



INCOME COLLECTION POLICY

1 Introduction

Citizen recognises that the successful management of income collection is important for maximising income, preventing arrears and supports tenancy sustainment. We are committed to ensuring that there is good practice within this area and we have detailed procedures in place to that allow staff to deliver the aims of this policy. This aligns to our Business strategy and values to ensure that our income is maximised to reinvest in services, and that tenancies and licenses are sustained to provide our customers with a foundation for life.

2 Scope

This policy relates to the collection of rent and other charges and the recovery of debts owed to Citizen by our tenants and licensees, leaseholder, shared owners and freeholders.

This policy also sets out the responsibilities of both us and our customers in relation to income collection and should be read in conjunction with customers individual tenancy and licence agreements, or leases as appropriate, which further define these responsibilities.

This policy applies to all customers including those who have purchased an interest in their property such as a shared owner or a long leaseholder, and those who pay the charges on homes owned by us to a managing agent acting on our behalf.

This policy provides the framework within which we will collect rents, licence charges, service charges and other tenancy and license related charges and pursue outstanding debts.

Information about how Citizen sets its rents and service charges is contained in the Rent and Service Charge Setting Policies.

This policy is based on, and reflects, the requirements of the social housing regulator, UK legislation and relevant Court Rules. Our staff will work within the policy framework while completing this work.

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2.1 Relevant Legislation and Regulatory Framework:

Housing Act 1988 – contains the grounds for possession against assured and assured shorthold tenants in Schedule 2.

Housing Act 1985 – contains the grounds for possession against secure tenants in Schedule 2.

Protection from Eviction Act 1977 – requires us to seek a possession order to evict any tenant or protected licensee.

Civil Procedure Rules (CPR) Pre-action protocol for possession claims by social landlords – this sets out the procedural steps we are expected to follow before and after issuing possession proceedings based on rent arrears.

3 Policy Detail

3.1 Policy purpose

The aim of the policy is to ensure that we are committed to the following objectives in how we collect rent and other charges and recover any debts:

- To maximise the collection of income and minimise any outstanding debts, recognising that lost income impacts the services that we can provide to our residents.
- Ensure our customers are aware of their responsibilities in complying with their tenancy/licence/lease conditions and that we take appropriate enforcement action when those conditions are not being met.
- To have effective procedures in place that are clear, fair and consistently applied and that ensure early intervention to prevent the accumulation of debt and avoid evictions.
- To ensure that legal action to repossess a property where there are arrears is only taken when other actions to recover the debt have been unsuccessful.
- To ensure that appropriate and timely advice and support is available to customers including help to claim any benefits that they may be entitled to and to obtain money advice.

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- We recognise that the reasons for the accumulation of debt can be complex, particularly for vulnerable customers. Where appropriate, we will actively signpost to other organisations in order to identify and use resources effectively to respond to our customers needs.
- To adopt best practice in this area of work, monitor reports, target setting and benchmark our services and performance against other housing providers, to ensure best practice and value for money.
- Ensure that all our customers have 24/7 access to up to date statements via the online portal which detail charges, payments and balances.

3.2 Payments

Payments must be made in accordance with our tenancy/ licence/lease agreements. Rent, licence and lease charges are priority debts and must be paid without exception.

All customers must pay on time which means that rent/ licence/lease payments must be made before the day, or on the day that they are due. Customers must not be in arrears at any time. We may request additional payments from customers to achieve this.

Our normal method of payment is via direct debit however, other payment methods are available – details can be found on our website at; www.citizenhousing.org.uk

Any payments made towards an outstanding balance will be allocated to the main account first. If there is credit on the main account and other tenancy or licence related accounts are in arrears, the credit on the main account will be used to help pay these outstanding balances.

An exception to this policy will be made in respect of payments made in advance to enable a rechargeable repair to be carried out.

3.3 Rent free weeks

Where a tenancy or licence agreement allows for rent free weeks, we will notify customers which weeks are rent free in advance. Agreed payments must be made in the rent free weeks if customers are in arrears or payments have not been made on time.

3.4 Arrears prevention

We will promote and develop a culture of payment on time to all customers.

We recognise that arrears can be avoided by providing clear information to customers and ensuring early intervention and appropriate support services and advice is in place when payments are not made.

We will look to understand why customers are not making payments in accordance with their agreements. We will target particular help to vulnerable customers to ensure that their tenancy or licence is sustained. This information will be used to improve our services and target our work to prevent customers getting into arrears.

3.5 Arrears recovery

When rent, licence or lease charges have not been paid in accordance with tenancy, licence or lease conditions that debt is called arrears. This is a debt that tenants /licensees/leaseholders owe to us as their landlord and we have procedures in place for the recovery of those arrears.

Our procedures adopt a staged arrears recovery process which includes prompt notification of the level of arrears to the customer and we will make every attempt to make contact with customers to discuss the arrears and enter into an agreement to repay.

We may agree a payment plan to repay the arrears and are committed to reaching affordable and realistic repayment agreements with our customers that will achieve repayment of the debt within an agreed period of time.

We will take enforcement action depending on individual circumstances and ensure that staff dealing with outstanding debts are given discretion to determine the appropriate action to recover any debt within guidelines outlined in our agreed procedures. We may use external trace facilities to conduct address searches where appropriate.

Where a leaseholder does not keep to a repayment arrangement or fails to engage with us to resolve their arrears we will alert the leaseholder's mortgage lender to the situation prior to legal proceedings being instructed. In these circumstances the mortgage lender may support the leaseholder to resolve the unpaid charges.

3.6 Legal proceedings

Legal proceedings will be instigated if other options to recover the debt have been unsuccessful. We will take customers to court to ensure that they pay us any arrears that are owed. If we do take legal action any costs will have to be paid by the resident.

We will comply with the Ministry of Justice's Civil Procedures Rules and the pre-action protocol for possession claims by social landlords. These rules seek to ensure effective actions are taken before court action is pursued so that it is prevented wherever possible.

When we take legal action for possession of a property, customers will be encouraged to attend Court and seek independent legal representation. We will signpost customers to local advice agencies for them to seek independent legal representation.

When we are considering possession proceedings, we are required to state in a Notice of Seeking Possession which ground(s) of the Housing Act 1988 or the Housing Act 1985 (for secure tenancies) apply.

Assured and secure tenancies - We will normally use grounds that leave the court with discretion to decide if ordering possession of the property is reasonable; however, we will consider the use of mandatory grounds where appropriate.

We will, where appropriate, ask the court for a suspended possession order, which allows customers to remain in their homes whilst payments are made in accordance with the court order as part of our commitment to sustaining tenancies wherever possible. There may however be extenuating circumstances, considered on a case by case basis, that require us to seek an immediate possession order.

Use of Ground 8 - We reserve the right to use Ground 8 which allows us to repossess the property where there are over 8 weeks rent outstanding. This would oblige the court to give possession of the property as Ground 8 is a mandatory ground for possession. The use of Ground 8 must be approved by a Director. Prior to making use of ground 8 there must be a review where the tenant has the opportunity to question the facts of the case and the need for possession of the property.

Customers who were formerly tenants of Coventry City Council or Birmingham City Council - We will not use Ground 8 or Ground 11 as grounds for possession for our customers that had a tenancy with Coventry City Council before the stock transfer (27 September 2000) or Birmingham City Council before the stock transfer (28 June 1999) and remain in occupation on those same tenancy terms (which prohibit the use of grounds 8 and 11).

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Starter tenancies - when seeking to gain possession of a property where the tenant has an assured shorthold starter tenancy agreement we would normally use the same procedures as for an assured tenancy.

In some circumstances we may choose to end the tenancy using a section 21 notice where a tenant has demonstrated that they cannot afford to sustain that tenancy. Such action would need to be approved by the appropriate senior manager as set out in our income management procedures.

Market rented and intermediate market rented properties - We may use a section 21 notice to end an intermediate or market rented assured shorthold tenancy agreement.

We may use ground 8 for market rent and intermediate market rented properties if there are substantial arrears and there is a significant period of time before the end date of the fixed term tenancy.

Protected Licences – if the 28 day notice to quit has expired and the licensee has not vacated then we will ask the courts for an order to grant mandatory possession.

Excluded Licences – we do not have to seek a court order for possession but may sometimes choose to do so.

Evictions - Applications for eviction warrants will require the approval of the appropriate senior manager as set out in our procedures.

Leaseholders – Legal remedies include - obtaining a County Court Judgment for repayment of the arrears and bringing the lease to end via Forfeiture.

Shared Owners – where shared owners are in rent arrears we may take possession proceedings under Schedule One of the Housing Act 1988. We reserve the right to use Ground 8 which allows us to repossess the property where there are over 8 weeks rent outstanding. This would oblige the court to give possession of the property as Ground 8 is a mandatory ground for possession. The use of Ground 8 must be approved by a Director.

3.7 Former arrears

We will aim to maximise the collection of all former tenancy/licence debt, taking the appropriate action to recover this debt. This will include continuing to make contact, using trace facilities and where necessary through the engagement of debt recovery agencies to

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pursue the outstanding balance. Where the former customer has passed away we may make a claim on any estate to recover the outstanding debt.

Where there are arrears on a joint tenancy we will seek recovery of any total arrears from both joint tenants.

3.8 Archived balances

We will look to archive former tenancy/licence debt in line with our Financial Regulations. Debts should only be considered for archiving once all actions have been completed in line with the Former Tenant Arrears Procedure.

Where we are confident that all recovery avenues have been exhausted we can archive the debt. It should be noted that even when a debt is archived, it remains a live debt for which the former tenants remain liable for.

3.9 Credit balances

Refunds of credits on accounts will only be made where our payment on time criteria are being met.

If there is a credit when a tenancy or licence terminates, former customers should make a request for a refund of the credit amount. We will await the inspection of the vacated property before refunding any credit balance.

Where the customer has passed away, the refund will be made to the executors of the estate. If there is no will in place, refunds will be made to next of kin in line with our procedures which meet current legislative requirements.

3.10 Garage payments

Payments for garages must be made in advance and should be made by direct debit. If there is any debt owed on a garage we will serve a Notice to Quit to end the garage licence.

If a customer also rents a garage from us and there is a debt on the main account we will take recovery action which may lead to re-possession of the garage irrespective of whether there is a debt on the garage account.



4 Roles, Responsibility and Governance

It is the responsibility of the Board to ensure that this policy is successfully implemented, and the procedures followed. The Senior Leadership Team and Heads of Service are responsible for ensuring that all staff understand the importance of this policy and the related procedures and comply with them.

Managers are responsible for ensuring that their staff colleagues reports have undertaken the appropriate policy e-learning by utilising reports produced by Learning and Development.

Any changes to this policy must be made in line with the requirements set out in Citizens Standing Orders and our Policy framework.

5 Monitoring and review

This policy will be reviewed every 3 years, unless legislation, service delivery or sector developments require otherwise ensuring the policy continues to meet its objectives and take account of good practice developments.

Legal advice will be taken to ensure compliance with legal, regulatory and contractual responsibilities.

Where appropriate service delivery reports in respect of this policy as incorporated into our quarterly reporting suite.

6 Equality Impact Assessment

This policy has been subject to an Equality Analysis. Staff working across Citizen have considered the impact of this policy on different groups and communities that we work with. In framing this policy, our staff are committed to not discriminate adversely against any group and will respect the diversity of the communities we are working within.

The EIA and any actions identified as needing to be implemented are in Appendix 1.

7 Version Control

VERSION	DATE	AMENDMENTS	APPROVED AT/BY	REVIEW
V 1.0	Sept 2019	Policy updated to Citizen brand format	n/a	

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V 2.0	July 2020	Policy updated with new citizen policy template and inclusive of shared owners and leaseholder policy	[NAME]	[DATE]
	3 rd August 2020	Policy Approved by ELT	Peter Gill	3 rd August 2020

ⁱ All instances within this policy which makes reference to customer imply tenants/licensees.

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