

# Item 7

## REPORT TO CABINET

22<sup>ND</sup> NOVEMBER 2007

## REPORT OF DIRECTOR OF HOUSING

### PORTFOLIO HOUSING

#### HOUSING INCOME MANAGEMENT POLICY

#### 1. SUMMARY

- 1.1 The Housing Department with key stakeholders reviewed the Audit Commission's Key Lines of Enquiry (KLOE's) and developed a Service Improvement Plan (S.I.P) which received Cabinet approval on the 2<sup>nd</sup> March 2006. The prevention and effective management of rent arrears is a key priority, identified in the SIP, for the Housing Service and the Council. The KLOE for housing income management highlights the importance of taking prompt and appropriate action to recover both former and current tenant's arrears and other debts in order to minimise income loss.
- 1.2 Management Team considered a further report on Housing Management Income Collection on the 18<sup>th</sup> December 2006, approving a procedure on the management of Former Tenant Arrears and other debts. This procedure is mirrored by a similar document covering the collection of current rent arrears.
- 1.3 To support future improvements in this key area of work the Housing Department commissioned the Rent Income Excellence Network (R.I.E.N.) to carry out a service review. The result of this review and the Rent Income Service Improvement Plan (R.I.S.I.P.) that was developed from it was reported to Management Team on the 12<sup>th</sup> February 2007, and Overview and Scrutiny Committee 2 on 10<sup>th</sup> April 2007. A key action within the R.I.S.I.P. is the implementation of an Income Management Policy, based on national guidance and good practice. This report sets out the details of the Housing Income Management Policy.

#### 2. RECOMMENDATIONS

- 2.1 That the Housing Income Management Policy attached as Appendix 1 be adopted.

#### 3. ENSURING AN EFFECTIVE APPROACH TO INCOME MANAGEMENT

- 3.1 The Housing Service has developed its aims and objectives taking account of the full range of the overarching ambitions of the Local Strategic Partnership (L.S.P.) that the Council has adopted within the Corporate Plan. This includes a clear commitment by the Council to drive forward service improvements, and to provide services that are customer led and focussed whilst providing value for money.

- 3.2 Ensuring that rental income is managed effectively is a key function for social landlords with the emphasis firmly on sustainability of tenancies. The Audit Commission Key Lines of Enquiry (KLOE's) for housing income management highlights the importance of minimising loss of income by taking prompt and appropriate action to recover both current, former tenancy arrears and other debts.
- 3.3 Our approach to income collection and management was initially built on the principles in the KLOE and the Department of Communities and Local Government (DCLG)'s good practice guide, "Improving the Effectiveness of Rent Arrears Management", as a result a number of areas for further service improvements have been identified. These improvements have been built within the R.I.S.I.P, which received Management Team approval on the 12<sup>th</sup> February 2007.

#### 4. BACKGROUND - POLICY CONTEXT

- 4.1 The DCLG produced in 2005, a good practice guidance '***Improving the Effectiveness of Rent Arrears Management***', this guidance focused on effective rent income management and identifies the need for Social Landlords to have in place a Rent Income Management Policy. The guidance states that, "***It is essential that landlords have a formal written arrears policy. This should be comprehensive, incorporating arrears prevention, arrears management, recovery actions and dealing with former tenants***". "***Not having an over-arching policy would be detrimental to the effective delivery of housing income management***".
- 4.2 This Housing Income Management Policy has been developed taking into account good practice guidance, and is underpinned by robust Rent and Former Tenant Arrears Procedure's and effective monitoring mechanisms. This Policy will strengthen our current procedures and support our ongoing current and former tenant arrears performance management and framework.

#### 5. KEY ELEMENTS

- 5.1 The key issues and area's covered within the Policy include:-
- **Our approach to the recovery of debt** – The Housing Department have adopted a staged approach to the recovery of debt with an emphasis on prevention and early intervention, to maximise tenants income, collect rent and sustain tenancies.
  - **Support for Vulnerable tenants** – Special consideration will be given to vulnerable people, with the identification of possible vulnerable tenants being made at any stage in the housing allocation process from initial completion of the Housing Application Form through to the "sign up" of the tenancy and beyond. Recognising the needs of vulnerable tenants, will enable us to work in partnership with Social Care and Health, the Primary Care Trust, the Citizens Advice Bureau (CAB), and other key agencies, to assist with the sustainability of the tenancy.

- **Tenant and Stakeholder involvement** – The Housing Department is committed to working in partnership with residents and involving all stakeholders in its approach to income management and tenancy sustainment.
- **Prioritisation of debt** – Where customers owe multiple debts to the Council we will prioritise those debts so that any debt which may involve the customer losing their home or having the strongest legal action taken against them will be paid first.
- **Raising awareness of access to debt advice** – The Housing Department will work closely with the C.A.B. including making formal referrals with the consent of the tenant. We have developed in conjunction with the Resources Department an “Information Sharing Protocol” to assist tenants in maximising their income and sustaining their tenancies.
- **Former tenants arrears** – Housing Officers will take all reasonable and appropriate steps to recover Former Tenant Arrears (FTA) and other debts.
- **Communication** – As part of its commitment to improved access to services, Equality and Diversity and good quality customer care, the Housing Department will implement a range of methods to promote the provision of clear, accessible information and advice that is plain English and jargon free. Treating tenants as individuals, including the provision of translation services to people with language or communication problems.

It is recommended that the Housing Income Management Policy set out in Appendix 1 be adopted.

## 6. NEXT STEPS

- 6.1 If this policy is approved, in line with good practice, a further report will be brought in relation to the adoption of a Financial Inclusion Strategy for consideration.

## 7. RESOURCE IMPLICATIONS

- 7.1 None.

## 8. OTHER MATERIAL CONSIDERATIONS

### 8.1 Links to Corporate Objectives/Values

The Housing Department contributes to the key ambitions of the Council through the aim of a Borough with Strong Communities and underpins the corporate value of the Council by being responsible with and accountable for public finances.

### 8.2 Risk Management

The adoption of an effective Housing Income Management Policy is a key element in developing a high scoring housing service. Failure to develop and implement the policy could result in a poor inspection result and prevent effective housing income management being implemented across the Housing Service.

### 8.3 Health & Safety

No additional implications have been identified.

#### 8.4 Equality & Diversity

Account will be taken of the Council's duty to promote equality and diversity.

#### 8.5 Legal & Constitutional

There are no legal and constitutional implications of this report, however legal advice will be sort as appropriate in relation to the implementation of any of the actions within the SIP, where necessary.

### 9. OVERVIEW AND SCRUTINY IMPLICATIONS

9.1 There are no overview and scrutiny committee implications.

### 10. LIST OF APPENDICES

10.1 Appendix 1- Housing Income Management Policy

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**Wards:** All

**Key Decision Validation:** Not a key decision

**Background Papers:** Audit Commission KLOE 4 Housing Income Management Report of Director of Housing, Housing Service Improvement Plan provided to Cabinet on 2.3.06  
DCLG Good Practice Guidance – Improving the Effectiveness of Rent Arrears Management  
Report of Director of Housing, Housing Management Income Collection on 18.12.06  
Report of Director of Housing, Housing Management Review Of Rent Income And Arrears Recovery.

#### Examination by Statutory Officers

	Yes	Not Applicable
1. The report has been examined by the Councils Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Councils S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>