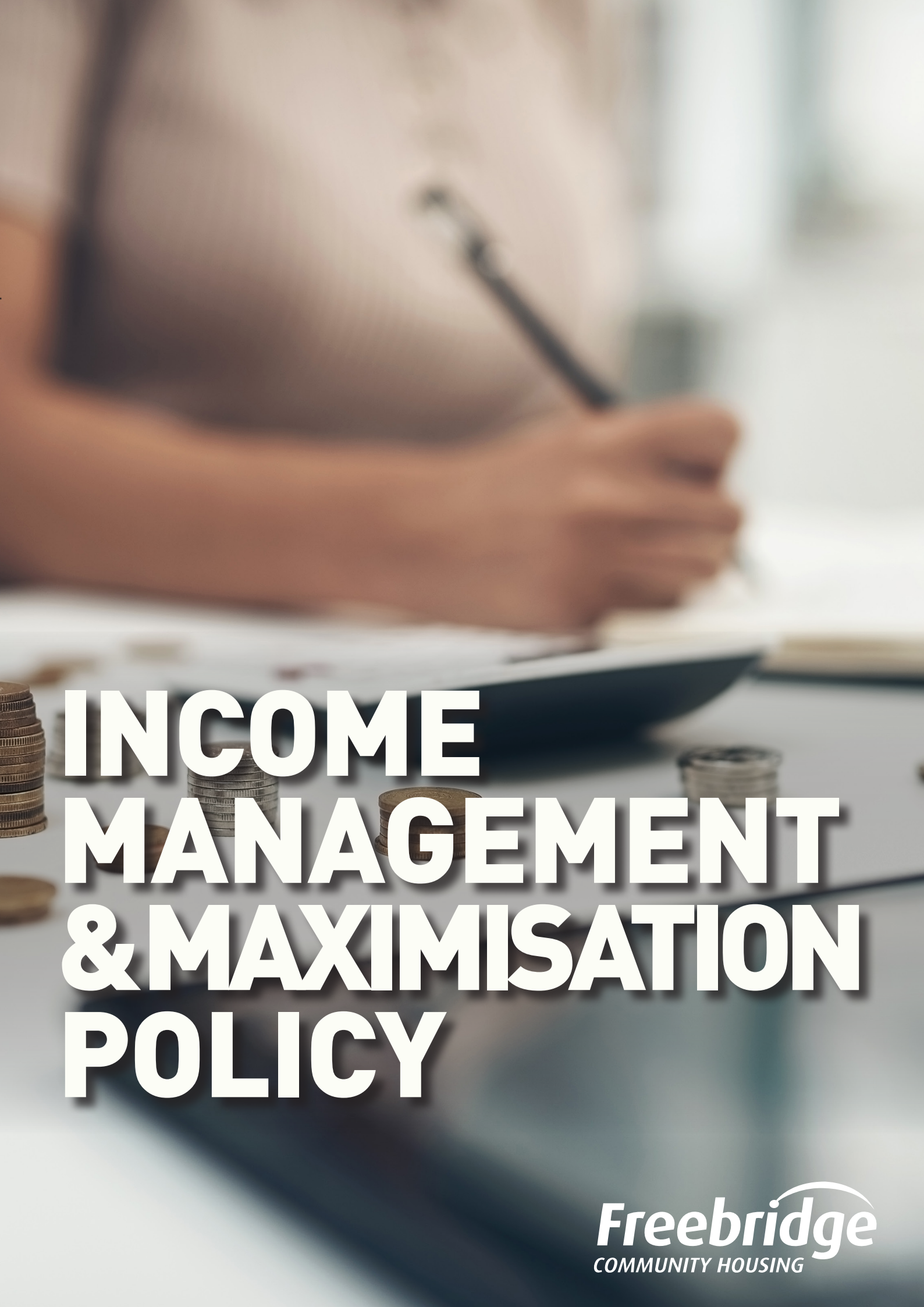




INCOME MANAGEMENT & MAXIMISATION POLICY



Income Management and Maximisation Policy			
Last Reviewed	February 2025	Next Review	July 2026
Responsible Officer	Director of Operations		

Policy Statement: Freebridge shall be a responsible landlord. To meet our commitments and to enable us to provide, maintain and manage our general needs, sheltered and shared ownership properties we also need to maximise our income in respect of domestic rents, service charges, garage rents, and rechargeable repair debts.

We will ensure a firm but balanced approach to income management that reflects the importance of income collection to our organisation, as well as proportionate and timely action, with reasonable support and advice to our tenants.

We will take steps to minimise the chances of rent and service charge arrears occurring. Where arrears do accrue, we shall endeavour to work closely with our tenants to recover monies owed, ensuring that they have access to appropriate support and advice.

We shall take appropriate legal action to recover income owed to us, and we will always consider eviction as a last resort when all other reasonable measures have been exhausted.

We shall also continue to take all reasonable steps to recover debts owed once a tenancy has been ended.

Procedural Guidance:

We shall:

- Ensure a firm, but balanced approach to income management that reflects the importance of income collection to our organisation, as well as proportionate and timely action, with reasonable support and advice to our tenants.
- Take steps to minimise the chances of rent and service charge arrears occurring. Where arrears do accrue, we shall endeavour to work closely with our tenants to recover monies owed, ensuring that they have access to appropriate support and advice.
- Take appropriate legal action to recover income owed to us, and we will always consider eviction as a last resort when all other reasonable measures have been exhausted.
- Continue to take all reasonable steps to recover debts owed once a tenancy has been ended.
- Invest resource into prevention and maximising income

- Offer ongoing advice and support either directly or via specialist agencies
- Have procedures in place to support this policy which reflect good practise as well as legislative requirements
- Ensure our staff are fully trained so that they can effectively implement our policies and procedures

Affordability

We shall:

- Complete a detailed financial assessment with all customers prior to the granting of a new tenancy. In accordance with our [Rent Setting and Service Charges Policy](#).
- Always aim to balance housing need with affordability; any concerns raised as a result of a financial assessment will not automatically prevent a tenancy from proceeding but may result in further assistance and support being offered as a condition. Should the financial assessment conclude that a tenancy would not be sustainable from the outset, despite further support being provided, the offer of tenancy will be refused, in accordance with our Allocation and Lettings Policy.
- Assist customers who have an offer of tenancy refused by working collaboratively with the Local Authority to consider appropriate alternatives.
- Assist customers who find that their home becomes unaffordable over time, in accordance with our [Under Occupation](#) & [Allocation and Lettings](#) Policies. The existence of rent arrears or other debts owed to us will not be an automatic barrier to moving.

Where customers are allowed to move with debts outstanding, any existing rent arrears will be written into, and become a condition of the new Tenancy Agreement.

Prevention

We recognise that it is essential to take a holistic view to money management.

We shall:

- Aim to provide support and advice which allows customers to meet all of their financial commitments from the start of their tenancy.
- Clearly explain the charges due in accordance with the tenancy agreement, when signing up a new tenant, as well as the process for annual rent reviews.
- Provide advice on all of our available payment methods, as we recognise that customers have different needs and manage their money in different ways.
- Provide all new customers with guidance in establishing a claim for Housing Benefit, Universal Credit or other relevant benefit to meet their housing costs, where it is reasonably expected that there may be a level of entitlement.
- Assess the financial health of all customers at sign up, and make appropriate referrals to other agencies for specialist money management and debt advice,

provide support to maximise income, or provide information on financial inclusion priorities such as accessing bank accounts.

- Provide customers with the tools to maintain their rent account through timely information, with annual account statements (as a minimum, or at any time on request), 24/7 online access to their rent account, and the provision of payment tracker cards for those paying regularly in cash.
- Require any customers receiving benefit assistance towards their housing costs to consent to this to be paid direct to us. However, we are keen to support customers to develop financial capacity and accountability and will support anyone wishing to manage their benefit payments themselves, where it is considered that this will not put their tenancy at risk.

Where it is believed that directly managing rent payments would jeopardise a customer's tenancy, we will require payment direct, or work with the customer and the relevant agencies to request this.

Financial Inclusion

Our [Financial Inclusion Policy](#) sets out our commitment to working with customers in a range of ways, including assistance with accessing bank accounts and affordable credit, through our work with our Local Credit Union.

Support, Advice and Guidance

We shall:

- Providing advice and guidance to customers at all times, including in parallel with any legal enforcement action that we are taking.
- Ensure that all of our Income staff are trained to provide advice to customers on claiming benefits to assist with their housing costs.
- Operate a flexible Welfare Benefit Advice service for all customers, enabling us to maximise income through assistance with a range of claims, including establishing and backdating benefits, appealing decisions and assisting with discretionary claims.
- Provide a Tenancy Support service with direct in-house access to basic money management and budgeting advice, and signposting to more expert debt advice externally, including work with partners such as Christians Against Poverty, National Debt line and the Money Advice Service.
- Train our Income staff to be able to identify other unmet support needs which may affect a customer's ability to maintain their rent payments and make appropriate and timely referrals to other agencies to address these needs.

Income & Arrears Collection

We shall:

- Provide customers with access to a comprehensive range of payment methods, making it as convenient as possible for everyone to maintain their rent payments.
- Ensure our approach to arrears recovery is responsive to the needs of each customer and supported by comprehensive procedures and ongoing training.

- Ensure our Income Team make robust, fair and consistent decisions when applying our policy and procedures, as well as monitor performance at a case level, in line with our values for Customer Care.
- Make timely contact with customers when arrears do start to accrue, and any correspondence that we have will be clear in regard to the current situation, and the proposed next steps, so that an agreement for repayment can be reached and the matter addressed before arrears escalate.
- Work directly with customers to resolve their financial difficulties. Every customer will be allocated a named Income Advisor, who will offer advice and guidance from the start of any arrears. We will primarily advise customers face to face, in our offices or their homes, or over the phone. When it is necessary to send letters to customers, we will ensure that these are as clear and accessible as possible.
- Take a customer's overall financial situation into account, and provide tailored advice depending on the situation, focusing on all priority debts, when agreeing repayment of arrears.
- Support our customers accessing debt advice from a range of sources, however we will not engage directly with any company or organisation imposing a charge for services.

Multiple/Non-Rent Debts

We shall:

- Work with customers to prioritise payment of their rent above any other debt with us, in order to protect and sustain their tenancy.
- Where customers also rent a garage from Freebridge, Notice to Quit the Garage Tenancy will always be served once enforcement action has begun in relation to domestic rent arrears, in order to maximise the chances of sustaining the domestic tenancy.
- Not grant new garage tenancies to customers who have existing debts with us.
- Ensure that where a customer also has an outstanding Rechargeable Repair debt with us, an affordable repayment agreement is also reached for all debts to Freebridge, whilst still prioritising repayment of any domestic rent arrears or payment of the ongoing rent.
- Where applicable, treat the provision of additional services for customers that are charged for alongside the net rent, as part of the total payable rent, and will therefore be treated as part of the rent for the purpose of recovery and enforcement action.
- Provide support via our Tenant Support Service, to liaise with other creditors where appropriate.
- Consider discretionary financial compensation when it is necessary for a customer to temporarily move out of their home. However, when rent arrears exist, we will usually transfer some or all of any discretionary compensation to the customer's rent account instead, in repayment of the arrears. Our [Moving Out Policy](#) provides further information.

Legal Enforcement

Possession of a property will not be sought whilst a customer is positively engaging with us about repayment of arrears. In circumstances where legal enforcement is required, we will only consider eviction action as a last resort, after all other reasonable measures have been exhausted. In recovering rent arrears, we will adhere to the Ministry of Justice's Pre Action Protocol for Possession Claims based on Rent Arrears, prior to issuing any claim.

We shall:

- Maintain a robust scheme of delegated authority in relation to agreeing enforcement actions, to ensure that we are transparent and accountable for all such decisions.
- Never refuse payment and will continue to negotiate with customers throughout the process.

However, please refer to the [Anti-Money Laundering Policy](#). In addition, Freebridge's Financial Regulation 12 states that:

"The maximum amount the Association will accept in cash is set at £3,000".

- Maintain ongoing attempts to communicate in a range of ways, up to and beyond any court action.
- Take into account a customer's known circumstances, giving careful consideration to any disability or long term condition and how this may be impacting on their ability to meet their financial commitments to us, and of our proposed actions on them, in order to ensure that we act in a considered, reasonable and proportionate manner.
- Not seek possession of a property in circumstances where the customer is positively engaging about the repayment of rent arrears.
- In circumstances where enforcement is necessary, usually seek a Suspended Order for Possession initially, where rent arrears are the only breach of tenancy, and/or we have been able to positively engage with the customer regarding payment. When agreeing payment terms for Court Orders, robust financial statements will always be completed to ensure that agreements are sustainable and take into account a customer's whole financial situation.
- Recognise that customers' circumstances change, and we will work closely to support customers to seek any necessary variations to Orders, when agreements are no longer sustainable.
- Seek Full or Outright Possession only in the event that a customer has breached their Tenancy agreement in more than one way and/or we have been unable to make contact, or agree a suitable repayment arrangement to remedy the situation.
- Not seek possession of a customer's home using mandatory grounds for possession in circumstances where rent arrears are the only breach of tenancy.

In the event that eviction action becomes necessary after all other reasonable measures have first been exhausted, **we shall:**

- Work closely with the Local Authority's Housing Options Team and our partners to provide advocacy and advice to customers from an independent source.
- Always seek an order for costs, to recover our expenses in bringing an action against a customer, where court action has been correctly and reasonably entered into.

Shared Owner Rent Arrears

We shall:

- Follow the same principles in recovering unpaid rent from Shared Owners. In the event that an undertaking was given to the mortgagee at the time of completion, the lender will be notified prior to enforcement action being taken in respect of non-payment of rent (or service charge).

Whilst we won't seek enforcement action should a shared owner be positively engaging with us in regards to repayment of arrears, where the lease allows, and in circumstance where there is no positive engagement, the preferred method of enforcement will be to make a claim under Ground 10 of the Housing Act 1988 for possession of the property.

Where the lease does not permit this, and as a last resort, after all other attempts have failed, consideration will be given to commencing forfeiture proceedings. In these circumstances the decision to take forfeiture action can be challenged in accordance with our [Appeals Policy](#).

Former Tenant Arrears

We shall:

- Take a flexible approach in regard to Former Tenant arrears. We may allow customers to move to a different property even if rent arrears exist, in accordance with our Allocations and Lettings and Under Occupation Policies, where this may alleviate financial hardship caused by unaffordable accommodation. Should this be agreed, the remaining arrears will always be written into the new Tenancy Agreement, and failure to pay the debt will be considered to be a breach of the new Tenancy.

When a customer first gives notice to terminate their tenancy **we shall:**

- Provide clear information regarding the balance of rent outstanding, and how this can be paid.

In the event that customers are unable to pay arrears in one sum, an agreement to repay by instalments will be reached. Future nominations for another one of our properties will only be considered where a repayment history has been maintained by the customer.

Legal action including applications for Money Judgement Orders may be taken in recovering Former Tenant arrears owed to us.

We will also work with regulated and reputable Debt Recovery Companies, to trace former tenants and assist with the collection of arrears.

Rechargeable Repairs

In the event that we consider that a tenant, a visitor or a member of their household has through, either wilful damage or neglect, caused disrepair to a property then **we shall:**

- Charge the tenant all reasonable costs, reasonably incurred, in putting it right.
- Invoice the tenant with a full explanation of the works that are necessary or have already been carried out. If tenants are unable to pay in full within 30 days, we will agree a suitable repayment arrangement, which takes into account any other debts that exist with us, or any other priority debts.

When payment arrangements are broken, before taking any appropriate enforcement action, we will review a customer's circumstances, taking account of any existing rent arrears, in order to ensure that all action is proportionate and reasonable.

Write Offs

In accordance with our Financial Regulations, approval for the write off of bad debts is dependent on the level of debt.

We shall:

- Not normally consider current tenant rent arrears for write off.

However, consideration to do so, shall be subject to Board approval only. In the event that a customer is subject to a Bankruptcy Order, any debts with us, including current rent arrears, that fall within the scope of the Order will be dealt with as bad debt and written off in accordance with the Financial Regulations delegation.

- Former Tenant and Rechargeable Repair Arrears will only be considered for write off once all other possible measures for recovering the debt have been exhausted and it is considered uneconomical to pursue or recovery is inappropriate i.e. when an elderly customer moves into a residential home and attempts to collect the arrears prove unsuccessful.