

# Gloucester City Homes



## INCOME MANAGEMENT POLICY

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You can also contact us using our online reporting forms.

Please note our website is speech enabled and you can adjust the size of the text and translate it to other languages.

GCHTV on the Looking Local Service on Sky, Virgin Media, Nintendo Wii and mobile phone.

## GET OUR INFORMATION IN OTHER FORMATS

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Bengali

যদি আপনি এই ডকুমেন্ট অন্য ভাষায় বা ফরমেটে চান অথবা যদি আপনার একজন ইন্টারপ্রেটারের প্রয়োজন হয়, তাহলে দয়া করে আমাদের সাথে যোগাযোগ করুন।

Chinese

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Gujarati

જો તમને આ દસ્તાવેજ બીજી ભાષા અથવા રચનામાં જોઈતો હોય, અથવા જો તમને ઇન્ટરપ્રિટરની સેવાઓ જોઈતી હોય તો, કૃપા કરી અમારી સંપર્ક સાધો.

Polish

Aby uzyskać ten dokument w innym języku lub formacie, albo jeżeli potrzebujesz usług tłumacza, skontaktuj się z nami.

Urdu

یہ دستاویز اگر آپ کو کسی دیگر زبان یا دیگر شکل میں درکار ہو، یا اگر آپ کو ترجمان کی خدمات چاہئیں تو برائے مہربانی ہم سے رابطہ کیجئے۔

[Translation reads: If you would like this document in another language or format or require the services of a translator, please contact us.]

STATUS (Draft / Approved / Updated / Archived)		REFERENCE
<b>APPROVED</b>		
Important Notice: Printed paper copies of this procedure are <b><u>uncontrolled</u></b> . The current version of this procedure is available on the Intranet		

### Documentation Master Sheet

*Amendments to this Document are Detailed Below*

Version Number	Date Amended	Comments	Date Approved	Author	Approved By
1	27/02/2006	Updated		SC	
2	12/09/2007	Updated to include pre-action protocol.	19/12/07	SC	Services & Operations

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## 1. INTRODUCTION

This chapter deals with recovery of rent arrears in relation to both current and former tenant arrears. It is a critical element of the service in terms of ensuring that Gloucester City Homes maximises income to both the housing revenue account but also to individual tenants.

The process in relation to collection of current arrears focuses on ensuring contact is made with tenants in arrears and that staff focus on resolving problems.

It is critically that early contact is made and then this is followed up with consistent and fair action in relation to continued arrears.

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### 1.1 How to use these procedures

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These procedures are set out to clarify how GCH staff should act in relation to rent arrears, as a training tool and as a reference guide for staff. The thrust of the procedures is replicated within the Orchard Integrated Systems arrears process.

The procedures set out the following:

- Gloucester City Homes' Procedure
- How managers will manage the service and seek to continue to improve both delivery and the system
- An overview of the process with a focus on the desired outcomes
- Detailed procedural notes to guide staff through the process and the critical moments within that process
- The procedures also provide a number of documents to assist staff in getting the desired outcomes whether it is a watertight agreement with a tenant or a resolution of a Housing Benefit issue.

Officers should be aware of the Gloucester City Homes Policy and standards in relation to recovery of rent arrears. In essence the Gloucester City Homes is looking for

- Early resolution of non-payment through effective contact with tenants.
- To maximise income and minimise debt.
- Timely action within identified performance indicators.
- Working in partnership with other agencies to resolve complex issues or continued non payment

- A fair and consistent approach that takes into account the individual circumstances of tenants.

The arrears recovery process has been designed to assist meeting these objectives through a series of tools assisting officers in resolution of arrears. The critical documents in relation to this are: Arrears Contact Sheet; the Housing Benefit Checklist, the Financial Statement and Referral to Agencies Agreement.

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## 1.2 How we can continue to improve?

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Gloucester City Homes want to continue to improve the services we provide so any suggestions by staff in relation to these procedures will be welcomed and changes to documentation can be accommodated with the approval of the relevant manager.

## 2. INCOME MANAGEMENT POLICY

### 2.1 Overall Aim

To maximise customer's income, reduce their arrears and manage their debts so that they can continue to live in our accommodation and improve their quality of life.

### 2.2 Supporting Aims

**Gloucester City Homes Policy Statement on Rent Arrears and performance measures:**

<p><b>POLICY STATEMENT</b></p>	<p>To maximise the payment of rent and arrears to the City Council.</p> <p>This will be achieved through swift and fair action with the City Council working in partnership with individuals and local agencies to resolve debt and arrears by agreement or legal proceedings.</p>
<p><b>POLICY OBJECTIVES &amp; STANDARDS</b></p>	<p>Gloucester City Homes:</p> <p>Will make it easy for tenants to pay their rent by having a wide variety of payment methods.</p> <p>Keep the level of arrears to a minimum in order to maximise income in the interest of both the GCH and its tenants.</p> <p>Will prevent rent arrears by giving good advice on debt management and by promoting the take-up of available housing &amp; other welfare benefits both at the start of every tenancy or when tenants experience difficulty in paying their rent.</p> <p>To treat all tenants fairly, and to act lawfully.</p> <p>Will expect tenants to meet their obligation to pay the current rent weekly and to work with others to assist them to pay their rent or obtain welfare benefits</p>

	<p>To make early and constructive personal contact with every tenant in arrears and make regular personal contact if arrears persist.</p> <p>To work in partnership with organisations that can assist tenants with financial advice where genuine difficulties exist.</p> <p>To start legal action promptly when appropriate to protect the landlord against further debt and seek to minimise individual debt</p> <p>To ask to the County Court for immediate possession of a tenants home against persistent non-payers who refuse to co-operate with officers or organisations that offer financial advice and assistance.</p> <p>Is committed to effective management, continual improvement and best practice in this area</p>
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<p>REFERENCE(s)</p>	<p>City Council Mission and Key Policy Objectives:</p> <p>Applicable KPIs: Fairness, Healthy Living and modern local government</p> <p>Also see: GCH Delivery Plan Objectives and Business Plan</p>
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## 2.3 Relevant Legislation

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Possession Action on Secure Tenancies is covered within the Housing Act 1985.

### 3. SERVICE STANDARDS

Gloucester City Homes will:

- Make an appointment with you before a your tenancy starts to explain payment options, the arrears recovery process, to give you an estimate of your Housing Benefit entitlement
- Help you complete a Housing Benefit form and with the evidence you need to provide (all of our Rent Officers and Customer Services Officers are trained on Housing Benefit Evidence Verification)
- Provide you with easy to understand information on what to do if you get into arrears, what action we will take, and where you can get independent advice
- Manage rent accounts efficiently and ensure that action is taken in a timely and appropriate way
- Send you a rent statement on a quarterly basis (from April 2006) showing the balance on your account and details of rent charges, rent paid and Housing Benefit and any other adjustments
- Send you a rent statement every month if you owe more than £25 arrears
- Provide a range of way in which you can pay your rent, including Direct Debit and payments by telephone
- Provide you with a copy of your rent account when requested
- Give you advice on claiming Welfare Benefits to maximise your income
- Give you help and advice to sort out any arrears
- Agree realistic re-payment plans
- Write to you using plain English in letters, which are easily understandable
- Refer you to an independent advice agency, e.g. CAB or local Neighbourhood Project, before taking legal action is taken
- Respond to enquiries or complaints within 5 working days unless we agree with you a longer response time, for example where complaints are complex, urgent enquiries, for example concerning legal action, will be reasoned to within 1 working day
- Consult with you over any changes to the way we collect rent and arrears

## 4. PERFORMANCE TARGETS

Below is the set of Performance indicators with targets for 2007-2008 including Best Value Performance Indicators, and other indicators requested by the GCH Board and the City Council.

The aim of the targets which have been set is to reach upper quartile performance. The District Councils top quartile performance figure for 2006/7 was 98.6%. Gloucester's performance was 97.84%.

<b>Performance Indicator</b>	<b>Target</b>
BV066a % Rent collected as a proportion of rent owed	≥ 98.6%
BV066b % Tenants owing more than 7 weeks arrears	≤ 4.2%
Bv066c % Possession notices served	≤ 11%
BV066d % Tenants evicted for rent arrears	≤ 0.15%
Current arrears	≤ £238,000 at the end of March 2008
Current tenant arrears as % rent due	≤ 1.55%
% Rent collected excluding arrears brought forward	≥ 100.24%
Former Tenant arrears	≤ £150,000 at the end of March 2008
Former tenant cash collected	≥ £50,000
No. SPO's and PPO's obtained in year	≤ 2.5%
% New accounts with no debt at 3 months	99%

## 5. MANAGING THE SERVICE

In order to manage the quality and effectiveness of the arrears prevention and recovery service provided by the GCH.

We will ensure that we check performance target figures each month relating to this area of service. This will be carried out via the use of Orchard and Business Object reports, and regular one to one meetings with individual staff and teams to review specific targets. Rent Officers will provide monthly reports detailing all arrears cases on their patch that have arrears over £1,000, detailing the current status of the case. They will also provide reports on tenants in arrears over £500 where Court action has not been started, and cases over £300 where NOSPS have not been served. This 'exception' reporting focuses attention on our performance in dealing with individual cases. These reports will be given to the Income Manager, who will also monitor the service in the following ways.

- On a day to day basis when carrying out authorisation of legal actions that they will thoroughly check for compliance to policy, procedures and effectiveness.
- On a planned basis team managers will carry out service monitoring as set out in 2.4 Planned Service Monitoring.
- Where appropriate the manager will record identified quality problems and seek to rectify where they exist within their own team or refer to the relevant link officer and team if the problem has implications across the whole Housing Management Service.

### 5.1 Day to Day Management

Action	Frequency	Responsible
Authorisation of weekly rent arrears actions (including NOSPS, NAC, NOE, NAEW)	When action required	Income Manager
Authorisation Eviction Appeals Panel Reports	Prior to hearing in accordance with panel procedure	Income Manager
Checking stay of execution hearing instructions	In accordance with court hearings	Income Manager
Authorising Garage Arrears evictions	When action required	Income Manager

Please note that all authorisations of NOSPs, NTQs, Garage NTQs, rent default actions, former tenants rent default actions, former tenant write offs, applications for Court hearings (NAC) and authority to begin eviction proceedings (NAEW) will be recorded by the team manager.

## 5.2 Planned Service Monitoring

On a planned basis the Income Manager will review compliance with and the effectiveness of working procedures. The aim being to highlight good practice and identify quality problems.

If performance targets are not being met then the team manager will identify areas where this is the case and carry out actions to address the problem.

The team manager will review information available from Orchard and Business Objects (such as the number of recommendations action or not, the number of agreements being made and kept or trends in relation to benefits being paid) to help identify possible issues that might lead to the need to corrective and preventative action. This assists in the development of an organisational culture of continuous improvement.

### 5.2.1 Examples of Planned Service Monitoring

Action	Frequency/How	Responsible
Audit all cases over £300 where a NOSP has not been served.	Monthly through 121's	Income Manager
Audit all cases over £500 where an application for a court hearing has not been made	Monthly through 121's	Income Manager
Audit all cases in breach of Suspended Possession Order where eviction proceedings have not been instigated.	Monthly through 121's	Income Manager
Review all cases over £1,000	Monthly through 121's	Income Manager
Sample 5 cases under £100	Monthly audit check*	Income Manager
Sample 5 cases between £100 and £300	Monthly audit check*	Income Manager

\*The sampling techniques used may lead the Income Manager to consider the need to review further cases if systematic problems are identified by the sample of cases monitored.

In addition to the above the Income Manager may carry out further service monitoring in order to achieve continuing performance improvements in this service area.