

Income Recovery and Arrears Policy

Document ID:	LAN-POL-1009					
Executive Lead (Owner):	Executive Director of Customer Service					
Author (Leadership Team member):	Director of Customer Service					
Which Strategy does this support?	Landlord Strategy					
Review frequency:	Every 3 years	<input checked="" type="checkbox"/>	Other (state period)			
Date created:	December 2017					
Previous review date:	March 2024					
Review date:	May 2025					
Next review:	March 2027					
Current status:	Draft	<input type="checkbox"/>	Final	<input checked="" type="checkbox"/>		
IMPACT ASSESSMENTS						
Equality Impact Assessment						
STAGE 1 completed?	STAGE 2 required?	No	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>		If not required, state reason:				
Customer Impact Assessment						
1) Is this one of the agreed policies requiring resident consultation? Please refer to: Our policies - Settle		Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	
2) If yes, please confirm resident consultation has taken place		<input checked="" type="checkbox"/>	Briefly detail changes arising from resident feedback: (NOTE: CIA carried out March 2024. This review was to move to the new template only.)			
APPROVAL						
Approval journey:	Executive Team	Committee				Board
		ARC	DAC	Ops	NRC	
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Date approved:	29/05/25					
Which Regulatory Standard does this Policy support?	Economic					
	Governance & Viability	Rent			Value for Money	
	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
	Consumer					
	Neighbourhood & Community	Safety & Quality	Tenancy	Transparency, Influence & Accountability		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Associated legislation	<ul style="list-style-type: none"> The White Paper for social housing Housing Act 1985 					

	<ul style="list-style-type: none"> • Housing Act 1988 • Civil Procedure Rules Pre-Action Protocol for Possession Claims for Rent Arrears • FCA Financial regulations • Landlord and Tenant Act 1985 • Commonhold and Leasehold Reform Act 2002 • Welfare Reform and Work Act 2016 • Regulator of Social Housing Rent Standard • Debt Respite Scheme May 2021 known as “Breathing Space”
Associated procedures	<ul style="list-style-type: none"> • Arrears procedure • Former tenant arrears procedure • Insolvency & breathing space guidance and procedure • Money advice procedure
Does this policy contain delegated authority?	N/A

Income Recovery and Arrears Policy

Introduction

Our purpose is to give residents a firm foundation on which to build their lives. Our vision is a safe, comfortable, and affordable home for every household.

This policy is aligned to our Landlord Strategy and sets out our approach for supporting residents who fall into arrears and the steps taken to recover income.

Purpose

We take a supportive and preventive approach to arrears management when residents are unable to pay their rent or other charges, with increased emphasis on supporting those residents suffering in the cost-of-living crisis.

We understand that if a resident falls into arrears, this can have an adverse impact on their wellbeing. We will support residents to avoid arrears building up by providing advice and guidance; where extra help is required, we can offer 'settle plus'. This focuses on offering financial support tailored to individual needs and is provided directly by us, or by connecting them to a partner organisation.

Rent and service charges form the largest proportion of our income, so we need to balance our approach with making collection of these charges a priority for the business. We need to maximise this income so that we can continue to provide good quality landlord services to all our residents.

This policy aims to ensure accounts that fall into arrears are managed in accordance with relevant legislation and the terms of tenancy agreements.

Scope

This policy sets out our responsibilities and approach to managing arrears to ensure residents and colleagues are clear on the obligations and expectations.

It applies to all residents living in a Settle home. In the case of joint tenancies, both parties are liable for rent and arrears.

All Settle colleagues will use this policy, but predominately those in Neighbourhood Services, including the Customer Hub and Neighbourhood Income team.

Colleagues are expected to manage cases in line with the relevant policy and procedures, as well as legislative and statutory requirements, including the pre-action protocol contained in the civil procedure rules. Colleagues should ensure effective case management, and that legal action is a last resort only when appropriate and proportionate to do so.

Section 2 – Policy

2.1 Policy Principles

We will:

- Recover all debts where possible, including but not limited to, rent, recharges and former tenant arrears.
- Prioritise working with residents to prevent and reduce arrears.
- Focus on early intervention/prevention to reduce arrears levels.
- Make sure that payment agreements with residents are affordable.
- Use various and preferred methods of communication, including text, phone, email, letter and visits.
- Consider when a resident may need additional support from us, including when to offer Settle plus (this is how we support residents who are struggling with their financial situation, such as issuing vouchers for food or energy and making referrals to other organisations).
- Make referrals for specialist support where appropriate, including to our internal tenancy support and money advice teams.
- Take a fair and consistent approach when progressing legal action, using the mandatory ground for possession only in exceptional circumstances and eviction as a last resort.
- Take a pro-active approach to monitoring arrears and intervene early to support residents where a change in circumstances could impact their rent account.
- Minimise resident debt to help sustain tenancies, maintaining performance under arrears target.
- Maximise income collection to support delivery of good quality landlord services.
- Provide easy to use automated services for transactional activity.
- Support residents to minimise debt and stay in their homes through partnership working, both internally and through referrals to relevant partners.
- Use specific plans to help migration to Universal Credit.
- Promote direct debits as the most popular and preferred payment method of choice.
- Make use of all available remedies in order to manage and reduce rent arrears, including direct payments from benefits.

2.2 Policy Detail and Outcome

Policy expectations:

- Use predictive indicators to devise an early intervention plan, to reduce the likelihood of arrears and minimise evictions.
- Complete affordability checks for all new affordable rented homes and any resident mutually exchanging to an affordable rent, or where under occupying.
- Support residents in the “Debt Respite Scheme” (commonly known as “Breathing Space”) with the time to receive debt advice and comply with our obligations in this period.
- Increase the number of advanced payments and direct debits set up.
- Increase referrals for internal support from Settle plus, tenancy support and money advice.
- Provide easy to use automated services for transactional activity.
- Increase the number of portal sign-ups and online payments through increased promotion of benefits.
- Training that supports continuous improvement of colleagues working with residents on income.
- Communication with residents is based on their needs and preferences wherever possible, including, but not limited to, language translation, large print and braille.

- All communication with residents is logged clearly and accurately within the housing management system.
- Strong relationships with local authorities and other relevant external partners to prevent and reduce homelessness.
- Enable residents to maximise their income and sustain their tenancies by providing timely and appropriate advice / support at every opportunity.

Desired outcomes:

- Annual rent arrears percentage target achieved <2.8% for general needs.
- Reduction in overall rent arrears and average arrears for Universal Credit claimants.
- Reduce homelessness numbers through reduced number of evictions.
- Resident feedback has a demonstrable impact on improvements to the service.
- Higher levels of support and engagement from external agencies supporting residents to reduce arrears.
- The use of automation increases the capacity for the team to support residents who need us most.
- Increase use of direct debit from current position of 40% and the number of residents paying by direct debit by 4% annually.
- Increase portal sign up numbers from current position of 6000 residents.
- Increase number of referrals for advice on benefits.
- Increased number of residents using self-serve, with a 5% decrease in inbound calls relating to rent related queries.
- Minimal number of evictions, only taking legal action where absolutely necessary.

Section 3 – Roles and responsibilities

3.1 Key Roles and Responsibilities

This policy is intended for all Settle residents and colleagues.

Settle's Executive Director of Customer Services has strategic oversight of this policy as the policy owner and is responsible for conducting a review every 3 years, or sooner should there be a material change or if a more frequent review is required.

The Operations Committee, which operates under the jurisdiction of the Board, is responsible for approving and monitoring this policy.

Section 4 – Compliance and Enforcement

4.1 Compliance

An Equality Impact Assessment (EqIA) has been conducted and the findings considered in developing this policy. We are committed to doing as much as is practically possible to enable all residents to access and understand our services.

Compliance of this policy will be monitored and enforced through regular case reviews conducted by appropriate managers.

We will also monitor feedback from residents, including complaints ensuring that we are continuing to improve the services and support we offer to all residents.

As part of this policy review, we gained feedback from residents through our settle voice platform. We received a lot of positive feedback from residents who said the policy is clear, easy to understand and the supportive elements were apparent. One particular point that residents raised was that whilst performance indicators were clear and understandable, we could increase the target for % of residents paying via direct debit. Therefore, we have reviewed this and set a slightly higher target of 4% annually.

Section 5 – Related Policies, Procedures and Key Documents

Related Policies

Rent setting policy
Service charge policy
Affordability policy
Lettings policy
Tenancy policy
Vulnerable residents policy
Safeguarding policies
Leasehold policy
Shared ownership policy

Related Procedures

Arrears procedure
Former tenant arrears procedure
Insolvency & breathing space guidance and procedure
Money advice procedure

Key Documents

Landlord strategy

Section 6 – Review, Approval, Publication

6.1 Review and Approval

This Policy will be reviewed every 3 years, or sooner should there be a material change or if a more frequent review is required.

Section 7 – Document Control

Document Name	Income Recovery and Arrears Policy
Approval Date	29/05/25
Approved By	Executive Director of Customer Services
Version Number	1.0
Version History	December 2017

	March 2024
	May 2025

IMPACT ASSESSMENT EVIDENCE					
EQUALITY IMPACT ASSESSMENT ATTACHED		Stage 1		Stage 2	
		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
CUSTOMER IMPACT ASSESSMENT Resident feedback		Attached <input type="checkbox"/>		N/A <input checked="" type="checkbox"/>	
PUBLISHING REQUIREMENTS					
INTERNALLY	<input checked="" type="checkbox"/>	WEBSITE	<input checked="" type="checkbox"/>	SETTLE CONNECT	<input type="checkbox"/>

OFFICE USE ONLY	
RELEVANT 'APPROVAL LOGO' ADDED TO COVER	<input type="checkbox"/>
Keywords for search function	