by Direct Debit and we will encourage all our existing customers to use this method. Payment by Direct Debit is mandatory for all new customers. In exceptional circumstances, an alternative method might be agreed.
- 3.2 We will always ask for one payment of rent in advance in accordance with the frequency the customer wishes to pay. This payment should be paid before the handover of keys. In exceptional circumstances, where full payment cannot be made, we may agree a payment plan for the remainder until the customer is paying in advance. The rent in advance requirement will be included in the advertisement.
- 3.3 The process of allocating a property will include a financial assessment of the customer's ability to sustain the tenancy and provide appropriate assistance.

**4 Equality, Diversity and Inclusion: Principles**

- 4.1 At Rooftop we are committed to creating and sustaining a diverse and inclusive environment achieving positive outcomes for potential and existing customers, our colleagues and the wider community. Our commitments to our customers, colleagues and communities are detailed in our Equality, Diversity and Inclusion (EDI) Strategy. We are an organisation that values diversity, champions equality and inclusion. We demonstrate this through the activities and the services we provide. This means living by, working to and acting on our Values.

**5 Vulnerability: Reasonable Adjustments**

- 5.1 There are occasionally circumstances where we need to consider working outside of the parameters of this Policy. This may be where there are several complexities present, or where customers have vulnerabilities that may lead us to make reasonable adjustments to the way we apply this Policy. In such cases, a referral should be made to the Complex Cases Review Group via the Head of Housing, where any approach outside of this Policy (and potentially other policies) will be

considered and recorded, if agreed. This will always be considered in the context of the Assessing and Supporting Vulnerability Policy.

## **6 Data Protection: Principles**

- 6.1 Rooftop recognises the importance of protecting the personal data of our customers, colleagues, contractors and other stakeholders and our commitment to compliance with data protection laws and managing personal data responsibly. As an organisation, we are committed to ensuring everything we do with personal data follows the principles of lawfulness, transparency, fairness and accuracy whilst minimising the amount of data we collect and only using it for specific, explicit and legitimate purposes until we no longer need it.

## **7 Joint tenants**

- 7.1 Joint tenants are jointly and severally liable for payment of rent and we will collect rent from either one or both joint tenants, as appropriate. Correspondence regarding rent arrears will be sent to customers individually.

## **8 Money management and welfare rights**

- 8.1 We are mindful that we provide homes and services for vulnerable people who often have difficulty in money management and claiming welfare benefits. We will advise and assist when we encounter difficulty, and we will be proactive when there are changes to the welfare system. Signposting and advice will be provided to ensure the maximisation of income.

## **9 Arrears from a previous agreement**

- 9.1 We will not enter into a new contract if a debt is owed by the customer to Rooftop. If there are exceptional circumstances a new agreement may be made with the permission of the Head of Income or Income Manager. We will take whatever action is available to safeguard the historical debt including adding it onto the new agreement.

## **10 Payments to customers**

- 10.1 There are times when money becomes due to customers from Rooftop, such as compensation, we will use this to pay any debts those customers owe before payment is made.

## **11 Insolvency**

- 11.1 We are unable to ask for payment of arrears included as part of a bankruptcy or debt relief order. We will move the arrears over to a sub account until we are notified that this has been discharged. Once discharged arrears will be written off from the sub account.
- 11.2 If the customer intends to arrange an Individual Voluntary Arrangement (IVA), we encourage customers to exclude rent arrears and enter into a separate payment arrangement with us to clear those arrears. If the arrears are included in an IVA, they must be cleared within the duration of the IVA (typically five years). We will continue with recovery action where agreement is not reached.
- 11.3 We will ensure local advice agencies understand our policy on personal insolvency to ensure clear and appropriate advice can be given.

## **12 Early identification and intervention**

- 12.1 Early action in the identification of arrears is critical in their effective management. It allows us the time and opportunity to offer support to customers and discuss a range of options for clearing arrears. If the customer is on a Starter Tenancy, we would expect the arrears to be paid back within the starter period. For all other

tenancy types, we would carry out an income and expenditure assessment and agree a suitable repayment plan.

- 12.2 Once established, we will maintain contact with customers in arrears, to ensure that the appropriate support is available, and that any agreement is effectively maintained.

### **13 Possession proceedings**

- 13.1 We will adhere to the requirements of the Ministry of Justice Pre-Action Protocol for Possession Claims by Social Landlords before commencing possession proceedings.
- 13.2 We will use the relevant grounds contained within the Housing Act 1988 as amended when included within the tenancy agreement when seeking possession of Assured Tenancies. Where the tenancy permits us to do so, we will consider using Ground 8 of the Act, which provides for mandatory possession.
- 13.3 We will try to reach an agreement for the repayment of debt prior to a court hearing however we will request the appropriate order in court to protect our position.
- 13.4 For Starter and Assured Shorthold tenancies we will normally seek re-possession using section 21 of the Housing Act 1988 as amended, to expedite the action.

### **14 Debt respite scheme - breathing space**

- 14.1 The Debt Respite Scheme (Breathing Space) will give someone in debt the right to legal protections from their creditors. There are two types of breathing space:
- A standard breathing space is available to anyone with problem debt. It gives them legal protections from creditor action for up to 60 days.
  - A mental health crisis breathing space is only available to someone who is receiving mental health crisis treatment and it has some stronger protections. It lasts as long as the person's mental health crisis treatment, plus 30 days (no matter how long the crisis treatment lasts).
- 14.2 As a responsible landlord we will upon notification stop all action related to that debt and apply the appropriate protections. Notifications will be accepted via a debt advice provider who is authorised by the Financial Conduct Authority (FCA) to offer debt counselling or a Local Authority (where they provide debt advice to residents). All notifications of breathing space will be received via the designated insolvency portal.
- 14.3 Further information concerning this scheme is provided on the Government website: Debt Respite Scheme (Breathing Space) guidance for creditors - GOV.UK ([www.gov.uk](http://www.gov.uk))

### **15 Evictions**

- 15.1 Eviction will be used as the last resort and will only be considered when other options for clearing arrears have been exhausted.
- 15.2 Permission to evict a customer can only be authorised by the Housing Director or the Head of Income, and only if they are satisfied that all reasonable attempts have been made to avoid the eviction.
- 15.3 We will not generally suspend evictions once they have been arranged, unless the entire debt, including court costs, is paid in full. A customer may apply to the Court for the suspension of an eviction warrant, which we will oppose unless there is justification for not doing so.

- 15.4 Goods belonging to a customer that have been left in the property following an eviction will be dealt in line with the terms of the tenancy agreement. Where such detail does not exist, the Torts (Interference with Goods) Act 1977 will be followed.
- 15.5 We have a strong commitment to protecting staff and minimising risk in all situations. Staff should never attend evictions without carrying out a risk assessment. This will be carried out as part of the eviction report which is authorised by the Income Manager and Head of Tenancy Sustainment. Personal safety should never be compromised. Any concerns should be discussed with the bailiffs and police.
- 15.6 To perform our duty of care towards customers who are at risk of being made homeless, all eviction and eviction warning letters sent to customers should be copied to the local authority's homelessness team as part of an information sharing and confidentiality protocol with each local authority in the areas where we work.
- 15.7 The total number of evictions will be reported to the Board annually.

## **16 Shared owners and leaseholders**

- 16.1 We will make sure that we have arrangements in place with all owners in arrears, and routinely monitor and act on any breaches of these agreements. Action will be taken through the courts for the debt and may include seeking forfeiture of the lease.
- 16.2 Where a shared owner is two months in arrears, we will inform the mortgage lender, where the lease allows for the sharing of such information. Where there are mortgage arrears in existence also, we will consult with the lender on our proposed recovery action.
- 16.3 We may consider buying back shared ownership properties where it is beneficial to Rooftop.

## **17 Garages**

- 17.1 The recovery of garage arrears follows the recovery principles within this policy. On non-payment the garage will be repossessed after appropriate notice. All goods remaining inside the garage will be dealt with using the contractual agreement and relevant legislation.

## **18 Former customer debts**

- 18.1 We will minimise losses when former customers leave owing money by:
- Contacting customers before they leave when possible.
  - Providing outgoing customers with the amount owed and how to pay it back.
  - Discovering a forwarding address.
  - Taking every reasonable step to recover former arrears, including taking legal action and utilising debt collection and tracing agencies to maximise collection.
  - Setting thresholds at which it becomes uneconomic to pursue a debt.

## **19 Confidentiality**

- 19.1 We will treat as confidential all information on the personal circumstances of a customer. A customer's arrears position, forwarding address and other personal details will not be made known or implied to any external agency unless we are authorised by the customer, required by law or where the transfer of information is permitted through a prevailing information sharing agreement, such as in 10.7.

## 20 Complaints

20.1 Any customer who wishes to comment on the application of this policy can use the ways detailed within the Compliments, Comments and Complaints Policy.

## 21 Monitoring

21.1 We will provide the following performance indicators to the Board on a quarterly basis:

- Rent collection as a percentage of the rent due.
- Rent arrears as a percentage of the annual rent roll.

21.2 In addition, we will provide the following annually:

- Number of notices served.
- Number of possession orders granted.
- Number of evictions.

21.3 We will benchmark our performance with other similar organisations.

21.4 Rent arrears are monitored on a weekly basis. We report annually to the Regulator the rent collection rate and rent arrears as a percentage of annual debit. Additionally, the annual arrears figures (not including collection rate) are reported via our accounts and the Financial Forecasting Return (FFR).

## 22 Publicising the policy

22.1 We will publicise our policies and procedures on income management on our website. Printed copies will be available on request.

## 23 Review

23.1 This policy will be reviewed every three years unless there are major changes in legislation or good practice.

## 24 Consultation

24.1 Leadership Team August 2024

24.2 Executive Team August 2024

## 25 Responsibilities

### Responsible body

25.1	Formulation, amendment and approval of policy	Executive Team
	Monitoring of policy	Leadership Team
	Operational management of policy/policy author	Head of Tenancy Sustainment
25.2	<b>Date of formulation of policy</b>	November 2018
25.3	<b>Dates of policy reviews</b>	November 2017 January 2018

\*Due to change in legislation:

**The Debt Respite Scheme (Breathing Space Moratorium and Mental Health**

April 2021 (Amendment) \*

**Crisis Moratorium) (England and  
Wales) Regulations 2020.**

August 2021

August 2024

24.4 Date of next review

August 2027

## Associated documents

### Internal – Rooftop policies and procedures

- Allocations and Lettings Policy
- Tenure Policy
- Equality, Diversity and Inclusion Policy
- Complaints Policy
- Income management procedure
- Former Tenant Arrears procedure
- Shared Ownership Debt procedure
- Garage procedure