

Title:	Income Management Policy
Person responsible:	Director of Housing & Insight
Customer consultation arrangement:	Consultation required? Yes ☒ No ☐ SLH Resident Conversation
EIA required:	Yes – see here
EIA completed (date):	September 2025
Approved by:	SLT
Business Strategy Theme	Quality Homes Quality Services
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Links to other key policies:	Rents and Service Charges Policy, Cumbria Choice Allocations Policy, Customer Support Policy, Governance & Delegation Framework, Data Protection Policy
Review date:	November 2028

Document management

Version	Date amended	Amendments
1	May 2019	Original- previously separate policies, i.e. 'Rent Collection and Arrears Recovery Policy', 'Credit Refund Policy', 'Eviction Policy', 'Former Tenant Arrears Policy'
2	May 2019	Income Management Policy Housemark Review
3	May 2020	Covid 19 amendments to policy
4	September 2021	Covid 19 amendments removed
5	July 2022	Minor amends. Updated to reflect approach post Covid and responsibilities post OD.
6	November 2025	Policy fully refreshed to account for changes across the sector. Resident Support Fund added into the policy.
7	June 2026	Restructure, changes to job role titles and responsibilities.

1. Purpose and Scope

- 1.1 This document outlines South Lakes Housing's (SLH's) policy for dealing with all aspects of Income Management, including:
- The prevention and recovery of rent arrears and other charges through effective enforcement actions.
 - Compliance with relevant legislation, guidance and regulation.
 - Early intervention and support to residents to sustain their tenancies, contributing to resilient communities.
 - How SLH will treat residents with sensitivity in a fair and non-discriminatory way.
 - SLH's approach to evictions.
 - SLH's approach to former tenant arrears, residents in credit and recharges.
- 1.2 This policy covers current and former tenant rent arrears and the recovery of leaseholder charges. In addition, it covers the collection of other sundry income/debt, such as garages, recharges and credits.
- 1.3 This policy does not address how rent and service charges are set. This is covered in the Rents and Service Charges Policy.
- 1.4 This policy does not address specific leasehold charge arrangements. This is covered in the Leasehold Management Policy.
- 1.5 The policy covers how recharges are collected, but not why or how they are raised. This is covered in the Recharge Policy.

2. Regulatory and Legislative Requirements

- 2.1 This policy complies with the Regulator of Social Housing's Governance Standard, Financial Viability Standard (in relation to credit refunds), Consumer Standards (in relation to tenancy sustainment), the Rent Standard and Rent Standard Guidance and the Consumer Standards.
- 2.2 Relevant legislation and best practice includes, but are not limited to:
- Housing Act 1985
 - Housing Act 1988
 - Housing Act 1996
 - Protection from Eviction Act 1977
 - Limitation Act 1980
 - Pre-Action Protocol for Possession Claims based on Rent Arrears. Civil Procedure Rules, Ministry of Justice, 2006
 - Data Protection Act 2018
 - Data (Use and Access) Act 2025
 - Pre-Action Protocol for Possession Claims by Social Landlords

- NHF eviction pledge and support for residents
- Debt Respite Scheme (Breathing Space)
- RSH Consumer Standards
- Social Housing (Regulations) Act 2023
- Renters Rights Act 2025

3. Definitions

- 3.1 Rent – A regular payment by the tenant, or shared owner for their rent element of their charge to the landlord for the right to occupy the property described in the tenancy agreement or lease.
- 3.2 Service Charge – The specified portion that each tenant/leaseholder pays towards the housing service provision for services they receive.
- 3.3 Garage charge – A regular payment by a tenant, resident, shared owner or leaseholder to rent a SLH garage for use.
- 3.4 Court costs and injunction costs – costs incurred by the tenant or leaseholder because of legal action taken against them by SLH. These will be identified as either ‘Rent’, ‘ASB’ or ‘Repairs’, legal fees.
- 3.5 Housing Benefit/Universal Credit Overpayments – Housing Benefit/Universal Credit monies recovered from the tenant via payments made to the landlord, typically referred to as an overpayment.
- 3.6 Rechargeable Repairs – Monies recharged to tenants or leaseholders (current and former) due to repairs completed by SLH as a result of neglect & damage caused by the tenant/leaseholder. The repairs are deemed to be intentional or beyond normal wear and tear, or for additional services requested, which are not part of the landlord's obligation.
- 3.7 Former Tenant arrears – monies owed to SLH by a former tenant or leaseholder who is no longer in a contractual relationship.
- 3.8 Former tenant credits – credits owed to the former tenant or Leaseholder who is no longer in a contractual relationship with SLH.
- 3.9 Heating Charges – any debt owed to SLH by either current or former tenants relating to the provision of district heating systems.

4. Our Approach to Income Collection and Managing Rent Arrears

- 4.1 To effectively manage debts owed to SLH, it is vital that any debts owed by tenants, shared owners, leaseholders and garage customers are addressed

at the earliest possible stage, to prevent an escalation of the debt, potential loss of home and legal action for recovery taking place.

4.2 SLH takes a person-centred approach, recognising that individual circumstances differ and can change quickly. One of the strategic aims of SLH is to have rents that are affordable (no more than 35% of average income). Legal action will only be taken if the resident chooses not to engage with us to try to resolve their rent or other arrears.

4.3 The Housing Team are guided when considering escalation and enforcement action by the “Pre- Action Protocol for Possession Claims by Social Landlords”

4.4 We use a third-party rent analytic programme to optimise income collection, identify cases for action and make the best use of resources.

4.5 From pre-tenancy, we support residents to ensure they can live comfortably in their home and sustain their tenancy through a clear offer, including support from the Housing Team and partners with specialist knowledge, such as DWP benefits and debt advice, to prevent unnecessary evictions.

4.6 Pre-tenancy

4.6.1 A robust pre-tenancy process, including an affordability assessment, will be undertaken to gather information necessary to identify any risks or vulnerabilities and to ensure the tenancy can be afforded.

4.6.2 Prospective tenants will be expected to clear any former debts owed to SLH before being considered for the property. In exceptional circumstances, with the agreement of the Director of Housing & Insight or the Housing Services Manager, debt may be written into the new tenancy agreement.

4.6.3 Before the tenancy is granted, new tenants will be required to pay one month's rent in advance, confirm that (where applicable) a claim for Housing Benefit or the Universal Credit Housing Cost Element will be made and agree a payment plan which specifies the rent payable, the payment method(s); and the rate and date of the first and subsequent payments.

4.6.4 A lower initial payment may be agreed by the Housing Team with the prospective tenant based upon their individual circumstances.

4.6.5 SLH's preferred payment method is Direct Debit.

4.7 Contact and Advice

4.7.1 When a resident/occupant falls into arrears or incurs a recharge, the Housing officer will establish direct contact with them, taking a 'telephone first'

approach. This helps to build trust and rapport, as well as providing a better understanding of the resident's needs and concerns.

- 4.7.2 The Housing officer will assess a resident's income and expenditure, then agree realistic arrangements for repayment. This ensures the agreement is appropriate, won't incur additional hardship for the resident and increases the likelihood of a positive outcome for the resident and SLH.
- 4.7.3 It is a resident's responsibility to ensure they are in receipt of the correct benefits. The Specialist housing officer will provide advice and guidance to ensure they are receiving the right support. This may include additional support from SLH or recognised sector specialists.
- 4.7.4 Where appropriate, SLH will support residents with Universal Credit claims and maintenance, Housing Benefit applications, future migration to Universal Credit and use Alternative Payment Arrangements (APA) and Third-Party Deductions (TPD).
- 4.7.5 The Housing officer and specialist will use, at their discretion, the Resident Support Fund to help residents experiencing particularly challenging circumstances. The value and guidance for the use of the fund will be reviewed annually by the Housing Services Manager, Area housing managers and specialist housing officer.
- 4.7.6 Contact will be made with each person named on the tenancy agreement, and SLH will use plain language, recording contact through a variety of methods to ensure we are continually learning and improving.
- 4.7.7 Residents can view their rent statements and other written contracts at any time via the MyAccount portal. Alternatively, they can request a copy from SLH.
- 4.7.8 SLH will ensure that personal information is handled in accordance with the provisions of the Data Protection Act 2018.

4.8 Arrears Recovery

- 4.8.1 Providing arrangements are maintained, and the resident engages with the Housing officer to get their payments back on track, no further action will be taken. In the event of a default of the arrangement, the appropriate legal notice will be served, subject to individual circumstances.
- 4.8.2 Where there may be debts to more than one account, the following hierarchy will apply:
 - Rent owed (Tenants/Shared Owners) or, in the case of leaseholder's service charge owed.
 - Former Tenant Arrears

- Housing Benefit/Universal Credit overpayments reclaimed from the landlord.
- Recharges
- Court costs
- Heating Charges
- Garage charges

4.8.3 SLH will seek to engage with residents through a variety of means – telephone calls, emails, text messages, letters, office interviews and home visits or via a nominated advocate. Where a resident refuses to engage this may lead to legal action. For the avoidance of doubt, refusal to engage includes (but is not limited to) the complete or persistent failure to co-operate with SLH or respond to attempts from SLH to communicate.

4.8.4 We will look to avoid legal action to recover debt, however there will be instances where there is no other sustainable option. We will act in accordance with the Pre-Action Protocol when seeking possession due to rent arrears.

4.8.5 If, having obtained a Court Order, the resident fails to maintain a regular payment plan and reduce the arrears, the case will be considered as set out in section 5.

4.8.6 Where SLH has followed the process set out in this policy and court costs are incurred, the resident will be liable for these costs. We may also share rent payment data with reputable credit reference agencies

4.9 Bankruptcy and Debt Relief Orders

4.9.1 SLH will not recognise a bankruptcy or Debt Relief Order (DRO) until they have received an official copy or verified the order via the Insolvency Service website. Only debts listed within the order will be dealt with within our guidelines.

4.9.2 Debt Relief Orders (DRO's) usually last for 12 months, and at the end of the year, the debtor is discharged from all qualifying debts specified in the order. SLH will usually write off the debt.

5. Our Approach to Evictions

5.1 SLH regards eviction as the last resort. An authority to evict application will be completed to include any vulnerabilities and financial circumstances. The application must be approved by the Director of Housing & Insight (or the Deputy Chief Executive in the Directors absence) and will last for a period of 12 months.

- 5.2 Once the case has been reviewed and approval granted, the Housing Team will proceed to apply to the courts for an eviction warrant and carry out the eviction. The only way this action may be stopped is by the clearing of all arrears owed to SLH.
- 5.3 Any items left in the property following the eviction, which remain unclaimed after a period of 2 weeks, may be sold or gifted, and proceeds used to cover costs and outstanding debts
- 5.4 A quarterly review will take place of evictions to assess their causes and triggers, and to review any learnings that may inform changes to our policy.

6. Our Approach to Former Tenant Arrears

- 6.1 SLH may offer a financial incentive for Former Tenant Arrears, including discounts for quick settlement or establishing and maintaining a repayment plan by direct debit. The Housing Team have discretion as to the best approach which secures recovery of at least 50% of the debt.
- 6.2 Where SLH is unable to secure an agreement for payment of the arrears or recharges, the debt may be referred to an external debt collection agency.
- 6.3 In cases where the resident has passed away, a death certificate will be required, and next of kin details will be recorded on our Housing Management System. When the tenancy ceases, SLH will sensitively contact the next of kin and inform them of any outstanding arrears or recharges owed by the estate.
- 6.4 Former tenant arrears may be written off for the following reasons, by approval from the Director of Housing & Insight:
- The tenant has passed away
 - The tenant has been declared bankrupt
 - SLH has been unable to trace the tenant
 - SLH deems it to be uneconomical to pursue the arrears (usually under £100 in value)
 - All possible recovery action has been exhausted
 - More than six years has lapsed since the tenancy ended
- 6.5 Occasionally, circumstances may arise where there is a fresh opportunity to recover debt owed to SLH which has been written off. SLH reserves the right to reinstate a debt in these instances until it has been satisfied.
- 6.6 There may be occasions when applicants with historical arrears need to be re-housed, including where the local authority has a statutory duty. Relevant teams within SLH will work with the Local Authority on a case-by-case basis to resolve their arrears position and ensure they are eligible for any housing options which may become available.

- 6.7 If a former resident is not satisfied with the decision to pursue a former tenant's arrears, they have a right to appeal. Any appeal will be dealt with in accordance with SLH's Complaints Policy.

7. Our Approach to Credit Refunds

- 7.1 SLH encourages residents to pay the correct amount owed at an appropriate time. In instances where an account is persistently in credit without prior agreement with the Housing officer or area housing manager, then SLH will take steps to refund this amount to the resident.
- 7.2 On occasion, credit balances may be used to cover any outstanding balances related to the tenant or tenancy, e.g. a repairs recharge or court costs. When this happens, the Housing officer will contact the resident to discuss this.
- 7.3 Where a credit remains on the account of a former tenant, all steps will be taken to ensure this is refunded correctly. Where these steps have been exhausted or a period of three years has lapsed since the tenancy end date this credit may be used to support the aims of this policy and support current tenants to sustain their tenancies.

8. Our Approach to Recharges

- 8.1 The Housing officer and Housing coordinators will support the recovery of recharges made as set out in the Recharge Policy. This will include agreeing payment plans with residents, offering incentives for faster or consistent payment and prioritising which recharges to be collected when.

9. Service Standards

- 9.1 SLH will offer you different ways to pay your rent and service charge so you can choose the one that's easiest for you.
- 9.2 SLH will contact you promptly if you get behind with your rent, service charge or other payments.
- 9.3 SLH will be sensitive and supportive if you are having financial difficulties, and work with you to find a manageable way for you to pay off your rent debts.

10. Equality, Diversity and Inclusion

- 10.1 SLH is aware of our responsibilities under the Equality Act 2010 and is committed to equality, diversity and inclusion. We will endeavour to provide a service that seeks to meet the needs of a particular individual and ensure no one is disadvantaged in accessing our services. We recognise that some of

our customers may have permanent or transitory vulnerabilities and where customers require additional support, we will endeavour to make reasonable adjustments. We will also take vulnerability into account when carrying out case risk assessments.

11. Performance and Quality Monitoring

- 11.1 Arrears performance is reported to the Board quarterly through a balanced scorecard. Key Performance Indicators are rent collection and arrears monthly, alongside rent collection 4 weekly for all rental properties alongside the overall income collection rate monthly.
- 11.2 A more detailed performance report is presented to the Senior Leadership Team quarterly. This includes current tenant arrears by value, former tenant arrears, performance by property/ tenure type, including Shared Ownership, Leasehold and Garages, recharge collection levels and debt written off.
- 11.3 Reporting also includes supplementary data such as evictions carried out and learnings from them, transactional satisfaction, the number of residents supported, and the value of discretionary payments made from the Resident Support Fund.
- 11.4 SLH will contribute to Housemark and other similar national organisations to ensure performance can be properly benchmarked with peer groups at a national level.
- 11.5 Service delivery will be reviewed regularly to identify opportunities for continuous improvement, which can be included in the annual action plan and support the aims of this policy, and the wider business aims of SLH.

12. Monitoring and Review

- 12.1 This policy will be reviewed every three years unless changes to internal policies, regulation or legislation require a review to be carried out sooner.