



# Income collection policy

**Author:** Richard Dowling, Housing Manager

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## 1. Introduction & purpose

At Colchester Borough Homes (CBH) we rely on the efficient collection of income due on behalf of Colchester Borough Council (CBC) in order to deliver our housing and commercial services. This policy codifies our approach to income collection whilst maintaining and supporting the values and organisational behaviours of our organisation.

Our fundamental policy aim is to:

*‘Collect all income due in a timely and efficient manner whilst recognising the individual needs and circumstances of our customers by fairness and support’.*

Whilst the majority of our income is raised through the charging and collection of rent, we are also responsible for the collection of other income, including:

- Service charges
- Leasehold service charges and ground rents
- Leasehold major works
- Rechargeable repairs
- Rechargeable void works
- Garage rents
- Commercial income
- Homelessness related costs.

## 2. Policy standards

**Key standards – we aim to:**

- Follow the County Court Protocol when considering legal action to recover debt and take court, eviction and forfeiture action as a last resort
- Focus our time and attention on preventing debts from occurring through pre-tenancy works, effective sign up processes and effective ongoing information and support especially to introductory tenants, younger tenants and those with vulnerabilities
- Use customer insight information and be proactive in providing a targeted income management approach and support customers in maximising their own incomes, benefits and personal responsibility to increase their ability to pay the charges due. Further details are provided in the support section
- Promote direct personal contact where debts escalate, whilst delivering a fair and tailored approach to individual needs and circumstances
- Notify customers of charges due at the earliest possible stage and provide clear, accurate and relevant information including the provision of regular statements of accounts. We also aim to provide as much information and income related services as possible on line and available 24 hours a day on our website

- Make realistic and affordable arrangements to repay debt with special arrangements made for the repayment of leaseholder major works invoices
- Prevent customers who owe debts from transferring or receiving non-statutory services unless there are exceptional circumstances
- Write off debts only where recovery actions have been exhausted and there is no economical reason to continue the action
- Help fund specialist partners to provide dedicated services to our tenants and leaseholders (e.g. Citizens Advice)
- Not to write off debts for current tenants and leaseholders without exceptional circumstances or legal requirements e.g. bankruptcy or debt relief orders
- Provide ongoing training and development of staff involved in the income collection service
- CBH will promote smarter methods of working in relation to reducing administration and promoting automation where appropriate

### **Payment methods and options**

We will make a number of cost-effective options available, including:

- Direct Debit, offering a number of payment dates
- Bank standing order
- Online payments
- Automated telephone payments
- Bank and Post Office payments.

However, we actively support and market Direct Debit payments as our preferred method of payment.

### **Advice and support**

- Financial Inclusion Team (FIT) – we will provide a FIT with a remit to provide Housing Benefit support and advice, mitigate the effects of the Welfare Reform programme, provide benefits advice and support, promote financial inclusion and help to minimise debt and maximise incomes for our customers
- Promotion of basic bank accounts and access to digital services including the provision of training on digital skills
- Debt advice and referrals including a joint home visiting service with Citizens Advice
- Tenancy Support Team – we will provide a Tenancy Support Team to help sustain tenancies and work with other partners to promote independence and avoid customers experiencing debt and other financial problems
- Working with, and the promotion of, other agencies and partners such as Colchester Credit Union, CAP Money, Pay Plan, Citizens Advice etc.
- Promotion of early action including pre-tenancy workshops, effective sign up procedures, new tenant visits and tenancy audits

## **Performance management and responsibilities**

CBH will monitor its income collection performance as a key performance indicator, benchmark performance and costs against other landlords and set continuous improvement targets accordingly. Where it is appropriate, some of the targets will be set at an individual officer level with an emphasis on empowerment and personal and team responsibility. We aim to be a high-performing upper quartile landlord with lowest quartile costs.

Key indicators will include:

- Rent arrears – value outstanding
- Rent arrears - % of annual debit
- Rent arrears – rent collection
- Rent arrears – number of evictions
- Former tenant arrears – value outstanding
- Former tenant arrears – income collection
- Former tenant arrears – write offs
- Leasehold service charges - % of debit collected
- Recharges (voids and repairs) – value of debt collected.

## **3. Consultation**

We aim to have the Income Collection Policy reviewed by our resident Scrutiny Panel with operational performance monitored by the Board on a regular basis and publicised in News and Views and on the CBH website.

## **4. References**

This policy has been reviewed, updated and amended as necessary in line with current best practices and national issues such as Welfare Reform, the introduction of Universal Credit and changes to the ability to raise rents until at least 2020.

- Reporting and Benchmarking utilising Housemark membership
- County Court Action Protocol

## **5. Related documents**

[Leasehold Management Policy](#)

[Financial Inclusion Strategy \(including Welfare Reform\)](#)

[Rechargeable Repairs Policy](#)

[Rent Arrears Procedure](#)

### Document control sheet

<b>Title:</b>	Income Collection Policy
<b>Electronic File Name &amp; location:</b>	\\cbcd02\User_Data\CB Homes\Common Files\Policies, strategies and corporate documents\Word versions of current corporate documents\CBH Income Collection Policy - June 2017.docx
<b>Consultation with stakeholders:</b>	<ul style="list-style-type: none"> <li>• Scrutiny Panel June 2017</li> </ul>
<b>Approved:</b>	Operations Committee June 2017
<b>Next Review date:</b>	June 2020
<b>Circulation method:</b>	CBH Website and CBH intranet Localised staff training and updates
<b>Equality Impact Assessment:</b>	Not applicable for this review

### Document amendment history

Version	Type	Date	Notes
1.0	New	2014	Original policy approved
2.0	Major revision	June 2017	A number of changes to simplify the - policy and adapt to new policy template at the three year review.