

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Portfolio Holder for Housing and Health

To: Policy Development Panel, 6 November 2019
Cabinet, 3 December 2019

(Author: Vikki Cherry, Housing Services Manager)

Subject Housing Income Management Policy

Purpose: To note the proposed Housing Income Management Policy recommended for approval by Cabinet on 3 December 2019

Recommendation(s):

- 1) That Members note the Housing Income Management Policy recommended for approval by Cabinet on 3rd December 2019.

1.0 BACKGROUND

- 1.1 Income collection is one of the key challenges that the Housing service faces against a backdrop of Welfare Reform changes and everyday pressure on tenant incomes. Despite this, the Housing Services Team collected 99.6% of collectable rent in 2018/19. The Key Performance Indicator for rent collection is 96% which is the industry standard.
- 1.2 The Housing Income Management Policy sets out the Council's approach to maximising the housing income it receives, including the following:
 - rent
 - garage license fees
 - service charges
 - use and occupation charges
 - court costs
 - chargeable repairs.
- 1.3 In 2017, the council undertook a fundamental review of a number of Place based services. This included all teams within the Housing Service. The focus on the review was to
 - meet identified savings targets;
 - re-design services to address long-standing cultural and performance issues;
 - *future proof* the services so that they are well placed to meet service demands
 - ensure best value and high performance in the delivery of frontline services.

A phased approach to these objectives has been accomplished with the teams now able to move to further process, procedurally redesign and implement technological improvements.
- 1.4 We have reviewed our approach to income collection to ensure that our procedures support our vulnerable tenants and take appropriate action against tenants who have the ability to pay charges but choose not to.

- 1.5 The Policy seeks to bring together the Council's established working methods with current best practice and legislation.

2.0 OPTIONS

- 2.1 That the Housing Income Management Policy is adopted by Cabinet and amendments to the appendices of the policy and minor operational amendments are delegated to the Housing Landlord Services Manager in consultation with Portfolio Holder for Housing and Health.
- 2.2 That we do nothing and continue to operate without policies in place.

3.0 REASONS FOR RECOMMENDATIONS

- 3.1 To provide an updated policy on income collection and to allow for debt to be written off and chargeable repairs to be charged.
- 3.2 The policy sets the Council's approach to the collection of housing income and will be something that Officers and Residents can refer to.
- 3.3 The Council is at risk of legal challenge without having up to date policies regarding income collection in place.

4.0 EXPECTED BENEFITS

- 4.1 Increased income collection from items such as chargeable repairs, legal approach to income collection (as we did not have a full policy in place), the ability to manage debt recovery in a cost effective manner (by not chasing debts that are uneconomic to pursue) and the authorisation to write off debts that we cannot recover. Reputational benefits whereby we take a firmer approach with tenants that have the ability to pay their rent but choose not to.

5.0 IMPLICATIONS

- 5.1 In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Data Protection; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Transformation Programme; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

5.2 Carbon Footprint / Environmental Issues

- 5.2.1 Requirement to issue copies of rent statements more frequently. Initially these will be posted out, however software is currently being tested to allow tenants access through the My Portal part of the website to review rent statements and pay rent.

5.3 Constitutional & Legal

- 5.3.2 Housing matters, including this policy, are executive functions and are therefore a

matter for the Cabinet to determine. This policy has been reviewed by Housing solicitors, Capsticks, in conjunction with the Strategic Finance and Compliance Manager, and the Section 151 Officer.

5.4 Corporate Priorities

5.4.1 This policy supports the following corporate priorities:

- Your home – mitigating and preventing homelessness by managing rent arrears quickly and effectively, maximising income collection to allow the authority to invest in its housing to deliver high quality housing
- Your health and wellbeing – assessing vulnerable tenants regularly and referring to partner agencies to influence and lead early intervention activities to support, reduce and prevent complex needs. Working closely with the Revenues and Benefits Department to ensure through our Benefits service, that residents are given high quality advice to help maximise their income and manage their debts
- Our Council – managing income collection effectively to maximise the returns generated by the Council's commercial and operational assets.

5.5 Equality and Diversity / Human Rights

5.5.1 The Council has a duty to take all reasonable and economic steps to recover monies due to it. The policies, procedures and practices adopted by the Council in this regard are considered to be satisfactory. Any action taken by the Council under the policy will be subject to all fundamental human rights obligations.

5.5.2 It is important that we have robust policies and procedures in place that provide a clear understanding to the service provider and offer support to our tenants, especially the vulnerable elements of our community.

5.5.3 There is a potential for certain groups to be disadvantaged by the terms of the policy, for example, tenants on a low income. Tenants may struggle to pay the required rent in advance. Officers have the ability to reduce this amount on a case by case basis. Assistance is available (in the form of a grant) to existing Housing Benefit/Universal Benefit claimants towards rent in advance payments through the authority's Discretionary Housing Payment scheme. Many social landlords require one month's rent in advance.

5.5.4 Affordable payment arrangements will be available to tenants to repay arrears and chargeable repairs.

5.5.5 Tenants whose first language is not English may require additional support to ensure they fully understand the terms of the payment arrangement/court process. Copies of the letters will be translated upon request. Officers have access to Language Line telephone translation when visiting tenants in their homes, and in the office.

5.6 Financial

5.6.1 Efficient and effective income collection, including effective arrears management, is of financial benefit to the Council, although this is difficult to quantify.

5.6.2 The Housing Services Manager and Housing Landlord Services Manager have discretion to accept credit card payment in extenuating circumstances. Whilst it is not encouraged for tenants to accrue debt of any means, credit card debt is considered a 'non-priority debt' and can be managed and repaid gradually, with support of Citizens Advice (if required). In some cases, payment of arrears on

credit card would allow the tenants to keep their home and avoid approaching more risky lenders such as payday loans and/or loan sharks (that we have no awareness of).

- 5.6.3 Whilst rent is legally due during the notice period following the tenants death, it is proposed that no charge will be due when the tenant was in receipt of full Housing Benefit/Housing Costs prior to death. In these circumstances, we can confirm that the tenant was on a low income prior to death and is unlikely to leave an estate behind. Often rent arrears are written off when the tenant died in these financial circumstances and so this method, reduces officer time and upset for the grieving family. Chargeable repairs will also not be charged in this scenario.

5.7 Health & Wellbeing

- 5.7.1 Sustainable tenancies will support the health and wellbeing of residents of South Holland.

5.8 Reputation

- 5.8.1 The policy addresses the risk of damage to reputation following legal challenge due to the Council acting without relevant policies and procedures in place.
- 5.8.2 This policy will also adapt the Council's approach to rent collection and chargeable repairs. Rent is a priority debt.

5.9 Risk Management

- 5.9.1 The Policy should minimise the risk of challenge caused by the lack of a formally adopted Policy. The Policy also minimises the risk of reputational damage or challenge through inappropriate or unnecessary legal action. The Council's self-financing financial plans are placed at significant risk of detriment if the Council has poor income collection and high levels of debts.
- 5.9.2 Adoption of this policy will mitigate the risk of non-recovery of current and new sundry debts by ensuring that there is a common understanding across the Council of our approach to debt collection.

5.10 Safeguarding

- 5.10.1 Vulnerable households will be assessed regularly and referrals made to agencies for support. Safeguarding needs are regularly considered for tenants in financial difficulty. Officers will be required to carry out two home visits before the case is submitted to Court, and cases will need to be signed off by managers at certain stages. Our approach will continue to be to support tenants to rectify their financial situation. We will continue to involve partner agencies and challenge where we feel vulnerable households are not receiving the support they require. We also have the ability to request direct payment of Universal Credit Housing Costs where the tenants are vulnerable to protect their tenancy.

5.11 Stakeholders / Constitution / Timescales

- 5.11.1 The Revenues and Benefits Head of Services for PSPS Ltd and the Section 151 Officer have been consulted and involved in the drafting of this policy.

6.0 WARDS/COMMUNITIES AFFECTED

- 6.1 The policy affects all wards.

7.0 ACRONYMS

- 7.1 DWP – Department of Work and Pensions
7.2 DHP – Discretionary Housing Payment

Background papers:- None

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Key Decision: Y

Exempt Decision: N – some appendices are exempt

This report refers to a Discretionary Service

Appendices attached to this report:

Appendix A Housing Income Management Policy
Appendix B (exempt) Supplementary reading
Appendix C (exempt) Comparison against other Lincolnshire Councils