



PLYMOUTH COMMUNITY HOMES Incomes Policy

Version:	Final
Lead Directorate:	Homes and Neighbourhoods
Equality Impact Assessment:	December 2015
Approved by:	Customer Focus Committee, February 2016 Update approved, August 2018 Last reviewed, March 2022

1. Purpose

This policy sets out Plymouth Community Homes' (PCH) approach to income collection, recovery of arrears and approach to debt write off.

The policy applies to tenants, leaseholders, licensees, shared owners and private owners, and to all rent and other charges payable to PCH, including service charges, rechargeable works costs and court costs. For the purpose of this policy, the term 'resident' includes all those to whom this policy applies.

Arrears are defined as debts owed to PCH as a result of a resident failing to make the required payment when it is due under the terms of the tenancy agreement or lease or licence. This includes where part or all of the payment is expected from another body, such as housing benefit payments, on the resident's behalf.

2. Aims and objectives

PCH aims to take a balanced and fair approach to maximising receipt of income payable. PCH will aim to:

- Promote a strong payment culture and prevent arrears occurring.
- Maximise collection of rent and other charges payable.
- Adopt a firm but fair approach to collecting arrears.
- Assist residents in maximising their income and managing their debt.

- Promote and reinforce residents' own responsibility for paying rent and other charges.
- Assist residents who fall into arrears, or are at risk of falling into arrears, by facilitating access to information, advice and guidance services available.

3. Policy statement

3.1 Income and arrears collection

PCH will be open and transparent in setting its rent and charging service charges and other costs, and will meet its legal obligations in relation to rent setting and service charges.

At the commencement of tenancies or leases, PCH will ensure that residents are aware of their obligations in respect of payments due, and encourage maximum take up of financial help, including benefits, that may be available to them.

All offers of accommodation will also be subject to establishing that the applicant has a demonstrable ability to pay and to sustain payment of the rent and other charges. Where a prospective new or transferring tenant cannot demonstrate an ability to pay, PCH may offer support through our internal financial inclusion team or signpost the individual to external money advice services. For prospective new or transferring tenants who have former or current PCH debt, the provisions set out in our allocation and debt guidance will also apply.

In order to maximise payment of income due to us, PCH's expectation is that all new and transferring tenants will make payment by direct debit. If there is an exceptional reason why a prospective tenant cannot pay by direct debit, PCH may agree that the tenant can pay by another means, for example, standing order. This decision must be taken by a member of the Homes and Neighbourhoods Management Team. PCH reserves the right to require the payment method to revert to direct debit if, for example, arrears accrue on the account.

PCH will aim to prevent arrears occurring, and maximise the collection of arrears when they do occur, by working within our agreed procedures and working in accordance with the Pre-Action Protocol on Possession Claims for Rent Arrears.

PCH will support and assist residents who fall into arrears, or are at risk of falling into arrears, to enable them to maximise and manage their income so that they are in the best position possible to be able to pay their rent and other charges due to PCH. PCH will endeavour to provide this support in a sensitive, but effective, manner.

PCH will keep abreast of agreed and proposed changes to the benefits system, and support residents to prepare for changes that may affect them.

PCH will apply legal sanctions when needed, but ensure that eviction or lease forfeiture is a last resort and pursued only when all other actions have been exhausted.

At the end of a tenancy or lease, all charges are payable by the termination date. PCH will aim to minimise former tenant and leasehold arrears occurring. Where arrears do occur, PCH will deal with them as efficiently and effectively as possible, including using suitable debt collection agencies where appropriate to maximise the probability of recovery.

PCH will set targets for arrears and monitor performance closely. PCH will also benchmark its performance against other registered providers.

3.2 Debt write off

PCH will do everything possible to recover any debts that are outstanding from former residents, by following our agreed procedures.

Where the provisions set out in the procedures have been exhausted, and there is no realistic prospect of recovery, PCH may consider write off of the debt owed by the former tenant or leaseholder. In particular PCH may consider write offs as follows:

- Where we have taken all reasonable steps to trace the resident, we have carried out all actions as specified in the procedures and neither we and/or a debt collection agency have been able to collect the debt within agreed timescales.
- Where the debt relates to a deceased resident, and the next of kin or executor completes an asset and liabilities form stating that there are no monies in the estate. PCH may wish to carry out reasonable investigations to gather evidence to support such a statement.
- Irrecoverable debts shall be written off in accordance with the authority limits approved from time to time by the Board.

3.3 Former resident account credit balances

Where a former resident account is left with a credit balance, and no other debts are owed to PCH by the resident, PCH will ensure the credit is refunded to the resident in accordance with our agreed procedures.

4. Data protection

In applying this policy, all members of staff must comply with PCH's data protection policy and ensure that personal information supplied by customers is protected at all times.

5. Equality and diversity

PCH will apply this policy consistently and fairly, and will not discriminate against anyone based on any relevant characteristics, including those set out in the Equalities Act 2010.

PCH will make this policy available in other languages and formats on request. We will carry out an equality impact assessment on this policy, in line with our corporate procedure.

6. Monitoring and review

PCH will monitor this policy to ensure it meets good practice, current legislation and will review it in accordance with our review timetable for all policies.