

INCOME MANAGEMENT STRATEGY 2021 - 2023

Report of the Interim Finance Director

1. SUMMARY

- 1.1 The Income Management Strategy 2019-2021 is due for review. It has been reviewed and updated to meet the challenges and requirements for the next two years.
- 1.2 There are no major changes, just updates to reflect changes on Universal Credit numbers and timelines, and also the treatment for the increasing number of tenants were large (above £2,000) arrears that have accrued since COVID (March 2020).

2. RECOMMENDATION

- 2.1 To approve the revised Income Management Strategy as drafted in Appendix 1.

3. REASON FOR RECOMMENDATION

- 3.1 To ensure Income Collection is maximised and our commitment to customer care towards paying and non-paying tenants.

4. MATTERS FOR CONSIDERATION

- 4.1 To review the policy to give assurance that the policy covers key issues such as:
 - Tenants and leaseholders who engage will be treated with empathy, support, and fairness. If engagement is not forthcoming, then standard processes are followed.
 - Challenges arising from Welfare Reform and in particular Universal Credit are being mitigated
 - Commitment to maximising income collection whilst balancing this with a Customer First approach
 - Working with other teams in Derby Homes and partners to provide a wider range of support to tenants around financial management to assist them in paying their rent.

5. OTHER OPTIONS CONSIDERED

- 5.1 None

IMPLICATIONS

6. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

- 6.1 Annually around £57m of rents and service charges are collected on behalf of the Council, from over 13,000 tenants and leaseholders, currently at around 99% collection rates.

The Council's HRA Business Plan has increasing provisions for bad debts anticipated as Universal Credit rolls out.

Targets will be set in line or above HRA Business Plan budgets. If a 1% collection rate above that budgeted is achieved that releases over £0.5m back into HRA budgets for future use on tenant's services / new homes.

7. COUNCIL

- 7.1 See financial section for implications on HRA business plan finances.

8. POLICY REVIEW IMPLICATIONS

- 8.1 This is a key policy of Derby Homes and is included in the Key Policy Review Schedule. In accordance with Derby Homes Board Minute 10/51 this policy will be reviewed no later than two years from the date of this meeting.

9. EQUALITIES IMPACT ASSESSMENT

- 9.1 The function of income collection obviously impacts on those customers who are experiencing financial hardship and quite possibly have additional protected characteristics. Although there is a prescribed process to follow on an arrears case through the various stages, the individual circumstances of the tenant will be considered on a case-by-case basis. This will ensure that the appropriate partners are included at the correct stage to assist the tenant to sustain their tenancy wherever possible.

The areas listed below have no implications directly arising from this report:

Consultation

Legal and Confidentiality

Personnel

Environmental

Health & Safety

Risk

For more information please contact:

Michael Kirk / Interim Finance Director / 01332 888703 / Email Michael.Kirk@derbyhomes.org

Background information: None

List of appendices Appendix 1 Income Management Strategy 2021-23

This report has been approved by the following:

Managing Director	Maria Murphy	17/11/2021
Interim Finance Director	Michael Kirk	05/11/2021
Company Solicitor	Taran Lalria	12/11/2021