



**PlaceShapers**  
Together we help communities thrive



**NATIONAL  
HOUSING  
FEDERATION**

# Going freestyle: what happens when the rulebook is taken away

Changing how we manage rent arrears





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PlaceShapers is the national network of place-based housing associations. They collaborate for greater influence and impact, and work to put people and place-making at the heart of decision making.

The National Housing Federation is the voice of England's housing associations. Its members provide homes for around six million people and are driven by a social purpose: providing good quality housing that people can afford. They support their members to deliver that social purpose, with ambitious work that leads to positive change.

whg is one of the Midlands' leading and most successful providers of good quality, affordable homes. The Association is dedicated to the success of people and places and has been a member of PlaceShapers for more than ten years. They have been generous sponsors of this project.

## Foreword by Fay Shanahan Corporate Director of Operations whg

**Over two years on from the first lockdown it is hard to imagine life before Covid-19. This global pandemic has forever changed our society, the way we work and the importance of resilient communities. Like many businesses, we were plunged into uncertainty and forced to quickly adapt the way we work.**

For housing associations, who provide homes for some of the most vulnerable people, the looming black cloud of skyrocketing arrears as many customers were forced into economic hardship was a startling concern. In Walsall, for example, seven months' worth of new Universal Credit claims were made in the first 14 days of the March 2020 lockdown. The challenge facing our income collection team was unprecedented.

We quite often hear that one of the positive things to come out of the pandemic is a better sense of community that saw us pulling together to support our neighbours and rally around to care for those in need of help in a way we haven't before. This was true for our income collections teams too. The feeling that we were all in it together meant housing associations across the country were approaching things differently.

Evictions have always been a last resort and, while happening in just the smallest number of cases and when all other options had been exhausted, were never seen as a successful outcome. The exact opposite - tenancy sustainment has always been a keen priority for social housing providers. However, the suspension of traditional legal enforcement options available to teams to deal with rent arrears also made a change in approach vital, after all we know that collecting the rent is business critical.



Like us, many social landlords were already on a journey to better use technology to improve efficiency and free up time to support customers who needed targeted support. The pandemic helped to accelerate change and demonstrated how we can adapt and flex our approach quickly, ensuring both our customers are supported and our business needs are met.

There is a lot of talk of lessons from the pandemic and societal change. This report makes one thing clear; income collection teams in housing associations have embraced their 'new normal' of supporting customers and communities to sustain their tenancies. Working with them to provide support not judgement, to get to the root of the problem rather than paint over the cracks.

As we look ahead to the future, black clouds are looming again. Inflation is at a 30 year high and energy prices are soaring which will leave many of our customers choosing between heating and eating. We know we don't have all the answers and can't possibly mitigate the impact of this unprecedented rise in the cost of living. But, as we yet again find ourselves facing an uncertain future, we know we have the tools and experience to support our customers to stay safe in their homes.

## Introduction

**The pandemic has affected all our home and work lives, often in ways that we wouldn't have predicted. The general restrictions on movement and travel are widely believed to have changed the way people in the UK live and work, perhaps permanently. For housing providers, the sudden requirement to close offices, and the prospect of a period of financial insecurity for tenants, followed by restrictions on legal powers to enforce rent payments required a wholesale change in the approach to managing income.**

Eighteen months on from the start of the first lockdown, PlaceShapers, whg and the National Housing Federation (NHF) agreed to commission an investigation into the impact these changes have had on working practices in housing associations. This project was designed to investigate how three groups of changes – on working patterns, financial support, and enforcement action – have affected the way social landlords manage rent arrears. We wanted to understand both what had changed, and whether these changes were likely to be long-lasting.

NHF members and members of the National Federation of ALMOs were invited to participate in a Call For Evidence, and 13 submissions were followed up with a more detailed interview. This report sets out the results of our investigation, including the challenges, positive experiences and valuable learning that emerged from a period of intense change.

Most of our interviewees were operational service leaders, with direct experience of the day to day changes required by lockdown and policy shifts. However, particularly in smaller organisations, this was sometimes combined with a more strategic role. Participants were generous in sharing their experience, including what they've learned about themselves, their colleagues, and their organisation. In many cases, the impact of lockdown restrictions - making their old ways of working temporarily impossible - provided an opportunity for creativity and innovation that wouldn't have been available otherwise. More than one interviewee concluded that both they and their organisation were capable of faster and more profound change than they would have believed. This report sets out case studies and brief anecdotes to illustrate the main 'take aways' from landlords following this difficult period.

## 1. Background

**In March 2020, the UK Government announced England's first period of national restrictions in response to the pandemic. This first wave of 'lockdown' restrictions lasted for about three months and was followed by a series of local and national measures lasting in total for almost two years. At the time of writing, all legal restrictions in England had been ended on 24 February 2022.**

The national lockdown measures were backed by a package of financial support<sup>1</sup>, designed to help businesses and households manage the impact of lockdown (see Table 1 on page 7). These were particularly important to households in social housing, who are often in insecure and low-paid employment or dependent on benefits. They were therefore also very important to social landlords' income collection teams, aiming to help tenants keep on top of their rent payments. The gradual emergence of these provisions came at the same time as an increase in Universal Credit (UC) claims which was driven partly by changes in the circumstances of people claiming 'legacy benefits,' and partly by the impact of lockdown on individuals' employment. This meant that many tenants claiming UC were completely new to the benefit system. In some areas, this increase was very significant – as much as doubling the number of claimants in a short period – creating a huge burden in terms of verifying rent and communicating with tenants.

Shortly after the start of lockdown, the Government also announced a nationally-enforced 'eviction ban'. In reality this term referred to a changing package of restrictions<sup>2</sup> on the different stages of enforcement action that had traditionally been used by social landlords to manage rent arrears, coupled with the closure of the courts. These restrictions changed several times, sometimes with little notice, and were withdrawn in phases from September 2020 to March 2022.

There is a detailed timetable of the restrictions on serving notice, taking court action and enforcing evictions at Appendix 1.

Each social landlord develops their own procedure for managing rent arrears, with some offering high levels of support, sometimes in parallel with a legal enforcement process. At its core, an arrears procedure might have involved a series of letters first notifying the tenant of a debt, then escalating in the severity of their language before serving a Notice of Seeking Possession. The letters and the advice or support provided would be designed to reflect the requirements of the Ministry of Justice's pre-action protocol which is applicable to all social landlords<sup>3</sup>. Should court action be required, and a possession order be obtained, there could be a protracted period of attempting to support tenants to comply with a suspended possession order; returning to court to apply for an outright order; applying for bailiffs and responding to repeated 'stay' hearings. At the end of a lengthy process, which is expensive for all involved, the property may be recovered but the debt remains unpaid, and the tenant may require rehousing.

### Table 1: Government support to households and businesses

Timing	Headline measures
March 2020	<ul style="list-style-type: none"> <li>Furlough starts - employers receive 80% of employee's wages (up to £2,500/month). Employers may choose to make up the shortfall</li> </ul>
March 2020	<ul style="list-style-type: none"> <li>Coronavirus Business Interruption Loan (interest free)</li> <li>Hardship grants up to £25k for smallest businesses</li> <li>Self-assessment tax payments deferred</li> <li>Self-Employed Income Support Scheme (based on 80% prior 3 years' profits average, up to £2,500) - initially for 3 months for people with income up to £50k</li> </ul>
March 2020 to April 2021	<ul style="list-style-type: none"> <li>Temporary increase in Universal Credit (and Working Tax Credit) £20/week (not available to non-working families on legacy benefits - ESA/JSA/IS), plus suspension of certain conditions and deductions for Universal Credit and</li> <li>Temporary suspension of minimum income floor for self-employed Universal Credit claimants (to end of July 2021)</li> <li>£40 million increase in Discretionary Housing Payment budget (GB)</li> <li>School meal vouchers introduced for children unable to attend school (and subsequently amended to cover holiday periods)</li> </ul>
March 2020	<ul style="list-style-type: none"> <li>Local Housing Allowance rates lifted for one year to 30th centile of local market rents</li> </ul>
July 2020	<ul style="list-style-type: none"> <li>Universal Credit conditions and deductions reinstated</li> </ul>
March 2021	<ul style="list-style-type: none"> <li>Universal Credit uplift extended to September 2021</li> <li>One-off payment £500 for WTC recipients</li> <li>Changes to Universal Credit rules for self-employed</li> <li>Changes in rate of recovery for overpayments</li> </ul>
June 2021	<ul style="list-style-type: none"> <li>Shared Accommodation rate disapplied for Care leavers</li> </ul>
July 2021	<ul style="list-style-type: none"> <li>Suspension of minimum income floor ends</li> </ul>
End September 2021	<ul style="list-style-type: none"> <li>Furlough ends</li> <li>Flexibility on Working Tax Credit hours ends</li> </ul>

<sup>1</sup> House of Commons Briefing Papers 8894 and 8973

<sup>2</sup> House of Commons Briefing Paper 8867

<sup>3</sup> <https://www.justice.gov.uk/courts/procedure-rules/civil/protocol/pre-action-protocol-for-possession-claims-by-social-landlords>

## 2. Findings

All of the housing providers that participated in this project have experienced profound change. In most cases, the change was driven by the restrictions linked to the pandemic. However, in a few the challenges of the pandemic provided a testing ground for changes that were set in place beforehand. Despite the obviously devastating impact of the pandemic, there were also some organisations and teams for whom the pandemic provided an opportunity to make the changes that they believed were necessary, but for which they would not have expected to get support.

### Case Study

#### Gloucester City Homes: Quite a leap of faith

GCH owns and manages close to 5,000 homes in and around the City of Gloucester. It was originally set up as an Arm's Length Management Organisation in 2005 to deliver the Government's decent homes standard.

GCH became an independent housing association in March 2015 following overwhelming tenant support, with 89% of tenants supporting a stock transfer from Gloucester City Council. The Income and Sustainment teams contain an approximately equal number of staff devoted to account management (6 people) and tenancy sustainment (5 plus a team leader). The income management team had traditionally focused on an enforcement process, while tenancy sustainment had always been broader and more supportive. Although there's a great deal of overlap between the teams, the distinction means they can maintain a "good cop/bad cop" persona when necessary.

From the day of the 'eviction ban' being announced they shifted completely from a very traditional, process-drive approach, to a wholly personalised and supportive service. Their manager described this as "quite a leap of faith" that she would never have expected the organisation to support.

From depending heavily on letters as part of an escalating enforcement process, the team changed to phone, email and text, promoting the message

that they're available to help, rather than enforce payment. "If people have been having a bad time, we've cut the conversation and retried once they were in a better space. We've tried to be emotionally intelligent and to focus on the needs and pressures of the customer...this has given us a positive result". No notices were served during the prolonged period of restricted enforcement measures.

The team were both surprised and very motivated by the experience of moving away from enforcement, and gained a more positive sense of achievement. But for some of the team members, particularly those that were isolated, the sudden move to working from home was difficult. As a manager there was a concern that the team weren't easily able to learn from each other, offer mutual support and network with other teams. The speed and number of external policy changes made it difficult at times for the team, both in terms of advice to tenants and in terms of keeping internal policies up to date.

Support to cope with the changes came from within the team. It helped that the team membership was quite stable, and it was also possible to set up video chats to keep in touch and for team fun.

Both the shift to home working and the change to a more supportive approach have been very successful, maintaining morale and keeping arrears under control, as well as developing stronger, more trusting relationships with tenants.

### Culture change

In every interview, references were made to culture change. Moving from process to 'freestyle'; increased reliance on the judgement and knowledge of colleagues; moving from enforcement to support, and from a rigid approach to a more fluid, empathetic style. Trust was mentioned again and again: "The new approach requires trust from the rest of the business" (Gloucester City Homes). This wasn't restricted to the need to trust colleagues. Relationships with tenants were also described as more open and trusting, "It feels more like a two-way relationship" (Sovereign).

For some interviewees, this was a welcome change from an ineffective system. Delays in the court system were seen as undermining the enforcement process and contributing to an unhelpfully adversarial approach. Even a 'successful' enforcement process would be unlikely to lead to full recovery of the rent arrears. Eviction would simply create a new challenge of homelessness, coupled with the cost of repairing and reletting the former home. As one landlord expressed it: "Court action is a waste of time".

Many teams, including Sovereign's large income management team, had depended heavily on productivity measures (such as monitoring steady progress through an escalation procedure) to understand how well team members were performing. With the removal of familiar procedures, they had to find "new ways of measuring success", focused on supporting tenants to maximise their income and maintain payments. Often, this included sharing success stories within the team and more widely, adding to the focus on individuals and their experience. Interviewees referred to the far deeper sense of job satisfaction this provided. Rather tellingly, one said "We'd always said that eviction was a last resort. With hindsight, we had no idea what that really meant [until it was taken away as an option]. Our support work is far more in-depth now" (Magenta)



## 2.1 Supporting tenants

**The forms of support offered by landlords were not unfamiliar, and in many cases had already been in place under the banner of tenancy sustainment, perhaps targeted at newer or more vulnerable tenants. The key difference sparked by lockdown conditions seems to have been the universality of this positive and supportive approach, which was matched by greater engagement at an individual level, and a marked increase in empathy. Referring to the less formal style of communications adopted during the pandemic, one manager explained “Not being able to hide behind the process forced us to be more human.” (GCH)**

### Flexibility

The disruption and uncertainty caused by lockdown and the suspension of legal action meant that all landlords became more flexible. One example of this is the ease with which calls could be made in the evenings:

*“In some ways, [flexible working] was a blessing in disguise. Flexible working has helped staff and also helped with customer services. For example, if customers would prefer to talk to an adviser in the evening that’s much more manageable if people just have to log on for an hour or two [rather than travel to an office].” (Magenta)*

Of course, flexibility also meant dealing differently with rent accounts. For some, this was a new approach:

*“We weren’t planning to become more flexible, but it suddenly started to seem like the right thing to do...our enforcement tools had been taken away and we had to adapt.” (Sovereign)*

Whilst others were building on previous practice:

*“Tenants were allowed to temporarily pay less than their collectable rent and pay nothing towards their rent arrears... until their financial situation improved. This was not completely new but had previously been on a much smaller scale and usually only when a tenant experienced extreme hardship.” (South Tyneside Homes)*

In one case, Optivo, there was already a formalised approach to flexibility, which was developed with the Centre for Responsible Credit. Participants in the ‘RentFlex’ scheme are able to underpay rent at certain points, such as the summer holidays, and to overpay at other times of year. Although the scheme doesn’t necessarily reduce arrears levels, it is believed to minimise the cost of chasing low levels of debt.

### Approaches to communication

Traditionally income management services have relied on written correspondence, - often ‘standard letters’ - as a communication tool; as part of a formal procedure leading towards legal enforcement; and as a way of creating an audit trail to support legal action. When offices were closed at short notice, almost all interviewees were suddenly unable to easily send letters. A short time later, as the restrictions on legal enforcement began, it became less clear what letters should actually say. Even those already using offsite print/dispatch services had to look at alternative approaches.

While one housing association (HA) suspended all action on rent arrears temporarily, most took to the phones in order to maintain contact. One common experience was that calls became longer, more complex,



and sometimes quite wide ranging. As one interviewee put it: “during lockdown, people just wanted to talk”. However, one respondent found that some tenants actually preferred not to talk. Roseberry HA implemented text messages during the pandemic and the move has proved popular with tenants, particularly those that are “just too anxious to talk to anyone”. The texts are managed directly in their CRM system, which means tenants can access the record of the discussion through their account on the customer portal.

For those tenants that are comfortable talking, many respondents have been placing a strong emphasis on ‘quality conversations’ including, in some cases, specific training as part of a planned culture change.

*“We did a lot of training about managing conversations (provided by Janet Richmond of Libra training), and now this is something we manage very actively [for both content and style]. Prior to each monthly 1:1, managers carry out a selection of call quality reviews - listening to calls and rating them against expected call handling standards.” Stockport Homes*

whg referred to “starting each conversation with ‘how are you,’ rather than launching into why they haven’t paid their rent”, and others noted that getting to know tenants better has enabled them to jointly develop plans or solutions that keep debts under control. For Gloucester City Homes, the inability to pursue enforcement action has been a help in terms of communications:

*“For some tenants, removing the threat of eviction took some of the confrontation or aggression out of the relationships. They were thinking ‘well they can’t actually do anything to me, I might as well hear what they’ve got to say’, but for us it was ‘we never wanted to evict you, and we were always trying to help find a solution.’”*

As well as changing the conversations, the culture shift from enforcement to support has led landlords to review their written communication. As the whg team put it: “all legal language looks like enforcement”. Just as the suspension of enforcement options showed the legal route to be often unhelpful, the ongoing challenges with access to the courts mean it remains slow and ineffective.

## Universal Credit and other benefits

As part of our investigation, we were keen to understand how the changes required by lockdown and the suspension of possession processes were linked to the experience of welfare reform.

There were mixed views in this area, with some respondents saying that the experience of preparing and responding to UC was helpful groundwork for the pandemic, particularly the requirement to stay on top of rapidly changing policy. In some cases, this had an invigorating effect:

*“The impact of UC was helpful in preparing for Covid, although we weren’t a [Universal Credit] Pathfinder<sup>4</sup> area. But the speed of change in benefits was quite a challenge for our benefit advisers. We work with other HAs to keep up with the changes and share best practice, as well as linking to external advisers and our local authority.”* (Magenta)

In one case, whg, the end-to-end transformation of their service was designed as part of their preparation to support tenants through ‘managed migration’ to UC. The timing turned out to be quite fortuitous.

### Case Study

#### whg: from process to personalised service

Midlands-based whg owns and maintains around 21,000 homes and has 18 colleagues in their Income Team and a further nine colleagues in their Money Advice Team, all of whom are dedicated to managing income and supporting tenants in relation to their rent accounts. The Group has engineered an end-to-end transformation in its approach to income management: from a standardised process-driven approach to a personalised service reliant on the skill and discretion of team members.

Tenancy sustainment has long been an organisation-wide priority and starts before a tenancy begins. Prospective tenants are contacted and a conversation about their personal circumstances helps whg tailor the service to meet their needs. At the point of allocation, whg’s Income Team identify at-risk households and provide support, such as help with benefit claims and obtaining furniture, to help the tenancy get off to a good start. Three months into the tenancy a further review happens to ensure that new tenants are receiving the right support.

To make the most of resources and to enable officers to work as effectively as possible to support those with higher needs, whg have implemented an automated and predictive arrears management system. Using technology appropriately has helped to ensure that officers can support tenants who have been identified as more vulnerable. whg are calling this Collection With Care.

Through whg’s Collection With Care approach more vulnerable tenants receive a tailored and supportive service. The service is based on personal contact and ‘easy read’ letters, and was developed from the new style of conversation that started during the first lockdown in 2020. Collection With Care is embedded within income collection, rather than being a separate support service. It’s now seen as an approach that could be used more widely in whg’s service.

whg has made a clear corporate commitment to sustaining tenancies and has a Corporate Plan ambition to not evict anyone into homelessness. To this end, whg also offers an in-house money advice service, training and employment support, social prescribing and much more.

**Unexpected positive outcome:** During lockdown, whg called 6,000 people for lockdown welfare calls. As a result, colleagues got to know people, including those that weren’t actually struggling. Tenants really appreciated the contact, as they’d previously believed that whg only cared about them when there was a problem. Proactively developing a more trusting relationship has meant that when there is a problem the trust is already there so ‘everyone’s in solution mode’. Following the welfare calls, rent arrears reduced, even for older people who have traditionally had very low levels of rent arrears.

However, all those interviewed identified challenges associated with both UC and legacy benefits. Most respondents had a sharp increase in tenants claiming UC in the period immediately following the start of the first lockdown. The huge workload involved in supporting customers who were ‘new to benefits’ was a common theme. Advice and support were required in a large proportion of cases, as well as the significant burden of managing rent verification requirements. There was also a need to support people “pushed towards UC and forced off legacy benefits inappropriately” (Guinness). We also heard that:

*“lots of UC decisions needed to be challenged. It was very time-consuming, and we had to have two mobile phones for each team member, so that one could be on hold for DWP, and the other one was available for making calls”.* (Roseberry)

As a national housing association operating a centralised national Customer Support Team, The Guinness Partnership were able to observe a difference in impact in their southern operating areas:

*“We started dealing with people that were self-employed, and those that just lost their jobs overnight. At the start, we didn’t know how to advise [the self-employed people]. The big shock to the new customers was the low level of benefits. Although they were relieved to know the rents would be covered...The lack of financial backup was stark.”* (Guinness)

Although the increased volume of people claiming Universal Credit seems to have been a common experience, it didn’t always lead to a sudden increase

<sup>4</sup> Universal Credit was introduced in phases, with some areas acting as ‘pathfinders’ to test its administration

in rent arrears. In some cases, this was attributed to the customers who were affected having a ‘payment mindset’ (whg). Meanwhile, South Lakes and Teign HAs, operating at opposite ends of the country, both speculated that their customers may be familiar with the low-paid and seasonal employment market locally, and experienced at managing periods of benefit dependency. Although not mentioned by interviewees, we’d expect the reduced waiting period for a first UC payment - from eight to five weeks – to have been helpful in minimising arrears.

Experiences of Discretionary Housing Payments (DHPs) was also mixed. According to Magenta:

*“For our main local authority, Discretionary Housing Payments and Additional Household Support are both underspent. The Council tends to make backdated payments towards year end, which is good because we get the payment, but it obviously doesn’t help with people’s stress levels through the year. The arrangements for DHPs and Additional Household Support are definitely a barrier, and it’s good that we’re able to help people get through the process... with hindsight, we’d have made links with the council earlier, and got more of a handle on DHPs.”*

In direct contrast, Stockport Homes’ experience was very positive, since they took over management of part of Stockport Council’s DHP allocation:

*“Since September 2020, the Money Advice Team have administered [DHP] applications for Stockport Homes customers. This removed some duplication of work between [Stockport Metropolitan Borough Council] and Stockport Homes officers and improved the claim process for customers. During 2020/21, the full allocated DHP budget was awarded to customers.”*

### New forms of support

Most participants in the study were already providing a range of supportive ‘additional services’ for tenants, either directly or in partnership. These included advice and support around debt and benefits, foodbank and fuel vouchers and, in some cases, direct provision of food pantries.

Food pantries are membership food shops, operated on a not-for-profit basis. In return for a small subscription, members can choose an agreed number of grocery items from a wide selection that includes both staples and food that might otherwise be wasted. Unlike foodbanks, pantries are open to all and do not require a referral.

For whg, their experience in the pandemic served to validate and reinforce the transition to a supportive approach that had been driven by ‘managed migration’ to UC (see case study).

However, as the impact of lockdown deepened, an increasing number initiated new offers, such as Christmas Boxes or grant schemes, while others increased the budget available through existing schemes, or extended their scope. Asked about this approach, one interviewee responded:

*“We’d decided we were going to reach out to all tenants, because we knew we’d become less visible [due to stopping estate visits and drop-in sessions]. We needed to have an offer attached to the reaching out. The Support Fund is a percentage of the community investment budget. It started with shopping vouchers and so on, but now we use it for a wide range of support, such as carpets or white goods for new tenants. It’s hard to evidence, but*



*there’s a sense that it’s improving tenancy sustainability, partly because it keeps people away from high interest loans. It’s also really positive for colleagues because they get to do something nice for people.” (LYHA)*

The Guinness Partnership responded to emerging needs by teaming up with some new partners through their social investment team. This has included providing access to ‘low level mental health support’, and increasing donations to Domestic Abuse – used by partners to provide counselling, care and small grants - as well as offering staff and customers access to free maths and English tuition for primary school children.

Stand-alone Money Judgements are an option for securing a rent debt without making people homeless. A Money Judgement operates like a County Court Judgement for any other debt. For example, it affects the subject’s credit rating, and is enforceable through a separate attachment of earnings order. Usually, a possession order will have a Money Judgement attached to it. However, obtaining a stand-alone Money Judgement is a less expensive process than obtaining a suspended

possession order, which means it reduces the extra debt added to the tenant’s account. The Guinness Partnership have always had the option available as part of their policy, and were already seeking advice from solicitors when enforcement options were suspended under lockdown. Although some customers have responded negatively, there’s a 30% resolution rate after a Money Judgement is applied for. Internally the approach has been well received, because “no-one wants to evict people”. The biggest difficulty with the approach is that there are waiting periods built into the process, which can look like everything has stopped. If the Income Team then has to proceed to court, it may feel like a delay to colleagues. To counter any internal concerns, the team has taken the opportunity to ‘spread the word’ internally about how the process works, so that everyone understands what’s happening.

## 2.2 Supporting each other

**Colleagues were supported to cope with both practical and cultural change in different ways. From the highly structured approach instigated at 60,000 home Sovereign, where daily check-in meetings, weekly team meetings, wider team meetings and Executive Team briefing sessions were established; to the informal team WhatsApp group (and later MS Teams chat) deployed by Teign. In all cases, managers found it hard at times to maintain real connections with their teams. One manager described it as ‘just really time consuming. I had to make sure I remembered what the purpose of the call was’.**

Similarly:

*“[some colleagues] were having difficult conversations, and it was particularly hard that they were having those conversations in their homes. Managers needed high energy levels for staff welfare support” (Saxon Weald)*

In some cases, particularly (but not only) where major planned changes coincided with lockdown, structured change management techniques were deployed, engaging and offering colleagues a chance to challenge plans. However, as one interviewee commented *“It’s all about communication, really,”* (Roseberry).

### Case Study

#### Teign Housing: supporting each other

Teign Housing is based in Newton Abbot in Devon, managing around 3,700 homes. The Income and Lettings team consists of four full-time and two part-time roles. Teign has always offered a very personal service, having never adopted system-driven approaches such as automated letters or autodial outgoing calls. All letters sent have the incomes team direct dial numbers on them so residents can contact the specific person who sent them the letter.

Prior to the pandemic, the Income and Lettings team had been entirely office-based. At the point of lockdown, the team had no laptops or mobile phones. Teign had not yet adopted Microsoft Teams or any similar online systems. From being a close-knit and supportive team, the transition to working from home as individuals happened very quickly and from a relative standing start.

Initially, managers called their team members every day, taking several hours to complete all 1:1 conversations. The volume of work for the Income team was intense, and help was drafted in from other colleagues within the housing team, particularly in relation to the UC claims. However, it was soon clear that the team were missing the opportunities for mutual support. There was also a concern that managers were unable to respond to the need to support team members as much as they would wish to, for example after a particularly difficult call.

Without enterprise collaboration tools, such as Microsoft Teams or SharePoint, the team needed a way to help each other, share expertise and provide some ‘team fun’ and emotional support. They decided to set up a WhatsApp group on their personal phones, which they used for 1:1 support between team members, and the monthly team meetings were changed to weekly via Zoom. Later, this approach was transferred to Microsoft Teams, which enables the team to maintain a strong connection to the wider business. It’s also allowed the staff forum to set up ‘coffee and catch up’

sessions open to the whole business. The systems in use now enable colleagues to ask for help when they need it, or to flag that they need to be offline briefly and connect again in the evening. Whatever it is, they ‘put it in the chat’. Managers can use Mobysoft and the CX CRM system to check that team members are keeping up with their workload, and to track the quality of calls and the type of support being provided.

The team’s connectedness was replicated across the business, with a rapid transformation project which included replacing the existing infrastructure and a complete migration of their on-premise servers to Microsoft Azure (the cloud) as part of this. Microsoft Teams, SharePoint and OneDrive were all introduced to support staff collaboration whilst working miles apart from each other. Some 30 servers were migrated and 15 decommissioned as well as the full migration of the contact centre solution so the Business Support Team could work remotely. A project that would typically take six to 12 months, took two months.

Two years on, although some team members had been looking forward to a return to office working, the majority now want to retain a hybrid approach. Team members visit the office when necessary to work collaboratively, rather than reverting to full-time office-based working. Teign’s new policy is shaped by the principle that technology and culture should support outcomes, not fixed office hours and physical presence. It recognises that an agile approach will encourage improved work-life balance and boost motivation, productivity and innovation, as well as promoting better health and wellbeing. Agile Working is expected to improve service delivery for customers by enabling flexibility, as well as supporting a blended, individual approach for colleagues.

From being a very traditional office-based team, Teign’s Income and Lettings colleagues have successfully transformed to a dispersed but collaborative team, with no negative impact on performance or customer satisfaction. They’ve become IT savvy and very comfortable with their supportive and flexible agile working style.

### Practical support

Although no interviewees mentioned any long-term increase in resources, often specialist teams benefitted from temporary support from elsewhere in the business. The administrative challenge of verifying UC claims during the initial peak period of May 2020 was a particular focus for temporary redeployments. Members of income or tenancy sustainment teams ‘stepped up’ temporarily to train and supervise colleagues, and then returned to their normal roles.

### IT support

Prior to the start of lockdown in March 2020, most of our interviewees were responsible for entirely office-based teams; often with an additional role visiting tenants in their homes. In many cases, the transition to home working took place from a ‘standing start’. For example, at Teign “home working really wasn’t allowed before”, which meant that staff had to be provided with suitable equipment from scratch. They were “really not set up for home working in any way”, and initially had to use personal mobile phones to keep in touch with their team colleagues. Despite this difficult starting point, the support from IT colleagues meant that the change was managed “suddenly and very successfully”.

However, some organisations were already planning a move to more agile working. At Leeds and Yorkshire HA:

*“We had a home working project planned for the future, and it had to be delivered right away. We had no experience of agile working, nothing. We had to get laptops, implement MS Teams, train everyone. [The week lockdown was announced] we stopped visits, closed the office and started making outgoing calls to all our customers”.*

And at Saxon Weald: *“Most people had laptops already because we were moving towards agile working to get ready for an office refurbishment. So it was about speeding things up.”*

And for some, the capacity for home working was already in place. At Sovereign, as part of their business continuity work, a stress test had required all staff to work from home on a single day prior to lockdown. This provided confidence that all their business systems would be able to function in an emergency. And PA Housing explained how they had emulated The Guinness Partnership in moving to a more phone-based service, using video calls instead of home visits in most cases. The shift was completed shortly ahead of lockdown: *“Perfect timing for the pandemic, as we’d already made the change”.*



### 3. The role of technology

**Beyond simply enabling colleagues to work and deliver services, technology has been used by our study participants as a tool for analysis, and monitoring and support. However, it’s also created some barriers and, in some cases, is seen as presenting risks.**

#### Case Study

##### Stockport Homes: targeting support

Stockport Homes is an Arm’s Length Management Organisation (ALMO) and a Registered Housing Provider in its own right. In total, it manages over 12,000 homes, with more than 95% of those belonging to Stockport Council.

At the beginning of lockdown, the team was able to trial a ‘Block Recovery Team’. The annual strategic analysis of arrears had identified that customers in multi-storey blocks were more likely to accrue rent arrears, claim UC and be subject to legal action. This was a consistent pattern over ten years, and was independent of other factors, such as age group.

The Block Recovery Team members each manage fewer tenancies than teams in other areas. The trial also involved targeting of money advice, and a focus on working with people’s individual circumstances. There’s more emphasis on digital communication, including WhatsApp and webchat, with WhatsApp being particularly successful around engaging younger customers and supporting customers remotely with their online UC claim. In the early stages of the first national lockdown, they implemented new technology

that would allow e-signatures to be obtained from customers by SMS. This allows customers to remotely provide authority for Stockport Homes’ Money Advisors to discuss the customer’s benefit claim with relevant agencies.

Often in multi-storey blocks, multiple Stockport Homes teams had been involved with the same household. A more collaborative approach to case management was developed, known as Vision 2020. Colleagues from across the wider housing teams meet up to discuss and agree a shared approach in the more complex cases. There have always been stages when other teams get involved, but this approach is earlier and more focused.

Ordinarily, income management teams often measure performance in terms of progress through ‘stages’ of an arrears procedure, or through the percentage of rent arrears. Neither of these was appropriate in the context of Covid-related restrictions, as procedures were largely suspended and there was no expectation that patterns of rent arrears would be comparable to previous years. In the absence of these normal outcome comparisons, several positive case studies have been identified by the team to demonstrate the success of the project which is now due to be rolled out across all multi-story blocks.

### Example Stockport Homes case study: Mrs C

Arrears high point of £1,354.66 on 21/2/21. Current rent balance: £63.59 in credit

This was a difficult arrears case. The tenant has experienced domestic violence, is alcohol dependant and doesn't like to deal with males as a result of the domestic violence. She was under-occupying, not paying her rent and wanting to move. We have a Suspended Possession Order in place and historically she would have been facing eviction due to the level of arrears and lack of payment and engagement.

Engagement was sporadic, trust in SHG low and each time we spoke to her more issues came up, such as her freezer and hob not working, and her sleeping on a mattress on the floor. As a result of the joined-up working practices used in Vision 2020, Rents, Money Advice, Block Support and Neighbourhood Housing Officer working collaboratively resulted in the customer engaging with us and support to resolve her issues being put in place.

The Block Support Officer supported the tenant with obtaining bank statements and getting these to Rents, acting as a trusted go-between and minimising the need for her to deal with her male Housing Officer, who could remain in the loop though the Vision 2020 meetings. Rents were able to liaise with Money Advice in relation to the customer's circumstances to enable a DHP award to be made with less evidence (bank statements) than would normally be required due to a greater understanding of the background to the case. An under-occupancy exemption was obtained by Money Advice going forward due to the evidence gathered by Rents and Block Support in relation to night-time care needs, and this makes the tenancy more affordable and sustainable for the customer on-going. Her rent is now paid by Housing Benefit and her water through direct payments. With the under-occupancy exemption she now no longer has to worry about bedroom tax. Her clear rent account means that she is able to do a mutual exchange, something she had indicated she hoped to do. She is accessing support and was also referred to our Energy Advice Team.

Both Leeds and Yorkshire and Optivo housing associations used analysis from their income management systems to identify customers that might need additional support. For Leeds and Yorkshire, the data is combined with

Experian data to identify customers with wider debts or a poor credit record, who might struggle with a small drop in income. After successful use for pandemic support, this is now used to target pre-tenancy support.

### Case Study Optivo: insight and automation

Optivo own and manage 45,000 homes in London, the South East and the Midlands. Their Income team includes 40 front-line staff, supported by team leaders, managers and separate teams for financial inclusion and tenancy sustainment. Their aim is to achieve a good balance between income collection and sustaining tenancies.

Even before the start of the pandemic the Income team were already using technology throughout their service, meaning they were able to move quickly to home working. Faced with an 80% increase in inbound calls, they used the insight from their in-house risk profiling tool, combined with arrears intelligence software to target welfare calls on residents that could be in danger of struggling with rent payments.

This was expanded into the Resident Resilience project, in which teams right across the business made over 80,000 calls to a range of tenants, those in danger of isolation and those struggling financially and at risk of losing their job or income. The scheme evolved to respond to external events, such as the end of furlough support, that could present a risk to

residents, and was renamed as the 'We Can' campaign. The campaign was supported by a dedicated website landing page, both 'organic' and paid social media, video, targeted email and SMS messaging. Referrals for Financial Inclusion support increased by 108%.

Before lockdown, Optivo had implemented a 'robot', to help with benefit claims. The robot can provide DWP with the evidence required for UC rent verification; implementing Housing Benefit (HB) uprating, and distributing HB notifications or queries to relevant colleagues. The robot saves 600 hours of staff time a year on UC claims, and 5 – 6 hours a week on HB letters. During the pandemic, there was a significant increase in first time benefit claimants, and UC claimants increased by over 1,800, with all claims requiring landlord rent verification. Optivo is planning to use the robot to complete April's rent increase verifications.

Despite the challenges of the pandemic, by the end of March 2021, rent arrears were at an all-time low. Court costs and court appearances were also significantly reduced. However, one unforeseen impact is that the small number of tenants that now go through the eviction process leave very high levels of debt behind them.

Using the same, fairly simple, techniques they'd used for monitoring the impact of UC, Magenta 'tagged' people that were affected by Covid. This enabled them to report the arrears for these tenants separately on a weekly basis and provided confidence that they were "on a similar trajectory to 'normal' arrears". They also learned that, in reality, there was lots of overlap between UC claims and Covid impact.

For PA Housing, the experience of technology has been mixed. On the one hand helpful

*"AI is helping to target communication – like identifying the times of day that people more likely to respond."*

and at the same time creating difficulties:

*"Within Income, we have a hub option if your call is about rents – like a mini call centre – and we just didn't have the technology to send [frontline staff] home [at first]" (PA Housing).*

Similarly, Stockport Homes' Income team were temporarily prevented from taking telephone payments from customers at the start of lockdown, as it was impossible to be sure that conversations were confidential.

Stockport Homes also experienced technology as a risk.

*"We have automated some outbound contact where we are able to guarantee that contact is required. For example, where a customer's direct debit payment has failed, or their water consumption has increased quickly...There are clearly some benefits [such as freeing up staff time to support more vulnerable customers], but I'm concerned that unnecessary calls could undermine future contact. People might think we're making spam calls and stop taking us seriously."*

## 4. Impact of change and unexpected outcomes

### Income management

Overall, respondents were positive about the impact of the pandemic and the demands of lockdown; both in terms of the change in their processes and the effect of those changes on their tenants. Those that have made significant changes in their approach to income management have also had to reconsider how they monitor performance, focusing on outcomes, rather than on delivering process-related outputs:

*“Both current and former tenant arrears were dropping year on year before Covid. But it’s been dropping more quickly during covid from 2.5% to under 1%. We can see that the approach has generated more income and there’s also been less turnover of tenants, and higher satisfaction levels for new tenants.”* (Leeds and Yorkshire HA)

*“We’re below our 100% target, but it was an ambitious target. We’re expecting to be at 99.8% by year end.”* (Magenta)

*“[We were aiming for arrears to be less bad than was feared.] In the event, neighbouring housing associations had arrears increased by £1m, but ours have actually improved against target. At 26 December, we were on 1.59% against a target of 2.99%.”* (Gloucester City Homes)

*“Performance is now all about trends. We don’t keep track of [the level of debt at which notices are served] anymore. We still keep track of evictions though because obviously that’s something we want to minimise.”* (Sovereign)

The approach to reporting rent arrears varied, with some respondents focusing on the percentage of rent arrears due from current tenants, others favouring the percentage of rent collected, and a small number

preferring to report the cash value of rent arrears. It’s also important to remember that the impact of HB and UC varies between landlords, depending on payment cycles and the proportion of legacy benefit claimants. Looking at trends though, it’s clear that most of our organisations ended 2021 with better arrears performance than the previous year. Two-thirds of those reporting an arrears percentage had reduced the rent debt; while a slightly lower proportion (62%) had increased the percentage of rent collected.

### Unexpected outcomes for colleagues

Although the pandemic had involved some tough times for all the teams involved, many were able to point to positive outcomes for colleagues.

Importantly, the culture change driven by the removal of enforcement tools brought benefits in terms of job satisfaction:

*“Income colleagues love the more supportive approach because they like to be able to offer solutions. They’ve become good at spotting opportunities – people that are missing out on benefits or PIP for example.”* (PA housing)

*“Staff have greater job satisfaction now. They’re more empowered and less process driven.”* (Sovereign)

*“My [previously process-driven] team came to love the more human side of it. They built relationships with people who had previously avoided them. And with people that had never struggled before there was an opportunity for new relationships. They were having much more positive conversations. They were surprised and also very motivated by it. Compared to hitting your targets for enforcement actions, it’s a much more positive sense of achievement.”* (Gloucester City Homes)

### Unexpected outcomes for landlords

The increased insight into tenants’ lives, the shared experience of financial vulnerability, and the greater empathy that some colleagues were able to access as a result of pandemic experiences stand out from many interviewees’ accounts. Whilst the organisational benefit of these unexpected outcomes is hard to quantify, other benefits were easier to pin down.

Despite fearing increased costs and increased rent arrears, the experience of lockdown working has delivered some tangible operational benefits: For example, one housing association was able to point to a huge reduction of over 90% in legal costs. As another noted, “This means there’s been more legal budget available to deal with cases of ASB, and there’s been less need to stretch the budget”.

As would be expected, all interviewees had experienced a reduction in evictions, with significant cost benefits as well as the obvious social benefits. For whg, the reduction from around 60 annual evictions to single figure represents accelerated delivery of a pre-pandemic commitment. And another respondent, considering the prospect of a steep annual rent increase said, “I can’t see more evictions coming, just more debt,” (Saxon Weald). However, some respondents were concerned about whether the current very low levels of eviction, alongside high levels of individual debt, are really sustainable. Small numbers of evictions are now working their way through the system, but it remains to be seen whether numbers will increase to pre-pandemic levels as court backlogs clear.

However, perhaps the most important unplanned outcome of changes in response to the pandemic has been the improved relationship between landlords and tenants:

*“There’s generally a sense that people are responding to us differently. It takes a while because we’re an authority figure. But people appreciate our support role on UC, and will come to us if they’re having difficulties.”* (South Lakes)

*“What’s nice is that people have got back in touch to let us know that they’ve managed to get back into work.”* (Gloucester City Homes)

*“The shift to being phone-based has actually worked well for building trust [although this was pre-pandemic], and satisfaction levels are high. People were very grateful that we were there for them.”* (Guinness)

*“Residents are confident that they’ll get a supportive response when they call in, which is a great place to be.”* (Optivo)

*“Very positive. It’s really changed to a much more trusting relationship.”* (whg)



## 5. Lessons for the future

The aim of this research project was to investigate and understand the experience of delivering income management services during the pandemic. In doing so, we've identified some clear common threads and lessons for the future:

### 01

**Change can be faster than thought:** The social housing sector is sometimes thought of as being slow to adapt. However, the speed with which Income teams have adapted to new ways of working, new procedures and changes in culture shows how adaptable and resilient the sector can be.

### 02

**Enforced change creates opportunities to do things differently:** Change is often associated with risk, and consistency can provide a degree of reassurance. The early months of pandemic exposed all of us to an unknown degree of risk and created some very specific business risks in relation to income management. For practical and legal reasons, change was clearly unavoidable, and the associated risks looked very different in the context of the pandemic. The impacts outlined above have shown that the risks taken by our interviewees have paid off.

### 03

**Most people respond well to flexibility and trust:** Both as employers and as landlords, it seems that the experience of being forced to operate with a greater degree of trust, outside of established processes, has been positive. Overwhelmingly, colleagues have been hard-working and supportive, and tenants have shown their commitment to maintaining a clear rent account.

### 04

**A supportive approach can be just as effective as enforcement, if not more so:** Whether success in income management is measured by low amounts of arrears or high collection rates, most participants improved their income management performance through the very difficult year of 2020-21. While there will always be some cases requiring enforcement action, these performance results suggest that these really are the exception.

### 05

**Eviction for rent arrears should never be seen as a success:** The reliance on escalating procedures, both for enforcement and as a way of monitoring productivity, can lead colleagues to regard eviction as the successful conclusion of a lengthy process. In reality, it is expensive in terms of staff time, legal costs, rent loss and void costs, as well as the potentially catastrophic human costs. The participants in this research have shown that alternative approaches can be equally successful in terms of income management, and far more successful in terms of financial and social outcomes. Changes in practice due to the health crisis has refocused housing associations on the need to undertake possession action and whether rent arrears or other issues can be resolved in a different way. Housing associations have continued their commitment to not evict anyone with rent arrears related to the coronavirus pandemic where the tenant is engaging on a manageable way forward.

### 06

**Person-centred services enable deeper job satisfaction:** Increasing job satisfaction was not a driver for any of the changes described in this report. But many participants have referred to colleagues being able to 'unlock' empathy and sometimes surprise themselves by making connections with tenants and collaborating to plan and achieve solutions that enable tenants to keep afloat. This gave them greater job satisfaction.

### 07

**Technology is the future:** While it's not without its difficulties and risks, it's clear that technology can be harnessed to improve our working lives and enhance the services we provide to our tenants. Rather than 'dehumanising' our approach, it can enable flexibility, bolster trust and help target empathetic, personalised relationships between tenants and landlords where they're most needed.

## Appendix 1

Timetable of the restrictions on serving notice, taking court action and enforcing evictions.

Date	Notice periods	Possession proceedings	Evictions
26/3/20	Extended (three months') notice periods required to 30/9/20		
27/3/20		Possession proceedings 'stayed' (until 25/6/20, then 23/8/20, then 20/9/20) <sup>5</sup>	
29/8/20	Extended (six months') notice period required to 31/3/21 (less for arrears >6 months)		
10/9/20			Housing Minister announced that bailiffs will not enforce possession orders where local lockdowns in force, or 'over Christmas'
21/9/20		Possession proceedings can restart, prioritising the most oldest and most serious cases	
21/10/20			Lord Chancellor requests that bailiffs not enforce evictions where local alert levels high or very high, or between 11/12/20 and 11/1/21
5/11/20			Evictions stayed from 17/11/20 to 11/1/21, except if arrears were over 9 months at the time the warrant was applied for (not counting anything accrued since 23/3/20), or if eviction was for ASB or other fraudulent or criminal activities
8/1/21			Eviction 'ban' extended to 21/2/21

Date	Notice periods	Possession proceedings	Evictions
11/1/21			Evictions for rent arrears can go ahead if arrears were over 6 months at the time the warrant was applied for
14/2/21			Eviction 'ban' extended to 31/3/21
10/3/21	Extended (six months') notice period extended to 31/5/21		Eviction 'ban' extended to 31/5/21
12/5/21	More changes made by Statutory Instrument		
31/5/21	Extended notice period extended to 30/9/21		Eviction 'ban' is lifted
1/6/21	Extended notice period reduced to 4 months (but only 4 weeks if arrears >4 months)		
1/8/21	Extended notice period reduced to 2 months		
30/9/21	Extended notice period requirement extended to 25/3/22		
1/11/21		Possession proceedings revert to pre-pandemic priorities	
25/3/22	Extended notice periods requirement ends		

<sup>5</sup> The exact procedure for achieving this outcome was disputed at the time



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# Thank you

Thank you to Grand Union, Saxon Weald, Teign, whg and The Guinness Partnership for the photography used in this report. Their pictures are used throughout the report so pictures do not necessarily represent the organisation referenced in the text near to them.

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