

Income Management and Vulnerability Assessments

Introduction

As a responsible landlord, the Council must establish that prospective tenants are able to sustain a tenancy before they are offered a property.

We need to ensure that we rent our properties to those who can affordably sustain them with particular consideration given to single people receiving Universal Credit and larger families affected by the benefit cap. There is a proven link between debt and physical and mental health issues and relationship problems. Therefore, we have a duty as a landlord to ensure we are not putting people in a position where they cannot realistically afford to sustain their tenancy. This is particularly important as a housing related debt may deny people access to social housing in the future.

Process

When a housing applicant has received an offer of accommodation, an Income Management Officer (IMO) will contact the applicant and carry out an Income Management and Vulnerability Assessment (IMVA). The assessment covers three areas, personal circumstances, financial assessment and health and wellbeing and provides the prospective new tenant with an opportunity to assess their means to take on a tenancy and review their outgoings to consider how they will budget in the future. The IMO will also explain the average weekly (basic living) costs of renting a property.

Assessment Outcome:

- If a surplus is identified based on their income and expenditure and there are no support needs, the offer will proceed with no referral
- If there are concerns in respect of how the prospective tenant may manage their budgeting or where a “break-even” result is identified and/or if a support need is identified, the offer will proceed with a referral made for floating or debt management support.
- If the assessment indicates a deficit based on their income and expenditure, the Council will not proceed with an offer and the housing applicant will be referred back to the Housing Advice team for support.

Currently, the IMOs rely on the honesty of prospective tenants when completing the IMVA, however, recent provisions have been made to enable the team to carry out credit checks and this will allow us to build a clearer picture of their financial well-being, further identifying those who might be in financial stress or at risk of falling behind on payments in the future as well as potential identity fraud.

IMVA checks are also carried out for current tenants who wish to transfer or mutually exchange to one of our properties.

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Benefits of carrying out IMVAs

- By implementing IMVAs at the pre-offer stage, the Council is ensuring that prospective tenants are able to meet their legal obligations under a tenancy to pay their rent.
- It allows us to identify prospective tenants at the highest risk at a very early stage and then enables us to provide them with the tools to be able to financially sustain their tenancy.
- It helps the housing applicant fully understand the financial implications of taking on a tenancy

Risk of not carrying out IMVAs

Due to the welfare reform changes and full rollout of Universal Credit, if these assessments do not form part of the allocation process, there is a significant risk of reduced income into the Housing Revenue Account due to the possibility of increasing rent debt which could lead to eviction and further costs associated with this process as well as the social, health and wellbeing impact this may have on the tenant.

The flip side is that there may be an increased demand on the Housing Advice team as some of the prospective tenants assessed as unable to afford a tenancy may still be in housing need but could struggle to obtain the offer of a property from other housing providers.

What Next?

Currently Homeseeker Plus is open to almost anyone with a housing need; however, there is no provision to carry out affordability checks for all new housing applicants prior to registering, therefore, the onus is on landlords across the county to do this.

The continued high demand for affordable social housing within the district is unsustainable. Whilst only those in the highest housing need, with a local connection to the area are likely to obtain housing through Homeseeker Plus, assessing potential housing applicants at the application stage, rather than the bidding stage, would ensure that only those in a genuine need would register. This could then potentially reduce the number of registered applicants.

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