



Housing Income Management Strategy 2022 - 2024

Foreword

'Ipswich Borough Council prides itself in providing a top-quality service to tenants. In the case of Housing Income Management, the Council has achieved an external accreditation for its service. This is an acknowledgement of the skill and dedication of the staff who are providing the service. Hopefully, it will reassure the tenants that the Council is working with them on making sure rents are paid on time.'

Rent Matters. It is important that tenants pay their rent at the right time. If rents are not paid, it puts the whole housing service at risk. The Council provides help for tenants so they can pay on time and is supporting people as they move to Universal Credit.

Having good quality income services allows delivery of a good quality housing service, which everyone benefits from'.

Councillor Neil MacDonald

Housing Portfolio Holder

1. Introduction

- 1.1 Income management is a key business area for Housing Services. The Council manage 7,500 general needs properties and 550 sheltered properties and are responsible for the collection of £37 million of rent and service charges per year. In addition to this, the Council manages 400 leasehold properties.
- 1.2 In December 2017, Housing Services successfully achieved accreditation from the Housing Quality Network (HQN) for its income management service. An accreditation mark is a visible sign that the services not only meet or exceed good practice standards but that the Council is proud to offer a best in class service to tenants. This Strategy, developed in 2018, was informed by the review of the service by HQN.
- 1.3 Effective income management ensures that the Council can continue to deliver a good housing service and develop and maintain homes. It contributes to the financial strength of the Council so that it is able to provide the financial resources to deliver the priorities set out in the Corporate Plan 'Building a Better Ipswich':
 - Healthy Communities
 - Quality Homes for All

- An Efficient and Effective Council.

It also supports the Ipswich Housing Strategy priorities,

- Enabling building of houses of all tenures
- Improving the quality of existing housing
- Prevention of homelessness and rough sleeping
- Meeting the housing needs of all communities and meeting the challenges of an ageing population

1.4 The overall aim is to maximise income and prevent tenancies from failing and this strategy sets out the continued commitment and plans to protect the income stream and help sustain tenancies.

2. Background

2.1 The Council is operating in an increasingly challenging financial environment and so maximising income collection is more important than ever before.

2.2 In 2012, the Government implemented a programme of Welfare Reform resulting in substantial changes to the benefits system. The majority of the reforms have now been implemented however the continued roll out of Universal Credit continues to be a risk to the business. The Government expects to finish managed migration of UC by September 2024. This is the process where existing benefit and tax credit claimants will be moved to UC although the DWP have temporarily suspended work on the pilot while they prioritise work on processing UC claims and payments during the current coronavirus outbreak. It is expected this suspension will be lifted in March/April 2022.

2.3 The Covid-19 pandemic has seen substantial financial pressures on individuals and families. It has also presented significant challenges to social housing landlords with increased rent arrears and people claiming Universal Credit. The Government's Covid-19 economic package has helped financially cushion low-income households in the social rented sector however in September 2021 the Government dismantled its support framework, wound up furlough and removed the £20 a week uplift to UC. As a result, the Council saw more households struggle with rent as their income dropped.

2.4 The Council are committed to helping tenants pay their rent or charges on time with those needing help and financial support receiving this. The procedures are designed to maximise the attempts at contact the Council has with a tenant in order to sustain tenancies. If a tenant does fall into arrears through financial difficulty, the Council will ensure the resident has had adequate opportunity to put things right before enforcement action is considered. Tenancy sustainment is a key component of this strategy.

2.5 The delivery and success of this Strategy will therefore, to an extent, be affected by external factors. The Council has effective partnerships in place with agencies to provide information, advice, and support to tenants to maintain their tenancies. The Council recognises strong successful partnership working, particularly in supporting tenants through these reforms, will play an integral role in the success of our priorities.

2.6 Greater emphasis at a national level has been placed upon the importance of empowering tenants to have their say and have their voices heard. The Council is

committed to improving the way we work and engage with our tenants and will be implementing a new Tenant Engagement Strategy to ensure tenants have input into service design and delivery.

3. Purpose

3.1 The Housing Income Management Strategy sets out the overall approach to income management and defines the vision and priorities. It aims to mitigate the impact of welfare reforms and Covid-19 on the tenants and income. It will also help to deliver the objectives of the Tenancy Services Operational Plan to maximise income and sustain tenancies. The procedures describe in more detail how income is managed.

4. Scope

4.1 This strategy is specifically focused on the Housing Revenue Account income sources, which include but are not limited to:

- Current and former tenants' rents and arrears
- Leaseholder charges
- Service charges
- Sundry accounts including court costs
- Garage rents and arrears

5. The Vision

5.1 The vision is to provide an efficient and effective income management service that maximises the income, sustains tenancies and enables the Council to provide quality homes and services.

6. The Approach

6.1 To help the Council promote a positive payment culture, a 'Rent Matters' approach has been adopted to help tenants understand the importance of paying their rent and to make the required payment at the required time. Making rent payment a priority is especially important with Universal Credit. 'Rent Matters' will also ensure that tenants understand the link between income collected and the ongoing ability to deliver a good service.

7. The Priorities

7.1 Over the first three years of the Housing Income Management Strategy 2018 – 2021 a number of achievements were made. Some of the headlines are:

- Launch of a new Housing Online, My Account portal to enable tenants to access their rent account online 24/7
- Retaining the HQN Income Management Accreditation for 2018 and 2019
- Tendering of a new debt, budgeting, and welfare benefit advice service contract for a further 5 years
- Project launched to implement new rent arrears management software to improve income collection, provide targeted support for tenants and help reduce arrears

7.2 Following a review of the Strategy the four key priorities have been identified for 2022 - 2024

- Priority 1: Support tenants and sustain tenancies
- Priority 2: Manage the Universal Credit migration
- Priority 3: Maximising rental income and minimising arrears
- Priority 4: Improve collection of Leaseholder charges and debts

Priority 1: Support tenants and sustain tenancies

7.3 Our objectives are:

- To help tenants to pay on time and to manage their accounts successfully
- To promote and incorporate a positive payment culture through all stages of the income collection
- To collect with care

7.4 Collecting rent is at the core of all the services we provide as a landlord and our ability to build new homes. Promoting a positive payment culture is achieved by making clear the connection between the tenants rent payment and the Council's ability to build and provide high quality homes and services and to fund improvement and maintenance programmes. There is a balance to be achieved however and we recognise that there are many reasons why someone may fall behind with their rent and the importance of taking a supportive approach. The Council does not evict anyone from their home as a result of financial hardship where they are working with us to get their payments back on track.

We will:

- Consider the wellbeing and vulnerability of tenants throughout each stage of the rent arrears process
- Ensure that staff are well trained and knowledgeable in procedures, pre court protocol and welfare benefits
- Offer and promote a variety of payment methods
- Encourage and publicise a 'rent matters' message
- Further develop Housing Online

Priority 2: Manage the Universal Credit migration

7.5 Our objectives are:

- To work with households moving to Universal Credit to ensure they are supported
- To maximise rental income and reduce the number of people falling into arrears by making full use of Alternative Payment Arrangements and third-party deductions for arrears where appropriate
- Minimise hardship through financial inclusion and provision of welfare benefit advice

7.6 During 20/21 the number of UC cases being managed by Tenancy Services rose by 27%. Tenants that have transitioned across already are viewed as the least vulnerable,

so those yet to move to Universal Credit are likely to require more intensive support. A recent study by the National Housing Federation found that rent arrears across the sector could increase by a further £330 million when Universal Credit is fully deployed.

We will:

- *Work closely colleagues at the DWP in the continued roll out of UC*
- *Review the service to ensure that it is configured to manage demand*
- *Identify those most vulnerable tenants to assess support needs prior to managed migration*
- *Ensure that staff have the necessary up to date skills, knowledge, and guidance to deal effectively with UC issues*
- *Request and encourage contributions to rent during initial benefit assessment periods to prevent excessive and unmanageable levels of rent arrears*

Priority 3: Maximising rental income and minimising arrears

7.7 Our objectives are:

- *To resolve financial issues by preventing arrears from arising in the first place, intervening as early as possible and supporting our tenants to maximise their income*
- *To provide targeted support to tenants who are in rent arrears or in risk of getting into rent arrears*
- *To ensure debt and money management advice is clearly available and accessible to all tenants*

7.8 *To maximise our income, we must ensure that we do all we can to collect rent and other charges when they are due, and where possible collect this in advance. This requires both a proactive and preventative approach to income management. Working within an increasingly challenging financial environment means new skill and techniques are required to collect the rent and support tenants facing difficult situations.*

We will:

- *Review our rent arrears management procedure with tenants to ensure the correct balance of support and enforcement*
- *Ensure procedures are consistently applied*
- *Carry out regular quality checks on case management*
- *Implement new software to improve collection and reduce tenant arrears*
- *Develop a training programme for staff to include resilience, negotiation skills and mental health awareness*

Priority 4: Improve collection of leaseholder charges and debts

7.9 Our objectives are:

- *To provide an effective leasehold service*
- *To recover unpaid charges and fees in a timely manner*
- *To improve communication with leaseholders*

7.10 *A new Leasehold Management team was established in October 2020 to support management of the relationship with leaseholders and to develop and improve processes. A service improvement plan has been developed which supports delivery of this priority.*

We will:

- *Review and update the Leasehold Management Policy in consultation with leaseholders*
- *Carry out a review of fees, service charge accounting and income collection processes*
- *Produce new income collection procedures*
- *Establish new performance measures*
- *Implement new housing management software to improve processes and case management*

8. Action Plan

8.1 An action plan is in place and highlights the priorities and the key activities required to achieve them. The action plan is the pinnacle of the strategy itself and is a live document that will evolve and respond throughout the period to reflect local and national change. Wherever possible partner agencies, other departments and tenants will be involved in delivering the action plan and developing the detail.

8.2 Any actions from the previous strategy that were not fulfilled but remain relevant have been incorporated into this updated strategy.

9. Monitoring & Governance

9.1 Performance indicators are already in place and monitored at individual, team, and management level.

9.2 A Housing Income Management Strategy Action Plan is in place and has been based upon the four priorities. It captures the planned improvements related to income management.

9.3 Progress against the strategy will be monitored through the monthly Housing Income Management action plan meetings and reported regularly to tenants and the Council's Housing Working Group.

9.4 The regular monitoring of the national and local context will also form part of the monitoring and governance process and will also feed into the ongoing development of the Action Plan.

9.5 This process will ensure that the Action Plan remains current and relevant. The Action Plan will be available on our website, alongside the Strategy, and will be updated on the website annually.