



Income Management Policy

2025

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1. Introduction

- 1.1 This policy applies to all tenants who have a Secure Tenancy or Non-Secure Tenancy with Oadby & Wigston Borough Council (“the Council”).
- 1.2 This policy applies to both current tenant’s arrears and former tenant arrears.
- 1.3 This policy does not apply to leaseholders (including equity share properties).

2. Policy Statement

- 2.1 The aim of this policy is to set out the council’s approach to recovering tenant arrears in order to be as effective as we can be in minimising tenant debt. This policy will be applied in a firm but fair way, underpinned with early contact and support in order to prevent arrears from accruing and to ensure that a tenant can receive the right advice at the earliest opportunity.
- 2.2 Rent payments are due in advance in accordance with the council tenancy agreement. We aim to ensure value for money by adopting a robust procedure to maximise our income to enable the council to meet its financial obligations.
- 2.3 The specific objectives of the Income Management Policy are to:
 - Effectively collect rent due and maximise income
 - Effectively recover former tenant arrears
 - Offer comprehensive support to tenants to sustain their tenancies at all stages of the recover process
 - When appropriate, take legal action swiftly to minimise arrears increasing ensuring action is proportionate and adheres to all legislative requirements, i.e. Pre-Action Protocol.

3. Equalities Statement

- 3.1 The Public Sector Equality Duty requires public bodies and others carrying out public functions to have due regard to the need to eliminate discrimination, to advance equality of opportunities and foster good relations.
- 3.2 Oadby & Wigston Borough Council’s allocation scheme promotes equal opportunities in the services it provides. Our aim is to implement and maintain services which ensures that no potential or current home seeker is treated less favourable on the grounds of gender, marital status, race, nationality, ethnic or national origin, colour, disability, age or sexual orientation nor is disadvantaged by the application of a rule, condition or requirement, which has a discriminatory effect which cannot be justified by law.

- 3.3 Our allocations scheme operates in accordance with the council's equal opportunities policy. A copy of the policy is available from the Brocks Hill Council Offices, Washbrook Lane, Oadby, Leicestershire, LE2 5JJ.

4. Data Protection

- 4.1 Any information provided as part of the application process will be treated in the strictest confidence and in accordance with current data protection legislation. The Council's corporate statement on data protection is available on the Council's website at www.oadby-wigston.gov.uk.

5. Our Approach

- 5.1 Rent is a priority debt and must be paid without exception. It is one of the most important bills a tenant has to pay.
- 5.2 It is the tenant's responsibility to pay the rent in full, in advance and on time. This is clearly set out in the tenancy agreement.
- 5.3 The council expects tenants rent accounts to be in advance at all times during their payment cycle, e.g. if a tenant pays their rent monthly, they should be one month in advance, so that the rent account is never in debt. Where a rent account is in arrears only because payment patterns do not match the council's weekly accounting periods, the council will work with the tenants to enable them to make extra payments to bring their account into advanced payment. This includes tenants in receipt of housing benefit or Universal Credit.
- 5.4 We will provide full information on how and when to pay rent when the tenancy agreement is signed. We also explain the consequences of not paying rent and what debt support services are offered locally. Where support issues are identified at a new tenancy sign-up, we will refer tenants for local support services or Citizens Advice.
- 5.5 The council's preferred method of payment is Direct Debit, but we will offer multiple payment methods for tenants to pay their rent. If rent is not paid, it becomes arrears. This is a debt that tenants owe to us as their landlord.
- 5.6 We take arrears very seriously, even when it is just a small amount. Arrears can put a tenant's home at risk. Arrears also mean that we have less to spend on important services to tenants' homes.
- 5.7 Rent statements will be provided/accessible to all tenants on a regular basis and at every stage of the recovery process.
- 5.8 We encourage tenants to speak to the Income Team at an early stage if they are experiencing difficulties with paying rent.

6. Taking Court Action

- 6.1 We will take tenants to court to ensure that they pay us arrears that are owed after reasonable attempts have been made to engage with the tenant to settle the debt. This is a serious step and will result in the tenant having to pay for court costs. If bailiffs are involved, their costs will have to be paid by the tenant as well.
- 6.2 We will follow the steps laid out by the Civil Justice Commission's Pre -Action Protocol when court action is being taken.

7. How We Can Help

- 7.1 We understand that times can sometimes be difficult. This makes it more important that payment of rent is prioritised by tenants. Once rent arrears start to build, they can become difficult to repay.
- 7.2 We will help tenants who are in arrears. It is essential that we contact the tenants as early as possible and that the tenants speak to us as soon as they are in difficulties.
- 7.3 We can signpost tenants to appropriate support agencies. This is very important when tenants are trying to pay multiple debts.
- 7.4 We expect arrears to be paid in full, but we will, on a case-by-case basis, come to an arrangement with tenants to repay arrears.
- 7.5 We will offer multiple options for tenants to pay their rent such as:
- Direct Debit
 - Online payments
 - Internet banking payments
 - Telephone payments
 - Standing order
 - Pay Point (used when making payments in newsagents, garages etc)
 - Cheque
- 7.6 Direct Debit is the council's preferred method of payment.

8. Early Contact

- 8.1 We will contact tenants as soon as their rent account falls into arrears. We expect that tenants will work with us to sort out the debt. We expect that tenants will put things right at this early stage.

9. Low Level or Static Debt

- 9.1 We take even small arrears seriously.

- 9.2 We will take firm action on low level debt. This is to protect the tenant falling into further arrears and financial difficulties.
- 9.3 This may also apply to small debts which may have been sitting on the rent account for a long time (static debt), even when they are not increasing.
- 9.4 We may serve notice and take legal action to recover money we are owed, where it is cost effective to do so.

10. Benefits

- 10.1 We know that benefit payment problems can lead to arrears. It is important that tenants talk to us straight away if this is the case.
- 10.2 We may not start court proceedings where arrears are because of an outstanding benefit claim. This is only where a tenant can evidence that they have a genuine chance of getting benefits and has provided all the information.
- 10.3 We expect tenants to be paying any rent due which is not covered by Housing Benefit.
- 10.4 Tenants in receipt of Universal Credit are expected to make payments to cover the full weekly rental charge where they receive the benefit payments direct to themselves.
- 10.5 All tenants receiving benefits, with the exception of Universal Credit (as this payment is made in arrears), are expected to be in advance with their rent payments, in the same ways as tenants do not receive any benefits.

11. Vulnerable Tenants

- 11.1 There is no standard definition of what is meant by the term 'vulnerable.' We will try to identify potential vulnerabilities as early as possible to enable us to offer the right support. Examples may include tenants with disability, drug or alcohol dependencies, mental health problems or elderly.
- 11.2 We will work in partnership with tenants, voluntary organisations, and other support providers to offer extra support and guidance. We can signpost to agencies that offer support that is tailored to tenants' circumstances.
- 11.3 While we accept that vulnerable tenants may need additional support, we still expect rent to be paid on time and arrears repaid quickly.

12. Joint Tenants

- 12.1 Both tenants are 'jointly and severally' responsible for paying the full rent and for any rent arrears. This means that if one joint tenant does not pay, the other is fully liable.

12.2 This will be the case where universal credit is only paid to one tenant, or where one joint tenant has left the property.

13. Staff

13.1 The council will train its staff in procedures to recover rent arrears. Continuous training will be available on legal updates, housing law, welfare benefit/reform updates, equality, and diversity, safeguarding and any other relevant topic which will impact on collecting rental income.

13.2 Staff will provide tenants with welfare and housing benefits advice. They will also offer basic debt advice in order to support tenants to sustain their tenancy.

14. Taking Legal Action: Serving a Notice of Seeking Possession (NOSP)

14.1 Notices will be served for arrears where tenant(s) are 28 calendar days / 4 weeks or more in rent arrears.

14.2 We will normally serve the notice by post, but where appropriate we will serve by hand at the tenants' home address.

14.3 We can serve a notice after a shorter time and reserve the right to do this in exceptional circumstances, e.g. where a tenant fails to make payments towards static or low-level arrears less than 4 weeks rent.

14.4 We still serve a notice even if an arrangement has been made if the arrears remain more than 4 weeks. This is to protect the council's interest in the debt owed.

14.5 We may still serve a notice where benefit eligibility has been established, but a tenant is not making payment towards any rent arrears owed.

14.6 We may delay serving a notice where the vulnerability of the tenant means that there are significant support issues.

14.7 We will seek possession under Ground(s) 1 of Schedule 2 to the Housing Act 1985 – 'Any rent lawfully due from the tenant has not been paid or the obligation of the tenancy has been broken or not performed'.

14.8 The notice is valid for 12 months from the date it becomes 'live', unless the tenant clears the arrears before it became live. A notice will be re-issued after 12 months lapse if the arrears remain, and no court action has been taken.

15. Court Action

15.1 We will apply to court for a possession order where:

- The tenant has refused to engage with us

- The tenant has not made arrangements to pay the arrears
- The tenant has failed to keep to the arrangement the pay the arrears

15.2 We will apply to court for a possession order once the notice has expired and will notify the tenant before applying to court. We will take into account the personal circumstances of the tenant before applying to court.

16. Adjournments

16.1 We may cancel a court hearing providing the tenant has paid the arrears and associated court costs in full.

16.2 Under the Housing Act 1985 there is a duty on the court to impose some form of payment on the tenant on making an adjournment, except where it would be unreasonable. We will always ask for repayment terms when agreeing to any adjournment.

17. Court Orders

17.1 When seeking a possession order a Senior Manager must authorise possession proceedings.

17.2 We will seek either a Suspended Possession Order (SPO) or an Outright Possession Order (OPO) from the court.

17.3 A money judgement will always be sought with any possession order, in addition to an order for costs incurred.

18. Attachment of Earnings

18.1 The tenant's employer may be empowered to make regular deductions from the tenant's earnings and pay them directly into their rent account.

19. Insolvency Arrangements – Bankruptcy, Individual Voluntary Arrangements (IVA) and Debt Relief Orders (DRO)

19.1 Where a tenant has an insolvency arrangement, they remain liable to pay current rent as usual.

19.2 We do not have to write off rent arrears where bankruptcy has occurred. We may deal with repayments of rent arrears in line with this policy and follow standard procedures for recover action where arrangements are not kept to.

19.3 The main feature of a DRO is a ban (called moratorium) which prevents creditors pursuing debts for a period of 12 months. Tenants with a DRO are still liable to pay current rent, and any rent arrears incurred after the DRO has been made are not covered by the moratorium. We will deal with repayment of these arrears in line with this policy.

20. Debt Respite Scheme (Breathing Space)

- 21.1 Breathing Space period will freeze interest, fees, and enforcement for people in problem debt, with further protections for those in mental health crisis treatment.
- 21.2 A 60-day Breathing Space period will see enforcement action from creditors halted and interest frozen for people with problem debt. During this period, individuals will receive professional debt advice to find a long-term solution to their financial difficulties.
- 21.3 Those receiving mental health crisis treatment will receive the same protections until their treatment is complete, in acknowledgement of the clear impact problem debt can have on wellbeing.
- 21.4 All requests for Breathing Space will be requested through The Insolvency Service.
- 21.5 When requests are made, we will follow the government guidance.

21. Eviction

- 21.1 The council will only seek to evict as a last resort.
- 21.2 No eviction can take place without both the Housing Manager and Head of Service approval. We will only carry out an eviction where a county court bailiff is present, and we will work with the bailiff to ensure that it is done as sensitively as possible.
- 21.3 We will send written notification of the date of the eviction to both the tenant and the council's housing management service.
- 21.4 We will advise all tenants to seek independent legal advice following our approval for officers to apply for an eviction.

22. Loss of Rights for Tenants in Arrears

- 22.1 Tenants in arrears will not usually be allowed to move home via the transfer list. (See the council's Allocations Policy).
- 22.2 Tenants in arrears may not be able to carry out tenancy changes such as mutual exchanges and creating joint or sole tenancies, etc, until the arrears are cleared.
- 22.3 If a tenant is in arrears, any compensation or redress payments will be offset against their arrears with any remaining money due payable to the tenant.

23. Former Tenants

- 23.1 Former tenant arrears refer to rent arrears left by a tenant whose tenancy has ended, and they no longer live in their home. It applies to all former tenant accounts including

rent arrears, court cost, garage rent arrears, non-secure arrears, rechargeable arrears, and occupation charges.

- 23.2 Collection of former tenant arrears is important to the council. Any debts owed to the council greatly reduce the level of service we can provide to our tenants. We will be proactive in collecting former tenant arrears using a range of methods in a flexible, but fair and consistent way. We will use the methods which are considered to be the most effective on a case-by-case basis and that deliver value for money.

24. Former Tenant Debt Collection

Debt Collection Agency (DCA)

- 24.1 The council may use a DCA when we have been unsuccessful in collection or tracing the former tenant. The DCA will return the case after 3 months if no arrangement has been made.
- 24.2 If the case is returned by the DCA due to unsuccessful trace we will continue to do in-house tracing for the next year.

Court Action

- 24.3 We may begin court action where we have taken reasonable action to collect the debt, but this has been unsuccessful, and we feel court action will be effective. We will always inform the former tenant of our intention before beginning court action.

25. Repayment Arrangements

Discounts

- 25.1 The officer may offer a discount to help the former tenant clear their debt quickly and as one lump sum. A discount is only offered for debts over £200 and once an affordability assessment has been completed.

26. When to Write-Off Debts

- 26.1 All write offs will be conducted in accordance with our Corporate Debt Policy.

27. Disputes

- 27.1 The council will seek to resolve any disputes about the amount of former tenant arrears in a prompt and fair manner.
- 27.2 When disputing the amount of former tenant arrears owed, it is the former tenant's responsibility to provide evidence to support their claim, such as receipts proving the rent they have paid.

28. Former Tenant Credits

- 28.1 For up to six years after a tenant leaves their property with any size of credit on their account, we will make regular attempts to try and return this to the former tenant or Next of Kin. After six years we will not proactively attempt to return this, but if a former tenant or Next of Kin contacts us and requests repayment of this amount, we will re-pay this amount in full (minus any other money owed to us e.g. for rechargeable repairs).
- 28.2 If despite our attempts the former tenant credit is unclaimed after 6 years, the time for suing the council for this sum will have expired and the council will 'write-on' these amounts back into our budgets.

29. Review of Decision and Complaints

- 29.1 Any tenant who is not satisfied with the manner in which the council or its contractor(s) has dealt with the service they have received regarding the Income Team Service has the right to have their case investigated. The tenant must submit their request for a review of the decision in writing which will be dealt with by an appropriate manager who was not involved in making the original decision. The request should be addressed to:

The Housing Manager
Oadby & Wigston Borough Council
Brocks Hill Council Offices
Washbrook Lane
Oadby
Leicestershire
LE2 5JJ

- 29.2 If a tenant remains unsatisfied with the decision or the way in which their case has been handled, then a complaint should be made through the Council's Compliment, Comment and Complaints procedure. Tenants can make a complaint in the following ways:

- Online - www.oadby-wigston.gov.uk
- Telephone - 0116 288 8961
- Email - csc@oadby-wigston.gov.uk
- Letter – Brocks Hill Council Offices, Washbrook Lane, Oadby, Leicestershire, LE2 5JJ

- 29.3 Any tenant can bring a complaint to the Housing Ombudsman Service for investigation if they have completed our complaint process and the issues have not been resolved. For further information please visit:

<https://www.housing-ombudsman.org.uk/residents/when-to-get-help-from-the-housing-ombudsman/>

30. Monitoring

- 30.1 Oadby & Wigston Borough Council are committed to operating a successful rent collection service.
- 30.2 The Income Team will monitor arrears cases regularly, identify the source of arrears and take action as appropriate and in accordance with the Rent Arrears Recovery Procedure.
- 30.3 We will regularly review our policy, procedures, and correspondence.