

Income Collection Policy

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Consultation	Completed	Reviewed By	Head of Housing
EIA	Completed	Responsible Officer	Jay Gill
DPIA	Completed	Approval By	Executive Team

1. Purpose

The aim of this policy is to ensure that the collection of rent and service charges is carried out in a fair, consistent and effective manner, supporting customers to maintain their tenancies while ensuring BCHG maximises income to deliver its services.

This Policy sets out the approach that we will take to maximise recovery of charges. It applies to the recovery of rent, services charges and other charges from all customers. We commit to complying with Pre-Action Court Protocols and all relevant legislation, regulation, and good practice. We will ensure we meet the requirements of the Tenancy Standard of the Regulator of Social Housing (RSH) with 'interventions to sustain tenancies and prevent unnecessary evictions

2. Scope

This policy sets out our approach to the collection of rental and service charge income and the management of rent arrears. It applies to all customers, shared owners, leaseholders, and owners who pay a service charge. This policy does not apply to commercial or care related debts. For the purpose of this Policy, those tenants and leaseholders across all tenures will be referred to as customers.

3. Definitions

Pre-Action Protocol - a civil protocol published by the Ministry of Justice that applies to residential possession claims by social landlords. Before starting court action to evict for rent arrears, the landlord must follow the steps set out in the protocol.

The Consumer Standards – The Tenancy Standard states 'Registered providers must provide services that support tenants to maintain their tenancy and prevent unnecessary evictions.

GDPR - The Data Protection Act 2018 is the **UK's implementation of the General Data Protection Regulation**; this makes everyone responsible for using personal data follow strict rules called 'data protection principles'. They must ensure the information is: used fairly, lawfully, and transparently.

BCHG Privacy Notice - explains how BCHG will collect, store, use, share and protect personal information.

Financial Conduct Authority - (FCA) regulates the financial services industry in the UK. Its role includes protecting consumers, keeping the industry stable, and promoting healthy competition between financial service providers.

Alternative Payment Arrangements (APA) - are for those claimants who cannot manage their single monthly payment and there is a risk of financial harm to the claimant and/or their family

Department for Work and Pensions - administers the welfare benefits

Debt Relief Order (DRO) – is way of dealing with debts that are not affordable to pay, and don't have to pay for a specified period and can be written off after the moratorium period

4. Related Policy / Procedure and other Documents

Income Collection Procedure
Lettings Policy
Eviction Policy
Data Protection Procedure
Equality & Diversity policy
Write Off Policy
ASB Policy
Re-charge procedure
Complaints Policy
Resolutions & Remedies Policy

5. Roles and Responsibilities

The Head of Housing is responsible for the overall implementation of this policy and to ensure colleagues are appropriately trained. The Area Customer Relation Managers are responsible for the day-to-day operation. The Deputy Chief Executive or equivalent is responsible for authorising any eviction requests. The front-line colleagues will be responsible for seeking advice from their manager in any action that deviates from this policy.

6. Policy Statement

Income maximisation is a key priority for BCHG, recognising it as imperative to enable us to deliver quality housing management and maintain and invest in our stock. This policy is supported by our Income Maximisation Action Plan and our approach is based on the following objectives: -

1. To empower customers to manage their finances, promoting a rent payment culture
2. To be compassionate & supportive
3. To promote digital transformation & take up
4. To be fair & robust in acting for non-payment
5. To work with partner agencies to increase resources and support services
6. To provide customers with flexible payment options
7. Motivated & Skills colleagues, delivering accredited Income Maximisation Service

We will ensure that in handling the personal data of our customers we will abide by the UK Data Protection rules. All rent accounts are managed securely on BCHG's housing management software package.

The processing of personal data included in this policy is included in both the BCHG Privacy Notice and the BCHG Data Asset Register.

BCHG will not limit the grounds for possession or legal types of notice it uses when we seek to recover unpaid rent from customers. We will use the most appropriate Notice for possession including ground 8. As it is a mandatory ground of possession, the judge must make an order for possession if the ground is established. The decision to use Ground 8 in court will be authorised by the Deputy Chief Executive or equivalent

We are registered with the Financial Conduct Authority for restricted financial advice service.

7. Policy Details

Prevention of arrears

We will adopt a range of methods that will empower customers to manage their finances and promote a payment culture, these include: -

- Before granting a tenancy, we will assess the applicant's ability to pay the rent by completing an income & expenditure valuation
- We will expect prospective customers to have a bank account and an email address and will provide support to obtain this if required
- We will ask prospective customers to submit proof of income and use a benefit calculator if required to assess any benefit entitlement
- We will make available flexible payment methods and ensure our customers are aware of these
- Payments of rent must be made in accordance with the tenancy agreement or lease. Rent must be paid in advance and includes anyone who is in receipt of Benefits.
- We will require a week's payment upfront which helps the customer entering a contract and promotes a payment culture
- We will offer a variety of flexible payment methods
- We will be clear to customers that they need to pay their rent and their responsibility in doing so rests upon them
- The customer will be signed up to BCHG online to view rent statements online and to make any rent payments
- Use the housing system to contact customers as soon as they fall into rent arrears

Tenancy Support

BCHG will use data to target support towards those customer groups that are likely to experience financial difficulties. These include families on low income, those with medical needs and those on pre-payment meters.

Where customers have fallen victim to multiple debts as they have got further into debt with creditors, our Social Business Team will go beyond benefit checks and ensure where possible customers have access and awareness of funds and grants available.

Where customers have exhausted means to access governments funds and support from charities, BCHG aid through the Hardship Fund. BCHG's hardship fund is available in crisis prevention where there is imminent loss of basic provision such as fuel or food.

We will continue with our current offer of support and consider whether we can provide this from the Social Business Team or appropriately signpost the resident to other services such as Citizens Advice. We will also: -

- Understand the personal circumstances of the customer wherever possible through personal contact with them through their preferred method of contact
- Make an application for an APA (Alternative Payment Arrangements) at the earliest opportunity where a resident is in receipt of Universal Credit
- Accept third party deductions from Universal credit/job seekers allowance as a repayment arrangement as appropriate
- Provide advice about alternative housing options including signposting to independent advice where rent arrears have arisen due to a change of circumstances such as under occupation
- To make affordable payment arrangements calculated on income and expenditure and will be based on the following rules to give consistent approach: -

If customer in receipt of full housing benefit or equivalent	Minium payment as set by DWP
If in receipt of partial housing costs and disposable income between £5.00 and £10.00	Minium payment as set by DWP
If not in receipt of housing costs and disposable income is between £10.00 - £20.00	Minimum payment £5.00 pw
If not in receipt of housing costs and disposable income more than £20.00pw	Minimum payment £10.00 pw

*The DWP sets the value of third-party deductions.

Vulnerability

BCHG recognises that some customers may be more vulnerable to failing into arrears due to personal circumstances such as mental health issues, disabilities or financial hardship. In these circumstances BCHG will ensure reasonable adjustments are made to accommodate individual needs. Additional support, including referrals to specialist agencies where appropriate will be made. BCHG will ensure that arrears prevention and enforcement actions will consider customers' circumstances to avoid exacerbating any existing vulnerabilities.

Housing Benefit & Universal Credit

Court action will not be instigated where there is an outstanding claim for Housing Benefit or Universal Credit and the resident has provided evidence that the claim will be backdated.

For customers on receipt of Universal Credit who are in arrears, BCHG will follow the Department for Work and Pensions guidelines and at the point that the arrears levels reach eight weeks, or the circumstances of the resident match the criteria for direct payment, an application for alternative payment arrangement for direct payments would be made to Department for Work and Pensions.

Enforcement Action

We will ensure that we adhere to the Pre-action Court Protocol. Throughout legal proceedings we will continue to offer support and advice to customers who are in arrears to encourage payments and will ensure they continue to have every opportunity to reduce their arrears.

We will take the following into consideration in deciding what is appropriate and proportionate:

1. The payment history and the reason behind the level of rent outstanding
2. The amount the customer will have to pay
3. The length of time it would take to clear the outstanding balance
4. Any vulnerabilities and the impact of this

Eviction is a last resort and can only be authorised by the Deputy Chief Executive or equivalent.

When seeking possession order against a resident, we will also seek a monetary judgement for the arrears, plus our legal costs of taking possession action. We will take all appropriate steps to enforce monetary judgements that are not paid, for example, by obtaining Attachment of Earnings Orders.

Debt Relief Order (DRO's) & Bankruptcy

Any debts included in these orders that are unrecoverable will be written off after the moratorium period in line with the write-off policy and as detailed in the Income Collection Procedure.

Breathing Space

The Debt Respite Scheme (breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020, which gives individuals in debt legal protection from their creditors, helps people in problem debt, including rent arrears, better manage their finances, seek professional debt advice and reach sustainable solutions. When BCHG are notified about a moratorium debt, we will pause any enforcement action for the required period (usually 60 days).

Partnership Working

BCHG will work closely with local authorities, welfare agencies, and financial advisors to support customers and prevent arrears. By maintaining strong relationships BCHG will have access to up-to-date information on benefits, ensure customers have support and engage in any joint initiatives to promote financial literacy and debt prevention.

Other BCHG Debts

We will seek to recover the full cost of all customer debts owed to the Group, such as court costs and tenant responsible for repairs.

Former Tenant Arrears

We aim to prevent or minimise arrears from accruing and will secure the recovery of arrears outstanding by taking prompt action upon notice of termination. We will encourage a customer to clear up any arrears prior to the end of the tenancy; and will seek to obtain a forwarding address. Where this is not provided, we will refer the case to a tracing agent to obtain this.

All former tenant debts will be monitored on a regular basis in accordance with the Former Tenant Arrears Recovery Procedure. BCHG will use legal remedies through the court, where it is cost effective to do so.

Debts under £20 will be written off as these are not economical to pursue.

Where a debt is older than two years old, we may accept a lump sum payment on a sliding scale of up to 50% as full and final settlement, with the remainder being written off.

Any write-off will be approved in accordance with the current Financial Regulation and Delegation Schedule. If a debt is written off and a forwarding address is obtained later, this will be written back on.

Credit Balances

We will check credit balances on a regular basis and issue a refund for any genuine credit (not technical, or advanced payments balances), which will be refunded directly to the customers. A credit balance may be used to clear or pay towards any outstanding balances, e.g. re-chargeable repairs.

Shared Ownership/Leaseholds

Rent and other charges for shared ownership/leaseholders are usually payable in advance depending on the provisions contained in the lease. Accounts will be monitored in line with procedures. The general principle for Shared Ownership Joint Guidance for England issued by the Regulator for Social Housing, UK Finance and the National Housing Federation will be used as guidance for managing arrears. BCHG will only seek possession proceedings as a last resort when all alternative debt management actions have been exhausted. BCHG will endeavor to reach a repayment agreement to clear the arrears with the customers or their mortgage lender.

Colleagues Training

All colleagues responsible for rent collection will be provided with on-going training to maximise income collection and equipped to engage sensitively with customers. Colleagues will have knowledge to offer advice on welfare benefits, and budget planning. Colleagues will be familiar with the legal framework governing rent collection and arrears enforcement.

8. Legal and Regulatory Considerations

Government legislation has an impact on how BCHG can implement its Income Collection Policy. The following key acts and legislation have been acknowledged: -

[Protection from Eviction Act 1977](#)

[Housing Act 1985 \(as amended by the Housing Act 1996\)](#)

[Housing Act 1988 \(as amended by the Housing Act 1996\)](#)

[Deregulation Act 2015 17](#)

[Equality Act 2010](#)

[Pre-action Protocol for possession claims based on rent arrears 2006 Gov.uk Guidance on Section 21 and Ground 8 Notices](#)

[Neighborhood & community Standard](#)

[DRO & Possession](#)

[Debt Respite Scheme \(Breathing Space\)](#)

9. Equality Diversity & Inclusion

BCHG recognises that different people and communities may have specific needs which may require flexible approaches. We also appreciate that some groups or individuals may experience discrimination and disadvantages. This may be due to their protected characteristics under the Equality Act 2010. We believe that everyone should be treated with dignity, respect, and fairness, regardless of their characteristics.

An Equality Impact Assessment has been carried out on this policy, which will be updated in line with policy reviews to ensure there is no discrimination and opportunities to improve equality and access are maximised.

10. Data Compliance, Monitoring & Reporting

The use of Personal data in the application of this policy will include financial information that will be used to assess benefit entitlement, carry out income & expenditure and repayment arrangements. Any false information provided by the customers will have a negative impact on the advice provided. BCHG will also record information on ethnicity, vulnerability, and disability to enable us to provide tailored support and to also ensure all benefit entitlement is maximised.

All data will be kept on the housing system and will be deleted in accordance with the data retention arrangements.

If any personnel data is not securely saved or is leaked in the public domain – the matter will be investigated as per the Data Breach procedure and addressed through disciplinary procedures where necessary.

A data compliance audit including access to the system will be conducted in accordance with the data compliance process.

Personal Data – This will include customers' financial information, household details including any vulnerability or disabilities. All information will be kept on the housing system and will be regularly reviewed through the customer census and visitation programme. Information will be deleted once the customers leave BCHG.

Financial information will be Performance of a contract - Article 6(1)(b) (to assess the affordability and suitability of the tenancy).

National insurance numbers will be Legitimate Interests - Article 6(1)(f), to protect against identity fraud and enable identification in relation to Universal Credit or other benefits.

Performance of a contract- Article 6(1)(b) and Social Protection - Article 9(2)(b) for the processing of the household and disabilities data.

Data Protection: All personal data is kept on the secure housing system

Data Integrity: Genuine documentation for Identification, Income and households will be obtained as proof

11. Performance

We will monitor our income collection performance and provide up to date KPI's to the Executive Team and the Board of Management.

We will continue to contribute to House mark and other groups so that we can benchmark our performance with our peer groups at a national level.

We will undertake one-to-one performance reviews with colleagues to drive performance.

We will continue to review the Income collection service delivery as part of the income maximisation action plan.

12. Review

This policy will be reviewed in conjunction with customer voice on a 3 yearly basis or earlier in response to statutory or regulatory requirements.