

Committee:	Dated:
Housing Management and Almshouses Sub-Committee	22/03/2021
Subject: Income Recovery Policy	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	4
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	£
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	Y/N
Report of: Director of Community and Children's Services	For Decision
Report author: Liam Gillespie, Head of Housing Management	

Summary

An Income Recovery Policy has been drafted as part of the project to refresh our housing management policies. This new policy governs our approach to collecting rent, service charges and other money due to the Housing Service from residents and other service users.

The Policy reflects established practice and aims to strike an appropriate balance between prioritising income collection and providing support to people who may be struggling to pay rent or other charges.

Recommendation

Members are asked to:

- Approve the Income Recovery Policy for use by the Housing Service

Main Report

Background

1. The Housing Service manages over 2,900 homes, as well as over 1,000 parking and storage facilities on its housing estates. The collection of rents, service charges and other fees is carried out by staff across the Housing Division in accordance with established procedures.

2. As part of the project to review our housing management policies, a new Income Recovery Policy has been introduced to outline our approach to dealing with rent and service charge arrears, plus other debts incurred by current residents and service users.
3. A separate policy has been drafted to cover former residents and service users whose tenancies, leases or licenses have ended, leaving a debt owing to the City Corporation.

Current Position

4. Receipts from rents, service charges and parking or storage facilities are the main sources of income to the Housing Revenue Account and it is therefore vital that officers properly manage these accounts. The Housing Service invests significant resources in effectively managing its rent and service charge accounts, and in assisting residents when their accounts go into arrears.
5. The regular payment of rent and service charges are important conditions of our tenancies and leases and arrears can result in possession proceedings or other enforcement action being taken against residents, which could ultimately result in them losing their homes.
6. The Housing Service aims to make it as easy as possible for residents to maintain their rent and service charge accounts and to provide support and advice to those who find themselves struggling to pay due to financial hardship.
7. Specialist officers deal with rent arrears for our tenanted properties, as this work is time intensive and can be legally complex. Other arrears, such as those for parking or storage facilities, are dealt with by the Rents Team and by local estate teams.
8. The Income Recovery Policy outlines our approach to arrears management generally. We will:
 - take a preventative approach to arrears by making residents aware of their obligations, for example at the commencement of the tenancy or lease
 - keep residents up to date on their accounts by issuing regular account statements
 - intervene early to help when accounts fall into arrears
 - offer appropriate advice and support to those facing financial hardship
 - be mindful of individual circumstances when discussing arrears and repayment options
 - operate a staged recovery process for arrears recovery
9. This approach has proved effective and Members may wish to note that the Housing Service has a high rate of success in reducing arrears without taking formal legal action. When legal action is taken, we must demonstrate that other measures have been attempted first. Possession proceedings are a last resort and the courts will only award possession if it is reasonable to do so.

10. The impact of the COVID-19 pandemic on our residents has resulted in an increase in arrears, which officers are managing by maintaining contact with affected residents and ensuring they have access to appropriate help, including welfare benefits advice and help with making claims.

Conclusion

11. An Income Recovery Policy has been drafted as part of the project to refresh our housing management policies. This new policy governs our approach to collecting rent, service charges and other money due to the Housing Service from residents and other service users.
12. The new policy is based on established procedures for arrears collection, which aim to balance supportive and preventative work with a responsive approach to arrears collection.

Appendices:

- Appendix 1: Draft Income Recovery Policy (v.1)

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