

# Income and Debt Recovery Policy

May 2025

<b>Date</b>	May 2025
<b>Planned Review Date</b>	May 2028
<b>Reactive Review Date &amp; Reason</b>	
<b>Revised Review Date</b>	
<b>Author (Job Title)</b>	Director of Operations
<b>Service Director (Job Title)</b>	Director of Operations
<b>Directorate</b>	Customer Services

### Policy Review History

<b>Version</b>	<b>Action &amp; Changes</b>	<b>Author</b>	<b>Date</b>
1	<p>Policy Review August 2021</p> <ul style="list-style-type: none"> <li>• Reference Material updated</li> <li>• Updated definitions to include current and former rent arrears to include all liabilities for rent and service charges.</li> <li>• Updated outsourced stock definition to outsourced providers.</li> <li>• Section 4.2 updated to reflect the new tenancy support model.</li> <li>• 4.7 updated to reflect that tenants can review their account online through My Thirteen.</li> <li>• 4.8 updated to reflect that payment method available can be viewed on our website.</li> <li>• 4.9.4 updated to reflect our new partnership status.</li> <li>• 4.9.6 updated to non-essential repairs or services and removed non-urgent.</li> <li>• 4.9.7 Money Advice team removed to reflect the new ways of working and replaced with tenancy support team.</li> <li>• 4.10.4 Updated to remove ground 12 and information regarding breathing space included.</li> <li>• New section added to 4.14 added at point 4.14.2 To include where a tenant is in credit</li> </ul>	CM/CS/DC	Aug 21

	<p>and owes a debt to the local authority or DWP.</p> <ul style="list-style-type: none"> <li>Policy Responsibility changed to: Chris Marshall, Head of Housing Services. Lead Manager Changed to Caroline Speirs, Head of Finance (Income).</li> </ul>		
2	<p>Policy Review September 2022</p> <ul style="list-style-type: none"> <li>Point 4.14.5 credit write on updated to be carried out after 6 years previously stated 18 months, updated in line with audit requirements.</li> <li>Point 4.10.3 changed from will serve section 21 to may serve section 21.</li> </ul>	CG / CM	Sept 2022
3	Moved policy into new template and completed 3-year fundamental review.	KG	May 2025

## Governance Information

<b>Equality and Diversity</b>	A comprehensive Equality Needs and Impact Assessment has been carried out in partnership with the Compliance Leader. This policy has not been found to be discriminatory towards any party.
<b>Customer Involvement and Consultation</b>	<p>Stakeholders who were instrumental in developing the Income Management and Debt Recovery Strategy were pivotal in developing the policy.</p> <p>The policy was also shared with other working groups and discussed during a wide range of corporate team meetings when first drafted and will be shared with tenant representative groups on a regular basis.</p>
<b>Environmental Sustainability</b>	An Environmental Impact Assessment has been carried. No environmental issues have been identified.
<b>Monitoring and Review</b>	This policy will be reviewed every three years from the approval date, or in-line with impacting corporate, legislative, or regulatory change requirements.
<b>Responsibility</b>	

## Relevant Regulations

<b>Regulation / Consumer Standard</b>	<b>Code of Practice</b>	<b>Policy section</b>
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<b>Regulator of Social Housing Tenancy Standard</b>	Registered providers must provide services that support tenants to maintain their tenancy or licence and prevent unnecessary evictions.	3.64
<b>Regulator of Social Housing Transparency, Influence and Accountability Standard</b>	Registered providers must treat all tenants with fairness and respect.	5.
	Registered providers must provide tenants with information about the: a) available landlord services, how to access those services, and the standards of service tenants can expect b) standards of safety and quality tenants can expect homes and communal areas to meet c) rents and service charges that are payable by tenants d) responsibilities of the registered provider and the tenant for maintaining homes, communal areas, shared spaces and neighbourhoods.	3.2. 3.6.7
	Registered providers must give tenants a wide range of meaningful opportunities to influence and scrutinise their landlord's strategies, policies and services.	3.9.2

## 1 REFERENCE MATERIAL.

1.1 The key areas legislation relating to this policy are:

- Welfare Reform Act 2012
- Housing Act 1988
- Protection from Eviction Act 1977
- Data Protection Act 2018
- Equality Act 2010
- Insolvency Act 1986

## 2 WHY WE NEED THIS POLICY

2.1 To operate an efficient and effective business to the benefit of our customers and colleagues and their diverse needs whilst meeting our legal and regulatory requirements.

2.2 To set out our approach for maximising income, preventing and managing debt and highlighting the support available to customers through a range of internal interventions or signposting to Thirteen partners.

2.3 To deliver an efficient and effective approach to income management and debt recovery;

2.4 To deliver a fair and consistent approach that reflects a commitment to creating sustainable tenancies and which balances prevention support and recovery;

- 2.5 To ensure that a value for money approach is embedded;
- 2.6 To continually strive to understand and improve our performance;
- 2.7 To ensure colleagues and customers are aware of the policy and understand its aims.

### **3 HOW WE DO THIS**

- 3.1 All colleagues are provided with the right skills, capacity, and resources to deal with rent, and debt recovery. Sufficient time, capacity and resources will be committed to ensure income is collected consistently and effectively.
- 3.2 We provide accessible and accountable services to assist customers in various ways to pay any money owed. This includes direct debit, bank transfer, standing order, card payment via telephone, recurring card payments, online via the self-service portal (Paypoint), We also offer face to face support to show customer how to utilise any of our electronic payment methods.
- 3.3 Tenants are informed of changes to rent and other charges at least one month before these changes become effective. Tenants are informed each year on how much their rent and charges will be and how many weeks this will be charged across.
- 3.4 On termination of a tenancy the outgoing tenant will be advised of any outstanding rent and settlement will be required.
- 3.5 Tenants who have signed up for My Thirteen can view their rent statement and payments online or upon request.

#### **3.6 Approach to Income Management and Support**

- 3.6.1 We are committed to help tenants to maintain a tenancy balanced by prevention, support, and debt recovery through a rent-first culture.
- 3.6.2 All new tenants are supported, with a robust pre-allocation, affordability and vulnerability checks and procedures and a formal discussion at the sign-up stage will clarify tenant responsibilities regarding;
  - Rent and other payments are being made consistently and regularly.
  - Rent is payable in advance.
  - Housing Benefit or Universal Credit is in payment.
  - An assessment of customers' income and a calculation of benefit entitlement.
  - Highlighting that whilst support will be provided, non-payment of rent is taken very seriously, and could lead to them losing their home.
- 3.6.3 Where required, applications for tenants' housing costs to be paid directly to the landlord will be made via an Alternative Payment Arrangement and for debt payments to be collected via Third Party Deductions.

- 3.6.4 We provide a range of tenancy support services, both in-house and through partnership working, which cover money and financial inclusion advice and employment support. We also provide additional support to customers through the Landlord discretionary housing fund (LDHF) if applicable. We can also refer customers to the Local Authorities Discretionary Housing Funds (DHF). Further information regarding the LDHF and DHF can be found in the supporting documentation.
- 3.6.5 The approach taken to debt recovery is proportionate and flexible, considering individual circumstances and vulnerabilities.
- 3.6.6 Tenants are not offered ancillary chargeable services such as non-essential rechargeable repairs or services if a customer has rent arrears or other debts.
- 3.6.7 Prior to legal action we will try to contact the tenant in a range of ways, but not restricted to, text messaging, voice messages, email, telephone, letters, and visits to their home. We will also try to engage tenants to provide advice and support. If tenants fail to engage, we will look to seek legal action to recover any debt owed.

### **3.7 Legal Action**

- 3.7.1 We always seek to assist the tenant and only seek legal action as a last resort. In the event that all efforts being exhausted, recovery action will be taken which may ultimately result in eviction.
- 3.7.2 For all new tenancies, Ground 8 (Schedule 2 of the Housing Act 1988) will be included as an enforceable ground to apply for mandatory possession, in the event that the tenant owes a minimum of 8 weeks' arrears and has failed to engage with Thirteen to prevent the need for such action.
- 3.7.3 For tenants that are made subject to a bankruptcy order or Debt Relief Order, consideration is given to seeking possession of the property as although the debt cannot be recovered, it remains a breach of tenancy as rent remains unpaid. Where a tenant is in the moratorium period of breathing space, we will not discuss debt recovery during this time, we will engage with the debt advisor where appropriate and support the tenant.
- 3.7.4 Where tenants are in full time paid employment, and where appropriate we will seek to obtain an attachment of earnings order, this order will only be on the fixed debt at the time, however, should reduce the debt if successful, this will help prevent the need for possession hearings and evictions, where successful.

### **3.8 Bad debt provision and bad debt write off**

- 3.8.1 Bad debt write off provisions exist to mitigate any write off relating to debt that has proved to be unrecoverable or become uneconomical to pursue.
- 3.8.2 Bad debt write off will take place quarterly prior to the end of each quarter, in line with Thirteen bad debt write off procedure.

### **3.9 Performance**

- 3.9.1 Thirteen continually strives to understand and improve performance. There is an effective performance management framework in place to report, evaluate and

review performance. Income recovery targets will be challenging, subject to regular review and contribute to ongoing improvement.

- 3.9.2 Tenants are encouraged and facilitated to hold Us to account as to how the income recovery services are delivered. Tenants are provided with regular information in an agreed format on costs, performance, and satisfaction, to enable them to make evidence-based, value for money judgments. Information obtained from tenant scrutiny will be to inform and drive service development.
- 3.9.3 Feedback about our income management approach including comments, compliments and complaints, and meaningful satisfaction information is encouraged. Feedback is used and to help review and improve services. Benchmarking our services also allows the sharing of information and good practice from within and outside the sector.

### **3.10 Hierarchy of Debt**

- 3.10.1 Where a customer has debt on more than one rental account, the following hierarchy of debt will be applied in relation to their collection:

- Current tenant rent arrears & current garage arrears
- Court costs associated with legal action to recover rent arrears
- Former tenant rent arrears
- Former garage arrears
- Rechargeable repairs
- Other Sundry Debts

### **3.11. Refunds of account credits**

- 3.11.1 Where a tenant has credit on a particular account and requests a refund all other accounts relating to the tenant will be checked before a refund is authorised. Refunds will only be given if the tenant has no other outstanding debts due to Thirteen. If other debt exists any credits will be transferred to clear or reduce other debts owing to Thirteen using the hierarchy of debt as shown in 4.13.1 above.
- 3.11.2 Where a tenant owes a debt to the Local Authority or Department of Work & Pensions for an overpayment of Housing Benefit or Housing Costs to their rent account, any credit available would be offered before a refund being issued to the tenant.
- 3.11.3 Where a genuine credit exist, refunds will be actioned in line with our service standards. Refunds will be in the form of a BACs transfer to the customer bank account. Please note, that customers who pay other than weekly, must pay in advance as per the tenancy agreement. Therefore, no refund will be awarded where the credit relates to the payment frequency of an advanced payment.
- 3.11.4 Where a credit exists on a former tenant account, following tenancy termination checks will be made for other outstanding debts owed to Thirteen and ensure that there is no overpayment of Housing Benefit due to be paid back. Any credit due after these checks will be refunded in line with our service standards.
- 3.11.5 Where no forwarding address is available or we are unable to contact former tenants to repay any account credit due, credits are held on the former account for

a maximum of 6 years prior to being recommended for a “credit write on” against the bad debt provision.

- 3.11.6 Any credit balance which have been written off are considered for a refund subject to former tenants producing satisfactory identification within the statutory period of limitations.

### 3.12. **Shared Ownership & Leasehold Income recovery**

- 3.12.1 Shared ownership, Right to Buy and other types of leasehold properties are subject to a range property related charge. These can include S/ownership rent, service charges, insurance, ground rent and other estate related charges.
- 3.12.2. The type of charges and payments, including frequency and review method will be specified as a condition within the homeowner’s lease. Thirteen will pursue any non-payment or recovery of any outstanding charges in line with the conditions of the lease.
- 3.12.3. This may include legal action where Leaseholders have failed to comply or respond to our efforts to make contact or have failed to adhere to payment arrangement that have been made to recover outstanding debt.
- 3.12.4. We may also contact mortgage lenders with a view to clearing outstanding debts owed. In extreme circumstances as a last resort to protect our interests in the property’s forfeiture of the lease will be considered and pursued if deemed necessary.

## **4 HOW WE MEASURE THE EXPECTATIONS AND OUTCOMES OF THIS POLICY.**

Our expectations will be measured in terms of our ability to collect debts and sustain a customer’s tenancy as a result including:

- 4.1 Monitor the debts and credits accumulated by customers.
- 4.2 Keep clear audit trails to show customer contact.
- 4.3 Monitor the uptake of support and advice given to customers through tenancy support.
- 4.4 Use customer feedback to inform change.
- 4.5 Monitor and report on service standards where appropriate.
- 4.6 Reducing arrears while supporting customers to maintain tenancies.



## **5 CONSIDERATIONS FOR OUR CUSTOMERS.**

- 5.1 We endeavour to understand who our customers are and any specific needs they may have to underpin our service delivery and ensure our customers are treated fairly and with respect.
- 5.2 We have effective appeal processes in place as set out in our supporting documents and further supported by our complaint procedure.
- 5.3 We consider the expectations of the consumer standards when considering how we communicate; especially with regard to customers' diverse needs and how we inform them in an appropriate way that is clear, accessible, relevant and timely.
- 5.4 Thirteen take into account the diverse needs of customers throughout their tenancies and ensure that we minimise any barriers preventing customer from maintaining their tenancies.
- 5.5 To further consider customers' diverse needs we have a range of communication options available, to make it accessible for customers to contact and engage with us, methods of communication can be seen in the supporting documents.
- 5.6 A range of payment methods have been made available to tenants, these options can also be viewed through the Thirteen website ([click here](#)).
- 5.7 We ensure that all customers wanting to influence and scrutinise our strategies, policies and services have equitable opportunities to do this, using a range of different methods and contact styles, to support our customer and their diverse needs.
- 5.8 We use our involved customers to consider this policy from a customer's perspective to judge if our policies are fair, reasonable, transparent, and understandable and use their constructive feedback to inform us.
- 5.9 We listen and learn from our customers, through feedback and complaints to help inform further service improvements.
- 5.10 We have shared this policy with the customer committee to see if this meets our requirements and service standards while demonstrating effective management.

## **6 TRANSPARENCY ARRANGEMENTS ASSOCIATED WITH THIS POLICY.**

We will ensure transparency in relation to this policy by:

- 6.1 Publication of this policy and supporting documentation in all relevant forums and accessible formats
- 6.2 By responding to any enquires in an appropriate and timely fashion.

- 6.3 For a copy of this policy in an alternative format, such as large print or a translation, please [contact us](#).

## 7 SUPPORTING DOCUMENTS AND GUIDANCE.

Contents of supporting documentation	
1.	Definitions
2.	Landlord Discretionary Housing Fund (LDHF)
3.	Links to: Annual reports Service Standards
4.	How Customers can contact us
5.	Policies Related to this Policy

### 1. Definitions (TBC)

### 2. Landlord Discretionary Housing Fund (LDHF)

Thirteen's Landlord Discretionary Housing Fund (LDHF) provides financial assistance to customers experiencing difficulties in paying their rent. The primary objective of the LDHF is to help sustain tenancies and alleviate financial hardship.

Payments are credited to rent accounts every four weeks in arrears and are allocated to cover underoccupancy charges, housing cost shortfalls, and service charges.

The criteria and methodology for awarding the LDHF are subject to an annual review conducted by our customers. This review process is designed to ensure that the LDHF continues to effectively support those customers who are most vulnerable to financial hardship or at risk of tenancy failure.

### 3. Useful Links

Annual report for customers - [Annual report for customers - Thirteen](#)  
Service standards - [Service standards - Thirteen](#)  
[Discretionary Housing Payments guidance manual - GOV.UK](#)  
[Applying for a Discretionary Housing Payment - GOV.UK](#)

### 4. How customers can contact us

[Contact Us - Thirteen](#)

### 5. Policies related to this Policy

- Community Resilience Strategy
- Thirteen Lettings Policy
- Rent Setting Policy

- Service Charge Policy
- Complaints, Compliments and Feedback Policy
- Bad Debt Procedure