

Income Management Policy Review

Housing Committee 24 March 2022

Report of: Alison Boote – Executive Head of Communities

Purpose: For decision

Publication status: Unrestricted

Wards affected: All

Executive summary:

A recent review of the income management policy has recently taken place as it was due for its regular review. This report, supported by **Appendix A**, highlights the areas that were reviewed, and recommendations made, to maximise income to the Housing Revenue Account.

This report supports the Council's priority of: Building a better Council and Creating the homes, infrastructure and environment we need

Contact officer James Devonshire Specialist Services Manager
JDevonshire@tandridge.gov.uk –

Recommendations to Committee:

That:

- A. the contents of the report be noted; and
 - B. the updates to the income management policy be agreed.
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Reason for recommendation:

This review incorporates recent legislative changes and updates due to the recent COVID pandemic.

Introduction and background

1. The Housing Revenue Account is a landlord account which is a ring-fenced set of transactions relating to local housing within the general fund. Its main source of income is from tenants in the form of rents and service charges and cannot budget for a deficit.
2. This review, undertook a full assessment of current processes and legislation to ensure they were fit for purpose and adequate to maximise income collection. The main changes that have been recommended to the policy are below:

Notice for Fixed Term Flexible Tenancies

3. New legislation has been brought in for fixed term tenancies which requires the Council to issue a different notice when seeking possession of a property for flexible tenancies. This notice has the same effect as the current notice the Council issues for Secure Tenancies but requires reference to different legislation.

Breathing Space - The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020

4. This legislation was adopted on 4 May 2021 and allows temporary protection from most types of debt whilst the tenant works with a debt advisor. A breathing space lasts for 60 days and whilst the tenant is in this space, most enforcement action and interest is suspended. Ongoing rent still needs to be paid but rent arrears cannot be collected.

Financial assessment

5. As part of the pre-tenancy sign up process, the Council now includes a financial assessment to ensure that the property is affordable to the tenant and that they can maintain their on-going rent payments.

Home Visits

6. Resident support carries out a home visit within four weeks of the commencement of the tenancy to check on any difficulties including to assess vulnerabilities and whether any further support is needed. Within this visit, any issues with paying the rent are identified and assistance is offered.

Landlord Portal

7. Since the last review, the Department for Work and Pension (DWP) have introduced a portal where the Council can apply for direct rent payments and a deduction towards rent arrears from an individual tenants Universal Credit claim. This enables us to secure continuous payment and prevent and minimise arrears, reducing the number of claims made to the County Court.

Tenants' possessions after eviction

8. If an eviction takes place and the tenant still wants belongings from the property after eviction, access will be provided, with supervision, up to two weeks after the end of the tenancy. If belongings remain, the Council will attempt to contact the tenant to seek permission to remove the belongings. A Tort Notice will be secured to the front of the property when such a situation occurs.
9. Any goods left, are still the property of the tenant and therefore reasonable efforts to trace the tenant will occur. If this fails, possessions may be sold or destroyed.

Key implications

Comments of the Chief Finance Officer

The new legislation and the Council's own policy changes will potentially lead to less rent arrears being built up over many years. This will in turn will reduce officer time being utilised in pursuing and chasing rent arrears, allowing officer to focus their time on value added tasks.

Comments of the Head of Legal Services

The review of the policy reflects changes in good practice and legislative changes that have been updated accordingly. The updated policy will provide a framework for Officers to enable them to be consistent in their approach and ensure that no tenant is treated any more fairly or unfairly than any other.

There are many different reasons for non-payment of rent. The Council needs to be aware of the requirements for the Pre-Action Protocol for Possession Claims based on rent arrears. This protocol sets out the steps a Court expects both parties to take before starting proceedings. For example, where a tenant is in rent arrears, the government wants landlords and tenants to have tried to resolve the rent arrears outside of Court before the landlord can evict them.

Once the revised policy has been approved it must be adhered to ensure that any court action (which should be a last resort) is successful.

Climate Change implications

This report contains no proposals that would impact on the Council's commitment to climate change.

Equality implications

This report contains no proposals that would disadvantage any minority groups.

Appendices

Appendix A: statement of policy on income management

Background papers

None

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