



PA Housing

PA Housing Income Management Policy

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Owning manager

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Department

Income Management Team

Approved by

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Next review date

April 2028

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Paragon Asra Housing Limited (PA Housing) is committed to equality and diversity. This policy has considered the Equality Act 2010 and its protected characteristics which are: race, gender, gender reassignment, disability, religion or belief, sexual orientation, age, marriage, civil marriage and partnership, and pregnancy and maternity explicitly.

We will make sure that all of our communication is fully accessible and to achieve this if a policy or document needs to be available in other formats we will provide them.

1. Introduction

PA Housing is committed to maximising income collection, minimising debt, and helping residents sustain their tenancies. We will pursue all contractual income, including rent, service charges, court costs, and recharges, to protect our income stream and ensure financial stability.

As a registered social housing provider, we recognise that external factors can impact our ability to collect rent, service charges, and other monies owed to PA Housing.

To support our residents and minimise the risk of non-payment, we signpost our residents to the relevant support services where appropriate. We will also ensure that our residents are referred to the Tenancy Sustainment Team throughout the preventative debt recovery work.

2. Objectives

We aim to be clear and transparent with our residents that paying rent is a priority to ensure the sustainability of their tenancy. Our policy is “firm but fair,” we will be clear with our payment expectations and will work with our residents at every step of the process.

We will ensure that we use our Neighbourhoods Team to support residents locally where necessary in order to provide 1-2-1 support which meets their needs.

We will collaborate with our external partners to provide free, independent debt advice, ensuring our residents have the best opportunity to sustain their tenancies. Recognising that rent arrears often arise from broader debt management issues, we aim to improve our residents' access to high-quality debt management services.

We also acknowledge the impact of debt on mental health. Therefore, this policy will be implemented alongside our safeguarding and Tenancy Sustainment procedures to ensure best practices are followed.

We will promote a payment culture, making it clear that payments in arrears are not acceptable and outlining the steps that will be taken to recover the debt. We will inform residents of their arrears at the earliest opportunity and ensure they have the most up-to-date information and support during this period.

Where a resident falls into arrears, we will offer a suitable repayment plan, which will consider the resident's financial circumstances while ensuring that there is a balance of 'reasonableness' and business needs.

3. Definition

This policy applies to all income collected from current tenants and homeowners, including service charges and fees for services provided, such as window cleaning and essential estate services.

This policy doesn't apply to debts attributed to former residents that are dealt with separately under our former tenant and credits policy or our commercial properties which are managed by separate lease, contracts, and service level agreements.

4. Resident Responsibilities

Before entering into an occupancy agreement, we will clearly inform prospective occupants of their contractual obligation to pay rent or occupancy charges in advance, as stipulated in their tenancy agreement, lease, or occupation agreement.

We will encourage residents to pay rent one month in advance and to use Direct Debit for future payments, as it is our preferred method. Residents should update PA Housing and relevant agencies about any changes affecting their benefits and income.

We will contact residents regarding rent arrears or monies owed using various methods, including letters, emails, phone calls, and text messages.

5. Commitments to You

Our staff will take a clear and transparent approach when discussing rent arrears or debts owed to PA Housing.

We will work in partnership with our Local Authorities where we operate and the Department for Work and Pensions to ensure that we consider any delays in housing costs. However, it is the resident's responsibility to ensure that the relevant agencies are updated regarding personal circumstances.

We recognize that there are some residents who will transition from Housing Benefits to Universal Credit, which will have a major impact on our residents during the life of this policy. Therefore, residents who are in receipt of Universal Credit will be expected to maintain their rent account in advance.

We will not enter into agreements where it would take a long time to clear the debt or where a resident has a history of failing to maintain previous repayment agreements; the escalation process will continue.

We will work with Local Authorities to support them in meeting their duty to prevent homelessness. We will also work with other relevant agencies such as social service departments and other relevant support agencies to ensure our residents are adequately safeguarded.

6. Enforcement Action

We understand everyone's circumstances are different; therefore, when deciding enforcement action, we will consider the resident's payment history where there have been repetitive episodes of missed payments without good reason.

PA Housing will serve a Notice of Seeking Possession where the early recovery stages have been completed and the resident has not engaged or has broken a repayment arrangement, providing that it is reasonable to do so and that this is a proportionate response to the breach of tenancy agreement.

A Notice of Seeking Possession is a legal document that a landlord sends to a tenant to inform them that they intend to take back the property. This notice explains the reasons for seeking possession and gives the tenant a set amount of time to either resolve the issue, such as paying overdue rent, or vacate the property.

It is an essential step before a landlord can apply to the court for a possession order. The notice ensures that tenants are aware of the situation and have an opportunity to address the problem before any legal action is taken.

A Notice of Seeking Possession may be served prior to the early recovery stages at the discretion of the Income Team Manager. A Notice of Seeking Possession will be renewed when it expires if the resident has not cleared the arrears, providing this is proportionate to the remaining debt.

PA Housing will rely on Grounds 8, 10, and 11 of Schedule 2 to the Housing Act 1988. When serving mandatory possession (Ground 8), the Income

Officer will ensure that there has been a rigorous check that satisfies the Ground 8 criteria.

Mandatory possession refers to a legal process where PA Housing can reclaim possession of a property based on specific grounds outlined in the tenancy agreement or housing laws. When a landlord uses a mandatory ground for possession, the court must grant the possession order if the conditions are met.

We encourage our residents to contact us if they receive a mandatory notice and make representation regarding their current situation, including health conditions that may be a factor in them accruing debt. Income Team Managers will conduct spot checks to ensure that mandatory possession action has been served correctly and in accordance with the tenancy/lease agreements.

Income Managers will check cases at random during spot checks to ensure that the use of Ground 8's are being used proportionately by Income Officers.

We will give 56 days' notice in relation to our shared ownership residents where there is an outstanding mortgage. These actions will take place before considering possession proceedings of our shared owners. We will suspend our possession proceedings if the lender wishes to pursue repossession of the property.

As a last resort, we will consider the use of seizing belongings; this approach will be on a case-by-case basis. Requests will be approved by a Head of Service and a Director.

Where there are service charges arrears and ground rent, we may apply for a charging order, which gives a charge over a person's property. This order doesn't guarantee a payment until the property is sold. Once the property is sold, the debt will be recovered from the equity in the property.

Any actions will be balanced by analysing the cost of action when determining which recovery route to take to ensure value for money. Where the debt is at a low level and all recovery attempts have been exhausted, we may withhold enforcement action and write off the debt. The continuing cost of the recovery action will be taken into consideration versus the cost-effectiveness of continuing action; this will be on a discretionary basis.

We continue to attempt to negotiate arrears payments alongside any legal action. Once all attempts have been exhausted and there are no other reasonable avenues, we instigate possession proceedings as our last resort.

We will use mandatory and discretionary grounds for possession (depending on the tenancy agreement/lease), including accelerated possession proceedings where the agreement allows. All use of possession action will be checked against the tenancy/lease agreement and take into consideration the resident's vulnerability and how this impacts their ability to sustain their tenancy.

We may withhold certain property improvements (excluding health and safety works) if a resident is in arrears. In some cases, works will only proceed where the debt/payments have been cleared, or a reasonable payment plan has been agreed.

7. Legal Action

PA Housing will initiate legal action if the debt continues to escalate, the tenancy remains unsustainable, and the resident is not engaging or has breached an agreement. This action will be taken provided it is proportionate to the breach of tenancy and the resident's circumstances.

Legal action may include non-possession measures, such as applying for a Money Judgement when the resident is known to have assets, making enforcement of the judgement relatively straightforward.

A Money Judgement is a court order that requires one party to pay a specific amount of money to another party. This typically occurs when a creditor wins a lawsuit against a debtor. The judgement legally obligates the debtor to pay the specified amount, which can include the original debt, interest, court costs, and sometimes attorney fees.

PA Housing will ensure that adequate checks are carried out to identify vulnerabilities. Where these are known, PA Housing will carry out an Equalities Impact Assessment prior to taking legal action to consider Article 8 of the Human Rights Act, Section 15/35, and Section 149 of the Equality Act, 2010. Where the resident does not have the mental capacity to understand legal proceedings, PA Housing will take steps to have a litigation friend appointed.

8. Appeals and complainants

The regulatory standards for landlords empower residents to hold social landlords to account for decisions made that impact them under Transparency, Influence and accountability Standard.

Therefore, where a resident wishes to appeal a decision where they have been served mandatory possession (a ground 8 notice), this will be reviewed. The appeals should be heard by an Income Manager where practical.

PA Housing will keep an appeals register which will be reviewed on a quarterly basis by the Head of Income.

Appeals can be made in writing via letter or e-mail.

9. Bankruptcy

Where a resident undergoes the bankruptcy process and wants to include their rent arrears, they should seek independent legal advice.

A DRO (Debt Relief Order) or an IVA (Individual Voluntary Arrangement) doesn't relieve residents of their contractual obligation to pay rent and charges listed in the tenancy agreement, therefore PA Housing can choose to enforce legal action.

We will not grant permission for any money owed to PA Housing to be included in an IVR arrangement or DRO.

Where a bankruptcy order lists rent arrears, a breach of tenancy order can be considered.

10. Sundry debts including recharges

We recharge residents for any damage to PA Housing property including the application of an administration charge. This is covered by a separate Recharge policy and set of processes.

Damage Charges: Residents are charged for any damage to PA Housing property, including an administration fee.

Recharge Policy: Managed under a separate Recharge policy and set of processes.

Current Residents:

- Recharge debt is considered secondary.
- Collection is attempted only after rent arrears and any court costs have been cleared.

Former Tenants:

- Void recharges for identified damage take priority over former rent arrears and other miscellaneous debts.

We charge residents for court costs awarded against them through legal proceedings relating to any breach of tenancy through a sundry debt account to be collected from residents when rent arrears are cleared.

11. Credits

We check rent accounts in substantial credit on a quarterly basis, contact these residents to ask them to change their payment patterns and arrange for a refund in accordance with our customer refund policy and procedure.

If a resident with a credit over 6 months of charges refuses a refund, they will be asked to put their reasons in writing so that we can assess whether there may be a potential money laundering issue.

We do not issue a refund which will result in arrears accruing before the next payment is due.

Where a Housing Benefit or Universal Credit Housing Costs overpayment has occurred, we will investigate whether to deduct the recoverable overpayment from any refund.

12. PA Housing Staff

Where the above occurs a declaration of interest form must be completed by the staff member.

If any member of staff breaches the terms of their tenancy agreement by accruing contractual arrears this may be treated as an additional breach of the employment contract and may be dealt with under PA Housing's Disciplinary and Code of Conduct policies and procedures.

13. Accountability

We recognise that arrears create a business risk that impacts on the resources available to meet our objectives of providing excellent services and the financial viability of the organisation.

We will seek to engage residents to promote good landlord/resident relationships and sustainable, vibrant communities.

Reflect good practice and always meet legal and regulatory requirements; To follow the pre-action protocol as set out by Courts. It expects both parties to take before starting proceedings.

Support residents with access to Welfare Benefits either in-house via telephone, written or face-to-face support or through external partners, and provide debt advice through external partners where required.

Build relationships with key external stakeholders such as the DWP, Local Authorities, specialist agencies and support providers, working in partnership with those stakeholders to increase the opportunity for residents to sustain tenancies.

14. Performance and Risk

Compliance with this policy will be monitored by the Head of Income, on a Monthly basis through performance monitoring.

The outcomes and performance of this policy will be reported through monthly KPIs, weekly reporting, quarterly reports and the risk register where necessary. Performance in the delivery of the service will be reported to and scrutinised by the Executive Team and PA Housings resident panel and Board.

The policy will be reviewed where there is a fundamental change in legislation or every two years.

15. Performance Monitoring & Training

Our residents, members of staff and other stakeholders play a big part in shaping the income recovery service. We will ensure that the team with specific responsibilities for delivering this service are well trained; clear in their roles and responsibilities; and operate to consistent procedures, processes and service standards and in accordance with all relevant legislation.

Compliance is overseen by the Head of Income and scrutinized by the Executive Team and resident panel.

Staff receive training on income collection policies and benefit reforms.

This policy applies to all parts of PA Housing, the lead responsibility is with the Income Services Team, however all parts of the organisation are responsible for ensuring that PA Housing's income stream is protected.

16. Data Protection, Information Sharing and Confidentiality

Rent account data is managed by GDPR and Data Protection Act 2018.

Regular audits ensure compliance with confidentiality standards.

Confidentiality is paramount, and all our colleagues are trained to manage personal information responsibly, ensuring that it is used solely for the purposes for which it was collected.

Regular audits and reviews will be conducted to ensure compliance with legal requirements and best practices in data protection.

17. Legislative & Compliance

Aligned with the Housing Acts

Torts (Interference with Goods) Act 1977

Housing Acts 1985 and 1988 as amended.

Housing Act 1996, Part 7 including as amended by the Homelessness Reduction Act 2017

Human Rights Act 1998

Equality Act 2010

Welfare Reform Act 2012

Data Protection Act 2018

Practice Direction – Pre-Action Conduct and Protocols including Pre-Action Adherence to Pre-Action Protocols for Possession Claims by Social Landlords.

The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020

18. Regulatory

The relevant consumer standards are mainly:

(1) Tenancy Standard - specific expectation

Registered providers must provide services that support tenants to maintain their tenancy or licence and prevent unnecessary evictions.

And for tenancy support

(2) Neighbourhood and Community Standard

Having taken account of strategic objectives, the views of tenants and their presence within the areas where they provide social housing, must: identify and communicate to tenants the roles registered providers play in promoting social, environmental and economic wellbeing and how those roles will be delivered

Related documents

[Launching Our Corporate Plan | PA Housing corporate-plan-2024-2029.pdf](#)

[PA Housing Allocations Policy](#)

[Financial and welfare support | PA Housing](#)

[PA Housing Complaints Policy](#)

[equality-diversity-policy-website.pdf](#)

[Safeguarding Policy](#)

[Data Protection Policy](#)

[Tenancy Policy](#)

[Ending your tenancy | PA Housing](#)

If you have any questions about this policy, please contact

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