Income Collection Policy – Current Tenant Arrears

Policy Owner	Executive Director Customers and Communities
Approval Level	Customer Experience Committee
Resident Input	Customer Consultation through Joint Resident Group
Policy Review Due	August 2029
EIA Date	August 2026
Linked strategies/policies	Tenancy Policy, Allocations Policy, Corporate Debt Recovery Policy, Domestic Abuse Policy, Safeguarding Policy
Version	1
Date of Approval	November 2026

Contents

1. What this policy is for 3

2. Who this policy applies to 3

3. Regulation and Legal Requirements 4

4. What we will do 5

Income Collection 5

Prevention and Early Intervention 5

Advice, Support and Financial Inclusion 6

Vulnerability, Safeguarding and Domestic Abuse 6

Universal Credit, Housing Benefit and Welfare Reform 7

Arrears Recovery 7

Legal Action 8

Breathing Space and Exceptional Circumstances 8

Insolvency 9

5. Equality, Diversity, and Inclusion 9

6. Who is responsible 10

7. Monitoring and Reporting 10

8. Glossary 11

1. What this policy is for

1.1 The purpose of this policy is to establish Southway Wythenshawe Homes's approach to income collection, arrears prevention, and debt recovery.

1.2 Rental income is essential to the organisation's ability to maintain homes, invest in communities, and deliver high-quality services to customers. The effective collection of rent and service charges supports the long-term financial sustainability of the organisation and helps ensure that services remain available for the benefit of all customers.

1.3 We are committed to maximising income collection whilst supporting customers to sustain successful tenancies. We recognise that rent arrears can arise because of a wide range of circumstances, including financial hardship, benefit issues, welfare reform, disability, ill health, domestic abuse, bereavement, and wider economic pressures. We will therefore take a preventative approach and seek to identify issues at the earliest opportunity.

1.4 Our approach is underpinned by the principles of fairness, consistency, early intervention, and tenancy sustainment. We will work collaboratively with customers to resolve payment difficulties wherever possible and provide access to appropriate advice and support. Legal action and eviction will only be considered where all reasonable opportunities to resolve arrears have been exhausted.

2. Who this policy applies to

Customers	This policy applies to all customers occupying homes owned or managed by Southway Wythenshawe Homes where rent, service charges or other housing-related charges are payable. This includes social rent, affordable rent, intermediate rent, rent to buy and market rent tenancies where applicable
Colleagues	All colleagues involved in income collection, tenancy sustainment, customer support and debt recovery
Partners	Contractors, agencies and partners acting on behalf of Southway Wythenshawe Homes in relation to income collection activities, and advice, support, and financial inclusion services.

Supporting Customers

2.1 We recognise that some customers may require additional support to access services or manage their tenancy successfully. Particular consideration will be given to customers experiencing financial hardship, disability, ill health, domestic abuse, language barriers, digital exclusion, or other circumstances that may affect their ability to maintain rent payments.

3. Regulation and Legal Requirements

3.1 This policy supports compliance with the following regulations and legal requirements

- Housing Act 1988
- Equality Act 2010
- Human Rights Act 1998
- Domestic Abuse Act 2021
- Data Protection Act 2018
- Data Act 2025
- Renters Rights Act 2025
- Regulator of Social Housing Consumer Standards
- Pre-Action Protocol for Possession Claims by Social Landlords
- Debt Respite Scheme (Breathing Space) Regulations 2020
- Universal Credit and Housing Benefit Regulations

3.2 We will ensure that all income collection activity is lawful, fair, transparent, and consistent with current legislation and regulatory requirements.

4. What we will do

Income Collection

4.1 We will promote a culture where paying rent and service charges is recognised as a key tenancy responsibility. Customers will be provided with a range of accessible payment options and encouraged to select payment methods that support regular and sustainable rent payments.

4.2 We will actively monitor rent accounts and maintain clear policy thresholds for intervention, escalation, and legal action. These thresholds will be defined within the Income Collection Procedures and reviewed periodically to ensure they remain effective and proportionate.

Prevention and Early Intervention

4.3 We believe that preventing arrears is more effective than recovering debt once it has built up. Where appropriate, we will complete pre-tenancy affordability checks to make sure the tenancy is both sustainable and affordable. A rent account will be considered to be in arrears when the amount due has not been paid by the date it is due. Where there is an agreed payment schedule, including a five-week payment cycle, we will consider whether payments are being made in line with that agreement before deciding what action is appropriate. This means a customer would not normally be treated as being in arrears simply because of the timing of an agreed payment schedule, provided payments are maintained as agreed.

4.4 We encourage all new customers to start their tenancy with their rent account in credit by paying rent in advance. Establishing a positive payment pattern at the start of a tenancy helps to manage rent obligations and reduces the likelihood of future arrears. Support and advice will be available for anyone unable to meet this expectation due to financial hardship or other exceptional circumstances.

4.5 Customers will be encouraged to maintain their rent account in credit where possible. Ideally, this should be equivalent to one rent payment in advance,

based on the customer's agreed payment frequency. For example, customers who pay weekly should aim to keep one week's rent in credit, customers who pay monthly should aim to keep one month's rent in credit, and the same principle will apply to other payment frequencies. Customers will receive information about their rent responsibilities and available support services throughout the tenancy journey.

Advice, Support and Financial Inclusion

4.6 We are committed to supporting customers to maintain their tenancy and improve their financial resilience.

4.7 Customers experiencing financial difficulties will be offered access to advice and support services which may include welfare benefits advice, income maximisation support, debt advice, money management support, employment and skills services, energy advice, and referrals to specialist agencies where appropriate. Support will continue to be available throughout the arrear's recovery process.

Vulnerability, Safeguarding and Domestic Abuse

4.8 We recognise that arrears can be a symptom of wider vulnerabilities and that some customers may require additional support to maintain their tenancy.

4.9 When making decisions relating to arrears recovery, we will take account of known vulnerabilities, safeguarding concerns, disabilities, health conditions, and any reasonable adjustments required under the Equality Act 2010.

4.10 We recognise that domestic abuse, including economic and financial abuse, can have a significant impact on a customer's ability to maintain rent payments. Customers experiencing domestic abuse will be supported in accordance with Southway Wythenshawe Homes's Domestic Abuse Policy and tenancy sustainment principles. Arrears linked to domestic abuse will be considered carefully when determining appropriate recovery action.

4.11 Arrears will not be a barrier to a victim/survivor moving to a place of safety, either within our homes or with another provider. Where arrears or other housing related debts are linked to domestic abuse within a joint tenancy, we will take steps to hold the perpetrator accountable for their share of the debt.

Universal Credit, Housing Benefit and Welfare Reform

4.12 We acknowledge the important role that welfare benefits play in supporting customers in maintaining their rent payments. We will work with customers and DWP/Housing Benefit to maximise income. Where appropriate, we will ask for housing-related benefits to be paid directly to the organisation to support rent payment and prevent arrears from escalating.

4.13 Where rent arrears arise because of benefit administration issues or other welfare-related factors, this will be considered as part of case decision-making and tenancy sustainment activity.

Arrears Recovery

4.14 We will adopt a firm but fair approach to recovering rent arrears and other housing-related debts.

4.15 Customers will be expected to engage with us to address arrears and maintain agreed repayment arrangements. Where engagement and support do not result in a sustainable resolution, appropriate recovery action may be taken.

4.16 Where a customer owes more than one debt to Southway Wythenshawe Homes, priority will be given to the payment of current rent charges (or service charges for leaseholders) when agreeing repayment arrangements, recognising that maintaining ongoing housing costs is essential to sustaining a tenancy and preventing homelessness. In line with Southway Wythenshawe Homes's approach to income collection, debts will generally be recovered in the following order of priority:

1. Rent arrears (tenants and shared owners) or service charge arrears (leaseholders).
2. Court costs, prioritised in the following order where multiple accounts exist: rent, anti-social behaviour (ASB) and repairs.
3. Former tenant arrears.
4. Housing Benefit or Universal Credit overpayments reclaimed from the landlord.
5. Rechargeable repairs.
6. Heating charges.
7. Gardening charges.
8. Garage charges.

Legal Action

4.17 Legal action may be considered where customers do not engage with support or repeatedly fail to maintain repayment arrangements.

4.18 Before legal action commences, consideration will be given to equality, vulnerability, safeguarding concerns, domestic abuse, welfare benefit circumstances, and any statutory protections available to the customer.

4.19 Where possession action is taken in relation to rent arrears, Southway Wythenshawe Homes will rely upon Grounds 10 and 11 of Schedule 2 of the Housing Act 1988 where applicable. Ground 8 will not form part of Southway Wythenshawe Homes's income recovery approach.

4.20 Eviction will only be authorised as a last resort and where all reasonable opportunities to sustain the tenancy have been exhausted.

Breathing Space and Exceptional Circumstances

4.21 We will comply with all statutory requirements relating to Breathing Space arrangements. Recovery activity will be managed in accordance with legislative requirements and established case law.

4.22 We recognise that exceptional circumstances may arise where tenancy sustainment, rightsizing, or alternative housing solutions provide a more

appropriate outcome than continued enforcement action. Such cases will be considered on their individual merits.

Insolvency

4.23 Southway Wythenshawe Homes recognises that financial hardship can lead customers to seek formal debt solutions. The organisation will adopt a supportive and proportionate approach where insolvency solutions are in place or being considered, ensuring that income recovery activity is balanced with tenancy sustainment objectives and the wellbeing of customers.

4.24 If Southway Wythenshawe Homes has already applied for a warrant for the tenant's eviction at the time the bankruptcy/Debt Relief Order (DRO) is made, then we can choose to continue with enforcement action in line with established case law.

5. Equality, Diversity, and Inclusion

5.1 An Equality Impact Assessment was completed on 19 August 2026. The assessment identified that some customers may be disproportionately affected by financial hardship and rent arrears due to protected characteristics or wider socio-economic factors.

5.2 We will take these factors into account when delivering this policy and will make reasonable adjustments where required. Our approach will be fair, consistent, and proportionate, while ensuring that customers who need additional support are identified as early as possible and are offered appropriate advice, assistance, and signposting. This will include:

Action	Policy Change
Improve accessibility of income collection services	Provide communication in accessible formats, languages, and alternative channels
Strengthen consideration of vulnerability/individual circumstances	Explicit policy commitment to reasonable adjustments and vulnerability assessments

Strengthen protections for domestic abuse survivors	Inclusion of domestic abuse consideration within arrears recovery decision making
Improve tenancy sustainment outcomes	Early intervention and enhanced support commitments throughout the policy
Reduce risk of discrimination	Equality and proportionality considerations before legal action

6. Who is responsible

6.1 The people responsible for overseeing this policy are listed below

Officer	**Responsibility**
Executive Director of Customers and Communities	Policy owner.
Head of Communities (SW), Head of Income (W)	Strategic oversight.
Income Manager (SW) and Head of Housing Management and Head of Income (W)	Operational delivery and policy implementation.
Income Manager (SW) Income managers/Team Leaders (W)	Day-to-day service management and assurance.

7. Monitoring and Reporting

7.1 The Income Collection policy will be reviewed by our Customer Experience Committee every three years.

7.2 Performance will be monitored through regular reporting including rent collection performance, current tenant arrears levels, legal action, tenancy sustainment outcomes, customer support and financial inclusion interventions and equality monitoring.

7.3 The Board will receive regular assurance that the policy is operating effectively and remains aligned with legislative, regulatory, and organisational requirements.

7.4 The next review date for this policy is shown on the cover sheet.

8. Glossary

Word	Definition
Alternative Payment Arrangement (APA)	An arrangement where Universal Credit housing costs are paid directly to the landlord, usually to help prevent or reduce rent arrears.
Arrears	Outstanding rent or housing-related charges owed by a tenant of Southway Wythenshawe Homes.
Bankruptcy	A formal legal process for someone who cannot pay their debts. It may affect how debts are managed, but it does not automatically end a tenancy.
Breathing Space (also known as Debt Respite Scheme)	A scheme that gives people in debt temporary protection from most enforcement action and interest charges while they get debt advice and consider their options.
Court rules about bankruptcy and Debt Relief Orders	Court decisions have confirmed that, in some cases, a landlord may still be able to continue possession action even if rent arrears are included in bankruptcy or a Debt Relief Order. We will consider each case carefully and take a fair and proportionate approach. The case law in question is Sharples v Places for People and Godfrey v A2 Dominion (2011).
Current Tenant Arrears	Debt is owed by a tenant who currently has a tenancy with, and occupies, a Southway Wythenshawe Homes property.
Debt Relief Order (DRO)	A formal debt solution for people with low income, limited assets, and debts they cannot afford to repay. It can give protection from some debt recovery action for a set period.
Discretionary ground	A legal reason that a landlord may use when asking the court for possession. The court will consider the circumstances before deciding what should happen.

Eviction warrant	A court document that allows a bailiff to carry out an eviction. We will only ask for this as a last resort.
Ground 10	A legal reason a landlord may use when asking the court for possession because of rent arrears. The court will decide whether it is reasonable to make an order.
Ground 11	A legal reason a landlord may use when rent has been paid late or missed repeatedly, even if there are no arrears at the court hearing.
Housing-related charges	Charges connected to your home, such as rent, service charges or other charges set out in your tenancy agreement.
Notice Seeking Possession (NOSP)	A formal notice that tells you the landlord may ask the court for possession of your home if the issue is not resolved.
Possession action	Legal action a landlord can take to ask the court for permission to recover possession of a home.
Reasonable adjustments	Changes we can make to help you access our services or manage your tenancy if you have a disability or other support needs.
Suspended Possession Order	A court order that lets you stay in your home as long as you keep to the conditions set by the court, such as paying rent and an agreed amount towards arrears.
Tenancy Sustainment	Activity designed to help customers successfully maintain their tenancy.
Universal Credit	A government welfare benefit that can include support towards housing costs.