

# Income Management Strategy

## 2011-14

### ***OUR MISSION***

To deliver excellent, customer focused  
and cost effective housing services  
to all our residents



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Please feel free to get in touch with us if:

- You feel this document is not as clear and easy to read as you would expect; or
- You believe that we aren't doing the things that this document says we will do; or
- You just want to talk to someone about this document

Whatever the reason, if you want to talk to us about this document you should contact:

**Head of Income Management on Freephone 0800 195 5552**

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## Introduction

- 1.1 SHP delivers a range of housing services directly to the tenants and leaseholders of Sutton Council.
- 1.2 The Income Management team are responsible for delivering the services that relate to financial inclusion, rent charges and arrears, former tenant debt and rechargeable works (e.g. repairs, voids). This strategy identifies the medium term approach to the delivery of these services.
- 1.3 There are complementary service strategies for Asset Management, Community Cohesion, External Services, Leasehold Services and Older People's Services. Together with the strategies for the support services and strategic drivers, our strategies provide the focus for achieving our Priorities.

## Where Are We Now?

- 2.1 The current state of the income management services is reflected in the following:

### Financial Inclusion

- All Income Managers, Customer Service Officers and Sheltered Housing Officers are trained in housing/welfare benefits;
- There is a dedicated Welfare Benefits Advisor provide in-depth advice and assistance and representation re. benefit appeals and backdates;
- We promote bank accounts by prize draws for payment by direct debit;

- Assistance is provided to customers applying for 'fairer charging' under Supporting People;
- Affordable contents insurance is promoted through the LBS scheme;
- We promote and support membership of the local credit union.

### Rent Charges & Arrears

- An Income Manager is present at the sign up meeting for all tenants to support them with payment methods and benefit claims. New tenants are encouraged to have bank accounts and take up home contents insurance;
- Arrears procedures are effective in identifying increasing arrears and taking action to contact tenants. As a result rent collection has been at least 100% of the rent charged for the last four years;
- Rent arrears have also been reducing for the last 4 years and the outstanding debt will be at the lowest level on record of approximately £650,000 in April 2011.

### Former Tenant Debt

- All cases are reviewed to ensure debt is collectible;
- Uncollectible debt is written off;
- There are more effective procedures for avoiding the creation of debt;
- Early contact is made in pursuit of debt;
- Debt levels have dropped by over £800,000 since April 2006.

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## Garages

- There has been a dedicated Garages Officer in place since August 2009;
- The Officer maintains the waiting list, allocations and terminations and the number of occupied garages is now starting to increase;
- The Officer also co-ordinates the repairs and maintenance of garages and there is now a dedicated and growing budget for this purpose;
- The Officer is responsible for the collection of rent and arrears, which have reduced from £20,000 to less than £4,000 between August 2009 and March 2011. At the same time rent revenues have been rising;
- Although there remains a high number of vacant garages and garages awaiting repair, allocation or disposal. The occupancy level has been increasing

## Rechargeable Works

- Closer working relationships have been established with those teams requesting billing for works;
- More work is carried out to reduce the creation of rechargeable works;
- Procedures for rechargeable works billing are more timely which makes securing payment easier;
- Collection rates are comparatively high at over 14 per cent.

**2.2** The Audit Commission in their inspection of October 2009 commented that

strengths outweigh weaknesses in Income Management. They stated that “It is easy for tenants to make rent payments and clear information is provided about rents and service charges. Rent accounts are set up quickly and arrears levels are fairly low and SHP is working well with partners to provide debt advice. However, the number of evictions, former tenancy arrears and write-offs are comparatively high and the outcomes from targeting services and financial inclusion work are limited.”

## Where Do We Want To Be?

**3.1** We want to see a service where our customers, through maximising their income and having access to the full range of financial services, are able to sustain their tenancies by avoiding arrears and debt. For this to happen there will need to be in place:

### Financial Inclusion

- A range of opportunities for customers to improve their understanding of money management, managing debt, banking and budgeting;
- Provision of information on welfare and housing benefits at sign up and throughout the tenancy;
- Specialist money management, benefits and debt advisors available;
- Promotion and information provided to tenants regarding banking services;
- Support to obtain best value services for utilities;

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- Support and promote the local credit union which offers affordable savings and loan facilities in the area.

### **Rent Charges & Arrears**

- Support and advice available to help prevent arrears and customers are readily accessing this support;
- Availability and willingness to enter in to appropriate arrangements for the repayment of arrears;
- A service level agreement with the Citizens Advice Bureau to enable customers to access independent advice.

### **Former Tenant Debt**

- An effective system for the avoidance of the unnecessary creation of former tenant arrears;
- Rapid identification of whether debt is collectable and effective procedures for the collection of such debt.

### **Garages**

- The number of vacant garages is kept to a minimum;
- The income from garages is being maximised;
- The garages and garage blocks are maintained to a high standard, funded by increased income and investment in garage maintenance;
- Garages and garage sites that are not economical to bring into occupation

have been identified and there are clear plans for their disposal.

### **Rechargeable Works**

- An effective system for the avoidance of the unnecessary creation of rechargeable works orders;
- A procedure that ensures timely and effective debt collection.

## **Our Strategic Objectives**

**4.1** In order to achieve our desired service level we have prioritised a number of strategic objectives and identified the scope of each objective across the service. These strategic objectives are:

- **To ensure that financial exclusion is minimised [IM01]**  
*Covering banking, credit, savings, insurance, affordable utilities and education & advice*
- **To minimise the level of new arrears and debts [IM02]**  
*Covering rent & non-rent charges, terminations, transfers, repairs, voids*
- **To maximise the collection of existing arrears and debts [IM03]**  
*Covering rent arrears, former tenant debt, rechargeable works*

**4.2** To measure our progress in meeting these objectives we will use quantitative and qualitative indicators including:

### **Financial Inclusion**

- Number of items on financial inclusion checklist which are available to tenants;

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- Customer take up of services identified on financial inclusion checklist;
  - Debt adviser customer survey.

### Rent Charges & Arrears

- Rent collected as a proportion of rents owed (including & excluding arrears);
- Proportion of tenants with more than 7 weeks arrears;
- Proportion of tenants who have had NOSPs served;
- Number of tenants evicted as a result of rent arrears;
- Rent arrears customer survey.

### Former Tenant Debt

- Former tenancy debt collected (existing at end of previous financial year);
- Former tenant debt collected (newly arising during financial year).

### Garages

- Level of garage rent arrears;
- Garage rent collected;
- Number of garages let;
- Garage tenants survey.

### Rechargeable Works

- Income collected from rechargeable works (existing at end of previous financial year);
- Income collected from rechargeable works (newly arising during financial year).

## Our Drivers

**5.1** In delivering our services we will seek to embed the organisation's strategic drivers:

- We will promote more proactive access to services for **customers** aimed at arrears and debt prevention. We will improve the level of our contact with customers and the positive outcomes resulting from this contact;
- We will use the available resident **diversity** profiling information to tailor our services to meet their needs and make them accessible to all residents;
- We will reduce the **risk** of financial exclusion by increasing the opportunities for customers to access financial services and reduce the risk of new arrears by providing and promoting more arrears prevention services;
- We will promote **sustainability** by supporting our tenants on issues such as fuel poverty and energy efficiency particularly where this promotes effective budget management;
- In pursuing **value for money** we will identify when it is not effective to create rechargeable works orders and we will ensure timely identification of whether former tenant debts are collectable or not. We will review the cost effectiveness of the debt collection agency services we buy in.

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## Issues To Consider

**6.1** The issues which may impact on service delivery that we are aware of are:

- The difficult economic situation and the credit crisis continue to affect customers' ability to manage their finances and avoid arrears and debt;
- Higher utility charges and lack of understanding on how to obtain best value services reduce customers' disposable income.

## Expected Impact

**7.1** We expect, through the successful implementation of this strategy, to have the following impact:

- **Customers** will feel supported in maximising their income and sustaining their tenancies. They will have access to a full range of financial services and support in reducing existing arrears. They will be able to avoid the creation of new debt and be supported to reduce the level of existing debt.
- **SHP** will be providing a more proactive service and will be seen by customers as more supportive. Rent and debt collection will improve and the organisation will benefit from increased income.
- **Other organisations** may benefit if our customers are better educated and advised in relation to money management and have access to wider financial services. In this way their overall level of debt may be reduced.

## Resources Required





**8.1** To successfully deliver this strategy we will require the appropriate level of resources, the implications of which are:

- An increased focus on advice and debt prevention by the Income Managers will direct which activities they spend their time on;
- Incentives will need to be developed to promote attendance at Financial Advice sessions;
- Additional investment in a dedicated Garage Officer and the repairs and maintenance of the garage stock;
- IT systems may need to be upgraded to enable more effective debt collection.

















## Strategy Delivery





**9.1** The actions required to implement this strategy in its first year are contained in the appended Income Management Service Plan 2011-12.





## Service Plan Key

Reference	Service Improvement Plan reference	Summary of action	Responsible Officer	Start date	End date	Evidence of action having been completed
		Expected impact on customer focus (access, care or involvement)				Expected impact on risk
		Expected impact on equality & diversity				Expected impact on value for money





## Operational Actions – Financial Inclusion





IM.OA.01	Review Financial Advice Leaflet	SW	Apr-11	Mar-12	Leaflet prepared and available	
	✓		Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s):			
			Regularly updated leaflet providing latest guidance to tenant and leaseholders to make the most of their income and reduce outgoings.			
IM.OA.02	Send leaflet to groups and individuals identified by profiling, including invitation to meetings and one to one support	SW	Apr-11	Mar-12	Letter sent and records kept of tenants requesting Financial Advice meeting / training	
			Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s):			
	✓		Groups and individuals identified by resident profiling provided with targeted advice and additional support and guidance offered.			
IM.OA.03	Review Debt and Financial Advice pages on SHP Website	SW	Apr-11	Mar-12	Links and information on SHP website.	
	✓		Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s):			
			Tenants and Leaseholders visiting website can easily understand and access financial advice and support pages			
IM.OA.04	Creation of Credit Union supported and campaigns run to promote membership	SW/CH	Apr-11	Mar-12	Articles and posters prepared and used, membership incentive agreed, membership levels monitored	
	✓		Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s):			
			Tenants and Leaseholders supported to access affordable loans and savings schemes particularly those currently financially excluded			





IM.OA.05	Promote membership of LBS low cost home contents insurance scheme	SW/CH	Apr-11	Mar-12	Links and information on SHP website application forms available in reception and promotion carried out.
 ✓		Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s):			
		Tenants awareness of importance of contents insurance raised. Tenants informed of LBS low cost insurance cover.			





IM.OA.06	Debt Advisor delivering Money Management training programme at Sutton Gate and elsewhere	SW	Jun-11	Mar-12	Programme of scheduled training sessions and attendance lists
 ✓		Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s):			
		Money Management Training awareness raised and training sessions carried out. Targeted individual sessions and group sessions carried out.			





















## Operational Actions – Rent Charges & Arrears

IM.OA.07	Promote use of new Rent Payment Cards at more local outlets / newsagents	NH	Apr-11	Mar-12	Articles promoting payment card in Home Front and on statements. Posters provided to outlets
 ✓		Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s):			
	 ✓	Rent Payment Card provides tenants with more extensive range of outlets to pay their rent. New outlets also available to tenants during the evenings and weekends			





IM.OA.08	Effectiveness of new rent arrears letters assessed	CH	Apr-11	Mar-12	New style letters in use and affect on arrears monitored
 ✓		Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s):			
		New letters using colour and more informative for tenants. Rent collection improved and tenants arrears reduced			





IM.OA.09	New 'bar coded' Rent Payment Card in use	CH	Apr 11	Mar-- 12	New cards and printer used at Sutton Gate for new tenants and replacement cards.
 ✓		Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s):			
		Payment Cards produced at Sutton Gate without delays. Tenants are no longer able to pay in cash at Civic Offices or Sutton Gate encouraged to use other direct payment methods to reduce costs.			

IM.OA.10	Monitor and assess impact of new rent payment incentive scheme prize draws.	CH	Apr-11	Mar-12	New scheme underway. Promoted on quarterly statements and articles in Homefront
		Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s):			
	 ✓	New rent payment incentive scheme promoted on statements and in Homefront. Increase in tenants paying rent by direct debit and with clear rent accounts			





IM.OA.11	Summer 'Rent First' campaign prepared and undertaken	CH	Jun-11	Jul-11	Posters and article in Homefront
	 ✓	Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s): Reduces the risk of a reduction in rent payments in the summer holiday period			
					
IM.OA.12	Christmas 'Rent First' campaign prepared and undertaken	CH	Nov-11	Dec-11	Posters and article in Homefront
	 ✓	Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s): Reduces the risk of a reduction in rent payments in the summer holiday period			
					
IM.OA.13	Prepare and send out Christmas 'Pre Paid Weeks' letter	CH	Nov-11	Dec-11	Letter prepared and sent to all tenants
		Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s): Rent collection maintained during Christmas period and tenants arrears reduced			
	 ✓				
IM.OA.14	Prepare/send annual rent increase letters to tenants paying rent by Standing Order to increase payments/change to Direct Debit	CH/SB	Mar-12	Mar-12	Example letter and list of SO payers
 ✓		Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s): Tenants reminded to increase their SO payments and of the advantages of changing to direct debit. Tenants do not fall into arrears unnecessarily			
					
IM.OA.15	Send annual rent increase letters to DWP for tenants paying rent by DSS Direct.	CH/SB	Mar-12	Mar-12	Example letter and list of DSS payers
	 ✓	Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s): DSS direct payments from tenants increased in line with rent increase. Rent collection maintained after annual rent increase. Tenants do not fall further into arrears unnecessarily			
					

## Operational Actions – Garages





IM.OA.16	Investigate average rents for garages and parking spaces in local and neighbouring Borough's	NH	Apr-11	Oct-11	Ascertain what the market rents are and seek approval to increase rents in areas of particular high demand.
		Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s): Increased level of income from garage stock			
	 ✓				





IM.OA.17	Promotional campaign to increase garage occupancy	NH	Apr-11	Mar-12	Use of 'Garages For Rent Signs', articles in Homefront and on rent statements.
		Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s):			
	 ✓	Increased occupancy of garages resulting in improved income and better use of resources			





## Operational Actions – Former Tenant Debt

IM.OA.18	Complete 100% end of tenancy visits with outgoing tenant/relatives to discuss rent implications	NH	Apr-11	Mar-12	Discussions with Income Team, Voids & Allocations, Neighbourhood Teams to establish who will complete. Reduce debts.
 ✓		Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s):			
		Reduce the number and value of FTA.			

## Operational Actions – Rechargeable Works

IM.OA.19	Carry out a rechargeable repair campaign	NH	Jul-11	Nov-11	Article in Homefront. Flyer with rent statements. Training for staff in SHP & LBS.
	 ✓	Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s):			
		Preventing tenant's reporting rechargeable repairs (particularly out of hours) and improving staff awareness so that better advice can be given to customers in order to reduce volume and amount of rechargeable debt created.			

IM.OA.20	Complete 100% end of tenancy visits with outgoing tenant/relatives to discuss clearance and repairs/ alteration implications	NH	Apr-11	Mar-12	Discussions with Income Team, Voids & Allocations, Neighbourhood Teams to establish who will complete. Reduce debts.
 ✓		Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s):			
		Reduce the number and value of recharges			

IM.OA.21	Monitor use Introduce new 'bar coded' Payment Card for rechargeable invoices	CH	May-10	Jul-10	Cards available at Sutton Gate for payment of rechargeable invoices.
 ✓		Beyond maintaining current performance levels, there will be the following positive impact on the above (✓) driver(s):			
		Payment Card produced at Sutton Gate for residents wishing to pay rechargeable invoices at Post Office or PayZone.			



***Putting Customers First***  
***Making Services Accessible To All***  
***Achieving Value For Money***  
***Delivering Quality Homes***  
***Creating Safe, Welcoming Neighbourhoods***

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