



# Income Management Policy

## 1. Aim of policy

This policy outlines our approach to maximising VIVID's income from rent and other charges owed to us so that we can continue to invest in our homes and services. We will ensure that this policy supports our financial objectives and regulatory requirements.

We aim to maximise income collection and minimise arrears through the timely collection of all income. We'll provide a tailored service to meet the needs of all our customers including:

- identifying those customers who need support and refer to the appropriate team or agency;
- a range of payment methods which are easy to use, promoting Direct Debit as preferred option;
- accurate and timely information;
- profiling of all new and existing customers before offering a tenancy to demonstrate effective risk management;
- early intervention when a customer falls into arrears;
- reduce homelessness by using possession proceedings and eviction as a last resort;
- promptly pursue any former tenant debts including sub account debt such as recharges and utilities using all methods available.

## 2. Scope of policy

This policy applies to all our customers including former customers, who have a responsibility to make payments for rent, utilities, service charges, rechargeable repairs and any other income owed to us.

The policy will be applied by all Operational Managers and Team Leaders. The Director of Customer Service and the Chief Operating Officer are responsible for its compliance and review.

Sometimes we may use our discretion and act outside of this policy. If we do, it will be with senior manager approval. Example of this could include, where customers are in fear of their life or where there is pending legal action relating to their tenancy.

## 3. Policy statement

- We recognise the importance of having a robust approach to income collection so that we meet our financial objectives and maintain our financial strength. Additionally, it promotes a positive payment culture for our customers.



- VIVID customers are required to pay rent, service charges or other occupancy related charges. Customer responsibilities are detailed in the tenancy agreements, leases or licences. We'll take a proactive, preventative, and supportive approach in the way we collect rent through encouraging and supporting our customers to take responsibility for their rent and other payments.
- We'll provide a range of options so that it's easy to make payments and we'll promote self-service as a preferred method for our customers to manage their accounts. Direct Debits will be the preferred method of payment.
- We'll have clear and transparent processes for when customers fall into arrears. Where customers have other debt with us, we will carefully monitor the account to ensure prompt action is taken. In addition, we'll aim for our service to demonstrate value for money through effective use of resources including technology.

#### **4. Policy**

We will promote a positive rent and service charge payment culture from the start of the tenancy. We want our customers to be clear that they are responsible for paying their rent and service charge. This includes any requirement to pay in advance, as set out in their agreement. Customers are responsible for paying their rent on time and we provide a range of ways for customers to contact us if they are struggling to meet their obligations.

Accounts will be carefully monitored to ensure customers are given the advice and support needed to manage their accounts and maintain any agreements they have with us. We will continuously seek new ways to help to prevent our customers falling into arrears, as we recognise the distress this creates and the harm it may cause to people's health and wellbeing.

Our procedures reflect good practice and meets legal and regulatory requirements. We take account of the Public Sector Equality Duty and the Pre-Action Protocol for Possession Claims by Social Landlords, which prescribes the specific procedures we should follow before issuing possession claims. Eviction is considered as a last resort. Our commitment is to offer the right level of support to help our customers to sustain their tenancies. This includes working with Local Authorities to support them in meeting their legal duties as part of The Homelessness Reduction Act 2017.

New Customers are required pay their rent and other charges in advance prior to signing for their tenancy. Where there are exceptional circumstances, this could be reduced or waived with the approval of the Lettings or Income Manager. We will encourage customers to pay rent one month in advance and future payments by Direct Debit which is our preferred method of payment.

We'll use a range of methods for chasing debts including letters, emails, phone calls and text messages and some of these contacts may be outside normal office hours (8am and 8pm on weekdays and 8am and 7 pm on a Saturday). We may also use third party organisations to chase debts on our behalf and may use agencies to trace customers both existing and former.



Customers will be made aware of all debts they have with us in addition to rent and service charge arrears. The main rent account debts will be the priority for payment unless there are exceptional circumstances.

Debts such as recharges, utilities and legal costs will be held on a sub account. We will maintain accurate information about this debt and will take robust action to recover this.

If arrears accrue or remain unpaid (including low level arrears) and customers fail to engage or keep up with payment arrangements, we will instigate legal proceedings. Eviction will only be used as a last resort once all other reasonable steps have been taken. Any legal costs incurred for taking this action will be recovered from the customer.

Where applicable and appropriate, and as an alternative to possession action, we will apply for a county court judgement (CCJ). Any legal costs incurred for taking this action will also be recovered from the customer.

We aim to minimise financial losses from former customers who leave owing us money by:

- pro-active early intervention while the customer is still in residence, as outlined in this policy;
- making every effort to ensure that when a tenancy is terminated the debts are cleared and we receive a forwarding address;
- informing the local authority when tenancies are terminated to prevent benefit overpayments;
- making customers aware of all sub account debt, including recharges and utilities before they leave
- adding recharges to the sundry debt account if the property is not left in an acceptable condition.

#### **5. Statutory requirements**

- Housing Acts 1980, 1985, 1988, 1996 & 2004
- Localism Act 2011
- Landlord & Tenant Act 1985
- Homes & Community Agency regulatory framework
- Data Protection Act 1998
- Welfare Reform Act 2012
- Equality Act 2010
- Civil Justice Court Pre-action Protocol
- Immigration act 2016
- Breathing Space Moratorium Regulations 2020



## 6. Related policies

- Rent Strategy
- Tenancy Policy
- Data Protection Policy
- Complaints Policy
- Lettings Policy
- Mutual Exchange Policy

## 7. Monitor and review process

The policy will be applied by all Operational Managers and Team Leaders. The Director of Customer Service and the Chief Operating Officer are responsible for its compliance and review.

Arrears performance is a key performance indicator and will be monitored on a monthly basis by the Executive and quarterly by the Board.

This policy will be approved by the Executive and will be reviewed every year.

Author	Owner	Date approved	Review date
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