



# Income Management Policy

|                                           |                                                                  |
|-------------------------------------------|------------------------------------------------------------------|
| Lead officer                              | Darren Smith                                                     |
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## Glossary / Definitions

## 1. Scope

Solihull Community Housing (SCH) manages and maintains council homes and delivers housing services on behalf of Solihull Metropolitan Borough Council (SMBC). Although SCH provides day-to-day housing services, the Council remains the owner of the housing stock and is your landlord. The Council retains the responsibility for ensuring your home is managed in line with the customer standards.

This policy sets out the approach of SMBC and SCH to managing income from rent and service charges. It aims to ensure effective collection, support for tenants in financial difficulty, and compliance with relevant legislation and regulatory standards.

The policy applies to all tenants and licensees of Solihull MBC (SMBC) and Solihull Community Housing (SCH), including general needs, temporary accommodation, garage accounts etc.

This policy will affect all tenants and customers of Solihull MBC and SCH, SMBC and SCH shared owners and SMBC Leaseholders.

## 2. Definition

The Income Management Policy is to maximise income and minimise the level of rent arrears in a sensitive but effective manner.

## 3. Legal and Regulatory Framework

This policy is informed by:

- The Rent Arrears Pre-Action Protocol (Civil Procedure Rules)
- Protection from Eviction Act 1977
- The Housing Act 1980
- The Housing Act 1985 (as amended)
- Housing Act 1996
- Data Protection Act 1998
- Housing and Regeneration Act 2008
- Equalities Act 2010
- Localism Act 2011
- Welfare Reform & Work Act 2016
- Housing & Planning Act 2016
- Data Protection Act 2018
- UK General Data Protection Regulation (UK GDPR)
- Regulator of Social Housing's Consumer Standards (e.g Tenancy Standard)
- Renters Reform Act 2024

## 4. Equalities Statement

A Fair Treatment Assessment has been carried out in relation to this policy. We believe that providing secure tenancies for most general needs tenants offers important reassurance and peace of mind to both current and prospective council tenants. This policy is considered to have a positive impact on equality and fairness, supporting our commitment to inclusive service delivery and tenancy sustainment

## 5. Policy Detail

### 5.1 Tenants and Landlord Responsibilities

- 5.1.1 The term *tenant* refers to both sole and joint tenants.
- 5.1.2 Where two or more individuals have signed the Tenancy Agreement, they are **jointly and severally liable** for the payment of rent. This means each tenant is individually responsible for the full rent amount and any arrears. SCH will not apportion the debt between tenants.
- 5.1.3 Tenants are required, under the terms of their Tenancy Agreement, to pay rent in full and on time. Tenants must inform SCH promptly of any changes in their circumstances that may affect their ability to make payments.
- 5.1.4 Homeless customers placed in Temporary Accommodation who are liable for fees and charges will be supported by SCH's Home Options & Money Advice Teams. Support includes assistance with Housing Costs, budgeting advice, and affordability assessments where applicable.

### 5.2 Methods of Payment

SCH offers a range of convenient options for tenants to pay their rent:

- **Direct Debit**  
Payments can be arranged weekly, fortnightly, or monthly. Each year, Solihull Metropolitan Borough Council (SMBC) sets new rent charges. Once agreed, SCH is legally required to notify tenants of any changes to contractual payments in the prescribed format.
- **Kiosk**  
A digital kiosk machine is available at Solihull Connect offices and accepts payments by cash or debit card. Opening hours are displayed at each location.
- **Standing Order**  
Tenants may set up a standing order through their bank. It is the tenant's responsibility to update their bank with any changes to payment amounts. Payments should be made to:  
  
**Solihull MBC Barclays Account**  
 Account Number: **20286079**  
 Sort Code: **20-07-71**  
 Include your **9-digit rent payment reference number** to ensure payments are correctly allocated.
- **Telephone**  
Payments can be made by credit or debit card via:
  - SCH Contact Centre: **0121 717 1515**
  - 24-hour automated service: **0300 456 0502**  
(Available 7 days a week)  
Your 9-digit rent payment reference number is required.
- **Internet**  
Online payments can be made by credit or debit card through:
  - SCH's external website
  - Solihull Council's website  
(Available 24/7)  
Your 9-digit rent payment reference number is required.

- **Post Office**  
Payments can be made by cash or card at any Post Office.
- **PayPoint** and **PayZone**  
Payments can be made by cash or card at any PayPoint or PayZone outlet.

### 5.2.1 Direct Debit Incentives and Conditions

- Tenants are encouraged to set up a Direct Debit for their housing account payments, as this is the most efficient and reliable method.
- Paying by Direct Debit helps tenants manage their finances more effectively and ensures that priority debts, such as rent, are paid regularly. Tenants who pay by Direct Debit are automatically entered into SCH's prize draws.
- If a tenant in rent arrears wins a Quarterly or Annual Prize Draw and has maintained a payment arrangement, 50% of the prize value will be used to offset their outstanding debt.
- If a Direct Debit has been recalled on two occasions, SCH will cancel the Direct Debit to prevent the tenant from incurring potential bank charges in addition to their rent obligations.

## 5.3 Prevention of Rent Arrears

- 5.3.1 At the start of a tenancy, SCH ensures all prospective tenants go through the Introductory Process. Every effort is made to inform customers of all housing costs and service charges associated with their home. Where support needs are identified, tenants will be helped or signposted to appropriate services.
- 5.3.2 Tenants are advised that help and guidance on money management is available through SCH's Money Advice Team and external partners such as the Citizens Advice Bureau (CAB). This includes support with Universal Credit and other welfare benefits.
- 5.3.3 During the tenancy sign-up, tenants receive a copy of the Tenancy Terms and Conditions and are reminded of their responsibility to pay rent and any applicable service charges. SCH ensures tenants understand the potential consequences of non-payment.
- 5.3.4 Tenants are provided with details of the Direct Debit incentive scheme and informed of all available payment options.

## 5.4 Assessment, Support and Liaison with Other Agencies

- 5.4.1 SCH will support tenants whose accounts fall into arrears by helping them establish an affordable repayment arrangement. Tenants will be encouraged to maintain regular payments to reduce arrears and sustain their tenancy.
- 5.4.2 During the assessment process, SCH will identify potential sources of support, which may include:
  - Family or household members
  - Appointees or individuals with Power of Attorney
  - Friends or informal carers
  - Social Services
  - SMBC Income & Awards Team
  - SCH Money Advice Team
  - Citizens Advice Bureau (CAB)
  - Floating Support Teams
  - Any other appropriate agency or service

- 5.4.3 SCH recognises that factors such as Under Occupation, Universal Credit, and Council Tax charges can significantly impact a tenant's financial situation. Support is available for tenants affected by these issues, including referrals to:
- SMBC's Financial Inclusion Team
  - SCH's Money Advice Team

## 5.5 Arrears Recovery

- 5.5.1 SCH is committed to recovering rent arrears in a fair, proportionate, and consistent manner, while supporting tenants to sustain their tenancies.
- 5.5.2 Arrears recovery begins with early intervention. SCH will contact tenants promptly when arrears are identified, using letters, phone calls, digital means such as text or WhatsApp messages, emails, and home visits to engage and offer support.
- 5.5.3 Tenants will be encouraged to enter into a realistic and affordable repayment agreement. Where agreements are maintained, SCH will avoid further enforcement action.
- 5.5.4 If a tenant fails to engage or maintain an agreement, SCH will escalate recovery action in line with its arrear's procedure. This may include:
- Issuing formal warning letters
  - Sending text/WhatsApp messages
  - Other means of digital communication
  - Serving a Notice of seeking Termination – Fixed Term Tenancies only (NoST)
  - Serving a Notice of Seeking Possession (NoSP)
  - Serving a Notice of Possession Proceedings (NoPP)
  - Notice of Forfeiture – Fixed-Term Tenancy (under Section 146 of the Law of Property Act 1925)
  - Notice to Quit – Temporary Accommodation (for homeless customers with persistent non-payment)
  - Applying to court for possession
  - Seeking a Possession Order/Suspended Possession Order or Money Judgment
- 5.5.5 Legal action is considered a last resort and will only be pursued when all other avenues of engagement and support have been exhausted.
- 5.5.6 SCH will continue to offer support throughout the arrear's recovery process, including referrals to internal and external agencies, and will consider individual circumstances such as vulnerability, disability, or financial hardship.
- 5.5.7 All recovery actions will be documented and monitored to ensure transparency, accountability, and compliance with legal and regulatory standards.

## 5.6 Early Action

- 5.6.1 Throughout the arrears recovery process, SCH staff will check all cases for potential entitlement to Housing Benefit (HB) or Universal Credit (UC) Housing Costs Element. Where appropriate, tenants will be supported to make applications or signposted to relevant advice services.
- 5.6.2 If HB or UC is pending, SCH may pause recovery action depending on individual circumstances, including:
- Pre-existing arrears
  - Payment history
  - Level of tenant engagement

- 5.6.3 When a tenant applies for UC, SCH receives notification via the DWP Landlord Portal to verify housing costs. While the DWP allows up to 5 working days for verification, SCH will complete this within 3 working days to avoid delays in the tenant's UC entitlement.
- 5.6.4 SCH will request a Managed Payment (MP) of housing costs directly from the DWP if the tenant has requested this and meets the eligibility criteria. This helps sustain tenancies by ensuring rent is paid directly.
- 5.6.5 SCH will make every effort to contact tenants early in the arrears process to prevent debts from becoming unmanageable.
- 5.6.6 Arrears control and recovery action will be initiated as soon as an account falls into arrears.
- 5.6.7 Where a tenant owes 8 weeks or more of unpaid rent, SCH may request Third Party Deductions from the tenant's UC personal allowance via the DWP portal, provided the tenant has given consent in line with DWP protocol.
- 5.6.8 SCH uses analytical software provided by a third party to prioritise weekly arrears recovery work schedules, ensuring efficient and targeted action.
- 5.6.9 Detailed procedures for income management and arrears recovery ensure that each case is regularly monitored, and appropriate action is taken.
- 5.6.10 Tenants in arrears will be contacted through various methods including:
- Telephone
  - Text message
  - Home visits
  - Face-to-face interviews (by appointment)
  - Email
  - Letter
- 5.6.11 SCH will maintain a comprehensive record of all actions taken and contact made with tenants in arrears to ensure transparency and accountability

## 5.7 Serious and/or Persistent Arrears Action

- 5.7.1 Where rent or arrears payments are not made regularly, or a payment arrangement is broken, SCH will serve the appropriate legal notice, depending on the tenant's tenure type. Examples include (but are not limited to):
- Notice of Possession Proceedings – Introductory Tenancy
  - Notice of Seeking Possession – Secure Tenancy
  - Notice of Seeking Termination – Fixed-Term Tenancy
  - Notice of Forfeiture – Fixed-Term Tenancy (under Section 146 of the Law of Property Act 1925)
  - Notice to Quit – Temporary Accommodation (for homeless customers with persistent non-payment)
- Following the expiry of the notice period, SCH will initiate County Court possession proceedings. A money judgment for outstanding rent and associated costs will also be requested for all court applications.
- 5.7.2 The Court may issue one of the following outcomes:
- Outright Possession Order
  - Suspended Possession Order – allowing time for arrears repayment
  - Money Judgment – for the total amount owed

- 5.7.3 Where legal action incurs costs, these will be recharged to the tenant and added to a sub-account on their rent account. Court costs can significantly increase the overall debt. Court Orders remain active until all associated costs are paid in full. SCH will not initiate court proceedings where the debt is less than the court costs.
- 5.7.4 Eviction will only be considered as a last resort, after all other recovery options have failed. Prior to applying for a warrant of eviction, SCH staff must present the case to the Eviction Prevention Panel for review.
- 5.7.5 SCH will offer support and advice to help prevent eviction, including referrals and signposting to appropriate services.
- 5.7.6 Tenants will be advised on accessing benefits and referred to SCH's Money Advice Team where appropriate. If eviction is likely, SCH will provide guidance on housing options and the implications of homelessness.
- 5.7.7 If a tenant defaults on a Court Order, SCH will contact them to encourage compliance and offer support to avoid further enforcement action.
- 5.7.8 In the event of eviction, the tenant remains liable for the full rent arrears and court costs.
- 5.7.9 Where no current rent arrears exist but debts remain in the sub-account (e.g. rechargeable repairs), SCH may pursue recovery through the Small Claims Court.
- 5.7.10 Tenants with significant debt may seek specialist advice and apply to the Insolvency Service for:
- Breathing Space
  - Debt Relief Order (DRO)
  - Bankruptcy Order
- Rent arrears included in a DRO or Bankruptcy Order cannot be recovered and are subject to write-off provisions. However, SCH may still seek possession of the property. Any rent arrears listed in insolvency proceedings cannot be included in a possession order.

## 5.8 Provision of Rent Account Statements

- 5.8.1 Tenants in arrears will receive quarterly rent statements in line with the requirements of the Pre-Action Protocol for Possession Claims.
- 5.8.2 If a tenant requests more frequent statements or prefers to receive them via email or another method, SCH will accommodate these requests wherever reasonable, considering overall demand and cost implications. One-off statements will also be provided upon request.
- 5.8.3 Each rent account statement will include the following information:
- Tenant's name and address
  - Transaction details for each collection week, including:
    - Rent charged
    - Housing Benefit entitlement
    - Rent paid
    - Any adjustments made
  - Balance at the end of each collection week and total indebtedness

## 5.9 Equality and Diversity

SCH is committed to ensuring equal and fair access to its services. We recognise and respect the individual needs of tenants, their families, and others living with them. Throughout the income collection process, SCH will make reasonable adjustments where necessary and treat all individuals with dignity and respect.

This policy has undergone a Fair Treatment Assessment to evaluate its impact on different groups within the community. This ensures that services are inclusive, accessible, and mitigate any potential adverse effects, in line with legislative requirements.

- 5.9.1 A sensitive approach will be taken when recovering rent arrears from tenants who are deemed vulnerable, as defined by the Equality Act 2010.
- 5.9.2 Additional support will be provided to tenants who do not have English as a first language and may require help understanding their rent obligations.
- 5.9.3 SCH officers may identify further vulnerabilities or support needs, which will be addressed by working with appropriate support agencies.
- 5.9.4 SCH will recognise legitimate arrangements where a third party accepts responsibility to help a vulnerable tenant meet their rent obligations.
- 5.9.5 Enforcement action may still be pursued where support needs have been identified but the tenant fails to engage with their support plan.
- 5.9.6 SCH will have regard to safeguarding responsibilities, promoting the welfare of children and vulnerable adults during all income collection activities.

## 6. Links to Other Policies

The Income Management Policy is a key document supporting the effective management of income within the Housing Revenue Account. It is closely aligned with a range of strategic plans and operational policies that guide housing services delivery. These include, but are not limited to:

- SCH 5-Year Delivery Plan
- Homelessness Strategy
- Former Tenancy Arrears and Credits Policy
- SMBC Tenancy Policy
- Allocations Scheme
- Equality and Diversity Policy
- Complaints Policy
- Tenancy and Estate Management Policies

These links ensure that income management is integrated with wider housing objectives, including tenancy sustainment, financial inclusion, and customer service excellence.

## 7. Key Roles and Responsibilities

| Role                                     | Responsibilities                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SCH Board                                | <ul style="list-style-type: none"> <li>Responsible for delegating approval of this policy to Executive Team.</li> <li>Ensuring residents' voices are heard.</li> </ul>                                                                                                                                                                                                                                                                                                    |
| Chief Executive                          | <ul style="list-style-type: none"> <li>Responsible for approving this policy and overseeing compliance with this policy</li> </ul>                                                                                                                                                                                                                                                                                                                                        |
| ELT                                      | <ul style="list-style-type: none"> <li>Overall responsibility for the implementation of this policy and ensuring that adequate resources are made available to enable the policy objectives to be met.</li> <li>To ensure that appropriately qualified and suitably experienced people are employed to implement this policy.</li> </ul>                                                                                                                                  |
| Income Services Manager                  | <ul style="list-style-type: none"> <li>Responsible for overseeing the operational delivery and service quality of mutual exchange applications and reviewing regularly the appropriateness and reasonableness of the appeal and mutual exchange decisions.</li> <li>Responsible for the implementation of this policy; management of the Income Services Team in applying the policy.</li> </ul>                                                                          |
| Income Services team Leader/Line Manager | <ul style="list-style-type: none"> <li>Responsible for ensuring compliance with this policy, the management of the Income Services Team in the application of the processes for Income Collection and adhering to the legal parameters and legal framework.</li> </ul>                                                                                                                                                                                                    |
| Income Officers                          | <ul style="list-style-type: none"> <li>Responsible for the collection of all income outlined in the policy, while adhering to Civil Procedure Rules of enforcement where necessary.</li> <li>Responsible for ensuring compliance with this policy.</li> </ul>                                                                                                                                                                                                             |
| Income Service Assistants.               | <ul style="list-style-type: none"> <li>Responsible for supporting Income Officers in processing the Income Collection Process. Ensuring tenancy records are updated on our software systems and any appropriate documents are properly completed and signed.</li> <li>Responsible for receiving and dealing with general enquiries about mutual exchange applications and transferring residents to Neighbourhood Officers for further information and support</li> </ul> |

### 7.1 Monitoring & Review

Performance against Key Performance Indicators (KPIs) will be reported regularly to the Executive Leadership Team, SCH Board, and Solihull Metropolitan Borough Council.

The policy will be monitored by Income Services Team Leaders, Line Managers, and the Income Services Manager to ensure consistent application and effectiveness.

This policy will be reviewed every two years by the Income Services Manager, unless earlier review is required due to:

- Significant changes in legislation or regulation
- Updates to good practice or sector guidance
- Outcomes from incident reviews or Ombudsman determinations

Approved documents remain valid from their approval date and will continue to be in force beyond their review date until a new version is formally adopted.

## 7.2 Measuring Performance

Rent collection is a vital indicator of the financial viability of the Housing Revenue Account. Performance is monitored through SCH's Housing Operations Committees, Executive Leadership Team, Board, and Solihull Metropolitan Borough Council.

SCH aims to keep rent arrears within acceptable levels, as defined in the Housing Performance Framework, with a long-term goal of reducing arrears year-on-year.

Weekly arrears figures are provided to housing management staff to enable:

- Progress tracking
- Early identification of trends
- Prompt intervention

Current year performance is monitored against previous years to identify areas for improvement and inform service delivery.

A range of operational reports and performance measures are available to staff to support effective arrears management and decision-making.

## 8. Complaints and Review Process

SCH is committed to delivering a fair and transparent service. If a customer is dissatisfied with how their case has been handled, they may raise a complaint through our formal Complaints Procedure.

Details of the Complaints Procedure are available on the SCH website and can be requested via SCH offices or customer service channels.

## Glossary / Definitions

Throughout this policy, certain terms may be unfamiliar to some readers. The following definitions are provided to aid understanding:

- Benefits – Financial support provided by the government to individuals based on their circumstances.
- Welfare Reforms – Changes introduced under the Welfare Reform Act 2011, affecting how benefits are administered and received.
- Social Sector Size Criteria – Also known as the "bedroom tax," this refers to a reduction in Housing Benefit or Universal Credit Housing Costs for tenants deemed to be under-occupying their home. Deductions are typically 14% or 25%, depending on the number of spare bedrooms.
- Debt Relief Order (DRO) – An alternative to bankruptcy for individuals with low income and minimal assets. A DRO includes a 12-month suspension period during which creditors cannot take enforcement action. After this period, qualifying debts are discharged.
- Eviction – The legal process by which a tenant is required to leave a property following a possession order issued by the court. If the tenant does not leave by the specified date, a court bailiff will enforce the eviction.
- Money Judgment – A County Court Judgment (CCJ) requiring a tenant to repay rent arrears, even if they no longer reside at the property.
- Possession Order – A court order requiring all occupants to vacate the property and remove personal belongings by a specified date.