

Grainger Trust Limited ('GT') Income Management Policy

February 2025

1. Introduction

- 1.1. Grainger Trust recognises that the collection of income and minimising debt is essential for the future of the organisation and to enable excellent service delivery.
- 1.2. Protecting the income of Grainger Trust protects the future of the organisation and the services that are provided.
- 1.3. This policy will set out Grainger Trust's approach to income collection and debt recovery.

2. Scope

- 2.1 The policy applies to all tenancies of Grainger Trust:
 - Affordable rent
 - Discount Market Rent
 - Shared ownership
- 2.2 Income management is primarily the responsibility of the Income Management Team. However, other teams and colleagues may also have a role to play in securing the income.

3. Policy

- 3.1 Grainger Trust's approach to income management for rented properties is that rent is a priority debt.
- 3.2 The focus is on the collection to charges lawfully due, prevention of arrears and arrears recovery processes for any arrears that accrue.
- 3.3 Grainger Trust will take a firm but fair approach to the management of arrears considering equality considerations and diverse needs of customers and providing support where needed to support tenancy sustainment.

4. Collection

- 4.1 Grainger Trust will complete affordability checks on new rented tenancies including existing tenants moving to a larger/more expensive property.
- 4.2 Where a new tenant will be responsible for the payment of the full rent themselves, without any help from Housing Benefit or Universal Credit, they will be expected to pay a deposit (one month) prior to moving in, plus up to one month's rent (subject to what is stated in their tenancy agreement).

- 4.3 Where a new tenant is claiming any financial assistance with Housing Benefit or Universal Credit, a minimum of 2 weeks deposit will be expected prior to moving in.
- 4.4 Customers will be expected to pay their charges by direct debit, in advance. However, if the resident is unable to access a bank account where direct debits can be paid from, Grainger Trust may use their discretion to accept Standing Order payments/Bank Transfers.
- 4.5 Grainger Trust will ensure customers are notified in a timely manner and in compliance with legal and regulatory requirements, of any increase in charges or rent.
- 4.6 Grainger Trust will promote a culture of the importance of paying rent and charges to customers including:
- explaining the importance when the customers sign an agreement or complete a shared ownership purchase,
 - through regular communication in newsletters and other contacts
 - through staff by ensuring they understand importance of payments and regularly communicate that
 - Encouraging customers to check their rent account statement regularly
- 4.7 Ensure correct notices of charges due are served and in compliance with legal requirements

Prevention of arrears

- 4.8 Grainger Trust will take prompt action to notify anyone whose rent account falls into arrears. It is not in the interest of the resident to allow them to build up a large debt when their home is at risk.
- 4.9 Customers will be encouraged to contact the Income Management Team (Melanie Cain – Income Support Officer) as soon as they are experiencing difficulties paying their rent to obtain guidance or assistance to prevent arrears accruing.
- 4.10 When it is identified that a resident is experiencing difficulties paying their rent and charges through a direct referral or rent account monitoring, Grainger Trust will provide support and assistance to the resident.
- 4.11 A clear expectation will be given that the debt should be cleared, and the ongoing rent and charges paid.
- 4.12 Grainger Trust will signpost them to debt, benefit and employment advice services to assist them in managing their payments.

- 4.13 Grainger Trust will enter into repayment agreements for debts that have accrued, but only if absolutely necessary. The priority is the clearance of the debt in the first instance.
- 4.14 Comply with the Pre-Action Protocol for Rent Arrears.

Arrears Recovery

- 4.15 Legal action will be taken as the last resort to recover payment of debts to Grainger Trust.
- 4.16 Where a resident is in arrears and efforts to engage with them to manage their payments and reduce the debt have not been successful, possession proceedings may be commenced. This applies to all tenancy types.
- 4.17 A proportionality exercise will be completed to ensure that diverse needs of customers are recognised and taken into account during the process.
- 4.18 Grainger Trust will, where necessary, accept a realistic repayment agreement to clear any arrears and maintain ongoing rent and charge responsibilities.
- 4.19 Where repayment agreements are made and broken, legal action will be taken.
- 4.20 Grainger Trust will continue to offer support and assistance and signposting to agencies who can assist with debt and benefit advice or employment support through the arrear's recovery process.
- 4.21 Grainger Trust will use the following where applicable to assist in the recovery of debt:
- Ground 8, 10 and 11 in possession proceedings
 - Liaison with the mortgage lender (shared ownership)
 - County Court Judgements
 - Charging orders, Garnishee Orders, Attachment of Earnings Orders, Oral Examination where a CCJ has been obtained, and possession proceedings are not appropriate.

Factors affecting arrears recovery

- 4.22 Grainger Trust will comply with the requirements of the Debt Respite Scheme (Breathing Space) where required.
- 4.23 Staff will comply with the requirements of other legal casework that can affect recovery. These include bankruptcy, debt relief orders and Individual Voluntary Arrangements.

5. Former Tenants Arrears

- 5.1 Grainger Trust will continue to pursue arrears owed by former tenants after the tenancy has ended or after they have sold their shared ownership property. This is to protect the future of the organisation, and the services provided for the benefit of customers.
- 5.2 Efforts will be made to trace the former tenant where their new address is not known, and tracing agencies or debt recovery agencies may be used.
- 5.3 If the former resident will not make arrangement and pay any former arrears, and there is an existing county court judgement in place, and this can be enforced then an application will be made through the courts.
- 5.4 Where there is no order in place an application will be made to the small claims court to collect monies owed.

6. Regulatory code and legal framework

- 6.1 Grainger Trust will comply with all legal and regulatory expectations outlined in the following:
 - Human Rights Act 1998
 - Equality Act 2010
 - General Data Protection Regulation 2016
 - Data Protection Act 2018
 - Mental Capacity Act 2005
 - Mental Health Act 2007
 - Care Act 2014
 - Care Act 2014: statutory guidance for implementation
 - Housing Act 1988
 - Housing Act 1996
 - Housing Act 2004
 - Protection from Eviction Act 1977

7. Responsibility

- 7.1 The Board is responsible for ensuring that this policy complies with legislative requirements.
- 7.2 All Board Members and staff are responsible for implementing this policy and working in line with its associated procedures.

8. Reporting

8.1 Reports will regularly be provided to Board detailing:

- Number of evictions for rent arrears
- Number of tenancies sustained through action taken (repayment agreements, referrals to support organisations)
- Level of arrears as a percentage of rent due
- Percentage of rent collected

9. Monitoring and Review

9.1 Compliance with this policy shall be monitored by the Board.

9.2 This policy shall be reviewed at least every 3 years or more frequently if required by changes in legislation, regulation, good practice or on instruction from the Housing Ombudsman.

Document Owner and Approval

The Head of Grainger Trust is the owner of this document and is responsible for ensuring that this procedure is reviewed in line with the review requirements of Data Protection.

A current version of this document is available to all members of staff on the corporate intranet.

Document History

Policy Owner	Head of Grainger Trust
Date of last review	February 2025
Date of next review	February 2028
Version control	Version 1