

Income Collection Policy

1. Policy Statement

We aim to collect all income due promptly to help our customers sustain their tenancy, minimise bad debts and protect the services we provide.

We expect customers to take responsibility for their payments and to pay on time. Where this does not happen, we will proactively encourage them to clear any debts that do occur as quickly as possible by providing advice and guidance including referrals to third parties if appropriate. We will take legal action to recover debts where it is necessary.

This policy covers payments due to West Kent from the following customers:

- Current residents living in our homes
- Residents renting a garage
- Former residents / garage renters owing money to West Kent

2. Our approach

We will be proactive in encouraging customers to take responsibility for their payments by keeping them informed of payments due and adopt a responsive and firm approach to keep debts to a minimum. We will do this in the following ways:

- Provide online access to current rent account statements for homes through West Kent's customer portal
- Make paying charges easy – encouraging direct debits, providing online and automated phone line payment methods
- Monitor accounts and contact customers promptly if they miss payments
- Ensure our communications are clear, customer friendly and encourage contact
- Help customers help themselves with good advice and signposting, including working with others for options to increase income by training and employment
- Help customers to maximise income benefit entitlement and to proactively signpost customers to independent providers of money and debt advice
- Ensure repayment agreements are affordable and timely
- Involve support agencies and local authorities where appropriate
- Promote financial wellbeing

We will discuss rents with prospective new tenants, as it is essential they can pay their full rent. If someone cannot afford the rent based on current income and expenditure, we may consider not housing them until they can evidence they can pay the rent. We will always signpost them for advice as appropriate.

Paying rent is a key part of all tenancy conditions. Most payments are due in advance at the start of the contract, and throughout the lifetime of the tenancy / licence. If rent or other money owed to us is not paid, we may suspend our customers from receiving some services until the

debts are cleared. Services customers may be suspended from include moving into another West Kent home and bathroom, kitchen and door replacement or upgrades.

3. Recovery of debts

We want to recover unpaid charges promptly and maximise the recovery of debts. To do this, we will:

- Act promptly when an account falls out of an agreed arrangement
- Advise our customers of the next course of action and consequences of non-payment
- Take legal action if the customer fails to pay the charges – this will include eviction where necessary and we will ensure our case management meets all requirements set out in the Court Pre-Action Protocol for Possession Claims by Social Landlords
- We will consider applying for possession on mandatory grounds for tenants who have not paid the charges due, if they have an Assured Shorthold Tenancy (including starter, fixed term, mortgage rescue and temporary) or an Assured Tenancy with a persistent arrear history - we can apply under Ground 8 of the Housing Act where eight weeks of arrears are outstanding.

4. To prevent legal action, our customers need to:

- Review any account statements we send them or review them online to check they have a clear account
- Contact and engage with us as soon as possible. Let us know if circumstances have changed and paying rent has become or will become difficult. Respond to us if we contact about payments due
- Ensure repayment agreements are kept to and paid on time
- Inform us if a rent account is incorrect or if income is changing and will affect your rent payments.

5. Garages

Garage renters are expected to pay their rent by direct debit. If customers fail to pay, we will act to repossess the garage. We will also repossess a garage if a customer owes us other debts and are not paying these. We will not rent a garage to a tenant if they owe us any money.

6. Bankruptcy / Debt Relief Orders (DROs)

When a resident includes rent arrears in bankruptcy we can apply for possession of their home, for not keeping the tenancy condition to pay the rent. Customers should aim to clear any unpaid rent before starting bankruptcy.

When under a Debt Relief Order, customers should continue paying the current rent and any arrears, or risk repossession action and losing their home¹.

¹The existence of a Debt Relief Order does not prevent a court from making a possession order against a tenant on the ground of rent arrears (or any other ground). This applies regardless of the tenant's security of tenure. However, where the arrears are listed in a Debt Relief Order, the court cannot suspend (or postpone) the

7. Alternative Payment Arrangements

Universal Credit provides options for a customer in receipt of Universal Credit to ask for payments to be made directly to their landlord. Equally, we, the landlord, can also request Universal Credit to be paid direct to us. This direct payment is called an 'alternative payment arrangement' for the claimants 'housing element'. They 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.

We will apply our discretion when we will apply for an alternative payment arrangement for the claimants 'housing element'.

We also have an option to apply to Universal Credit for payment to contribute towards rent arrears which comes from within claimants living allowance. Our discretion for both will be considered on a case-by-case basis.

As a minimum, when we are aware a customer is in receipt of Universal Credit, we will consider alternative payment arrangements for the rent and/or rent arrears, at the following stages where applicable in managing income collection:

- When a new tenancy begins, and we are aware of a vulnerability or set of circumstances whereby an alternative payment arrangement would assist the customer in managing their rent account to prevent debt and promote tenancy sustainment
- When an account reaches a debt of £1,000 or becomes more than eight weeks in arrears
- When a starter tenancy is at risk of being failed or extended due to rent arrears
- Before any application for court
- When we become aware of a *change* in circumstances and /or vulnerability where an alternative payment arrangement may assist a customer to manage their income and rent payments, to prevent rising debt and promote tenancy sustainment. For example, to decide if an alternative payment arrangement may be appropriate for a case, we will consider some of the following:
 - is the customer managing to pay their bills on time, particularly their rent, and have they fallen into arrears in the past, or are they currently in arrears?
 - Is the customer able to manage a monthly budget, taking account of their income and outgoings over a calendar month?
 - is the customer vulnerable (maybe they have addiction problems, mental health issues, learning difficulties or are previously homeless)?

8. Rechargeable repairs

possession order on terms of the payment of those arrears. The court can however suspend an order for possession on the condition of payment of current rent and costs. When a Debt Relief Order is made after the making of such a suspended/postponed possession order, the Debt Relief Order will have the effect only to extinguish the judgment debt up to the making of the Debt Relief Order, but not any subsequent arrears accrued during and after the moratorium period. If a tenant is subject to a possession order suspended (or postponed) on condition of payment of rent arrears listed in an undischarged Debt Relief Order, s/he can apply to the court to vary the order so that payment of the arrears is no longer a condition of the possession order.

We aim to prevent recharges by advising customers to carry out rechargeable works themselves, where possible. If customers fail to pay the sum outstanding for a rechargeable repair, we will apply to County Court seeking repayment, including money judgement orders and attachment to earnings.

9. Leaseholders and shared owners

Most payments are due by direct debit under the lease. We will deal with non-payment of rent and service charges in line with the same approach we apply to unpaid rent for our homes. If a customer has a mortgage, we will contact the mortgage provider and request that they consider the debt. If the customer is a leaseholder, outright owner of the accommodation, or the mortgagee refuses to capitalise the debt, we will act in the County Court to recover the debt. This could also result in repossession.

10. Former occupier income and debt

Rent continues to be charged each week, until all keys are returned, and we get vacant possession. Former residents still must pay back any money owed. Where a former occupier fails to repay a debt including recharges or fails to keep the terms of a repayment agreement, we will take court action. We may use external debt collection agencies to recover former occupier debt including recharges, on our behalf. We reserve the right to add on recovery charges to the debt. We'll not rehouse someone who owes us money. However, we may house someone with a debt if they have arranged and are keeping to it; demonstrating a pattern of repayment to show intent to clear.

11. Equality

We will not discriminate on grounds of race, ethnicity, religion, sexual orientation, disability, gender or age. We aim to deliver services that are sensitive to these issues.

12. Review

This policy will be reviewed by the end of 2022 unless changes in legislative or standard require otherwise.