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# **Rent Arrears Report**

**April 2025 to March 2026**

Lead Member Briefing: 1<sup>st</sup> June 2026

HEN Board: 16<sup>th</sup> June 2026

Housing Scrutiny Commission: 9<sup>th</sup> July 2026

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**Lead Member:** Cllr Elly Cutkelvin

**Lead Director:** Chris Burgin

## Useful information

- Ward(s) affected: ALL.
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- Report version number: v1.3.

### 1. PURPOSE OF REPORT

- 1.1 To inform the Members of the Scrutiny Commission on the rent arrears progress within the general housing stock, over the full financial year, from April 2025 to March 2026.

### 2. RECOMMENDATIONS

- 2.1 The report is for information and Members are asked to note the contents of the report.

### 3. SUMMARY

- 3.1 As of the financial year ending 31 March 2026, the total outstanding current tenant rent arrears for general housing stock stood at **£1.571M**. This represents a significant **8% reduction** compared to the same period in the previous financial year. Despite the national trend of collection challenges, driven by the ongoing impact of the cost-of-living crisis on tenant households, the team delivered an outstanding performance. Through proactive management and a focus on tenancy sustainment, the team effectively prevented arrears from escalating to unmanageable levels, maintaining stability despite sustained economic pressures. (Detailed data is available in sections 4.1 to 4.4 and Tables 1 & 2).
- 3.2 The rent collection rate for the period of April 2025 to March 2026 reached **98.96%**. This 52-week rolling performance underscores the team's efforts to maximise income collection while supporting residents through a challenging financial landscape.
- 3.3 For the 2025/26 financial year, the team received no allocation for Discretionary Housing Payments (DHP) to support rent arrears. Further context on this can be found in sections 4.35.
- 3.4 The team successfully administered **£946,428.81** in Household Support Fund (HSF) awards to assist tenants impacted by the cost-of-living crisis. A total of **1,542** households benefited from this scheme. Despite a reduction in overall funding compared to the previous year, the team's efficient processing and targeted outreach allowed them to support **9% more** households than in the prior period. The strategic distribution of HSF funding has been instrumental in the team's ability to safeguard tenancies, a critical objective that runs alongside the necessity of securing the income required to maintain essential housing services.

- 3.5 A further **2,198** tenants which is **12%** of all Council tenants were supported with Utilities. Like the Household support fund for rent support, this support was offered through the same HSF funding stream. (See 4.36 to 4.39, Table 10).
- 3.6 At the conclusion of the 2025/26 financial year, the total value of the top 500 arrears cases saw a substantial **decrease of 22%** compared to the previous year. This reduction reflects a targeted and effective approach to managing high-level debt and stabilising the most significant arrears positions within the portfolio. Further detailed analysis and supporting data can be found in sections 4.14 to 4.16 and Tables 7 and 8.
- 3.7 The transition toward Universal Credit (UC) continues to be a primary factor in the income management landscape. By 31 March 2026, the number of council tenants **claiming UC** reached **10,482**, representing **57%** of the total tenant population. In contrast, only **17%** of tenants remain in receipt of **Housing Benefit**. At year end, **49%** of all tenants claiming Universal Credit were in rent arrears. The high proportion of UC claimants in arrears underscores the ongoing challenges associated with welfare reform and the necessity for continued proactive support to ensure tenancy sustainability. For a full breakdown of these figures, refer to sections 4.20 to 4.25 and Table 9.
- 3.8 Throughout the year, the Rent Management Advisors (RMA) received **982 referrals**, a **12% decrease** compared to the previous year. Notably, 76% of these households were identified as having at least one vulnerability. The RMA team remains critical to tenancy sustainment, consistently receiving high praise from tenants for their dedicated support in navigating welfare benefit claims. (See sections 4.26 to 4.34)
- 3.9 The team has maintained its commitment to tenancy sustainment, resulting in some of the lowest eviction rates nationally. In the 2025/26 financial year, only **5 evictions** were conducted for non-payment of rent, of which 4 involved single-person households and 1 family were evicted during this period. This figure remains consistent with previous years, compared to 4 evictions in 2024/25 and 7 in 2023/24. Since April 2025, **90 cases** were submitted to court for rental possession, averaging approximately eight cases per month. This is a slight increase from 81 submissions in 2023/24 but remains significantly lower than pre-pandemic levels. Current figures represent a **90% annual reduction** in possession actions compared to the pre-Covid average of approximately 80 cases per month. These statistics, when viewed alongside high income collection rates, demonstrate the team's outstanding performance in balancing financial recovery with socially responsible enforcement. (Refer to sections 4.40 to 4.42 for further details).

## 4. REPORT

### Current Tenant Rent Arrears

4.1 Current Rent Arrears at the end of each quarter for the financial year 2025/26:

**Table 1.** Quarterly Arrears

Period	Arrears at Quarter End
Quarter 1	£2,374,725
Quarter 2	£2,865,766
Quarter 3	£1,469,166
<b>Quarter 4</b>	<b>£1,571,299</b>

Comparison of year-end figures over the last four years:

**Table 2.** Financial Year End Figures

Period	Arrears at Financial Year End
2022/23	£1,724,846
2023/24	£1,974,282
2024/25	£1,704,319
<b>2025/26</b>	<b>£1,571,299</b>

- 4.2 Table 1 shows the cash amount owing at the end of each quarter in the last financial year. The arrears were higher at the start of the year and decreasing towards year-end which historically, are normal patterns and trends that are seen.
- 4.3 Table 2 shows the cash amount owing at week ending **31<sup>st</sup> March 2026**. The total arrears were **£1.571m**, which is over **8% lower** compared to the same point in the previous financial year. This figure does not represent non-dwelling properties.
- 4.4 The proportion of rent collected between April and March 2026 was **98.96%**. The figure reflects a rolling 52-week performance and demonstrates the hard work and tremendous efforts made by the team in maximising rent collection. The rent collection figures for Leicester remains excellent in comparison with other authorities with only **40%** of our current tenants in rent arrears.

### Operational Performance and Strategic Interventions

- 4.5 The team successfully administered **£946,428** in Household Support Fund (HSF) awards to mitigate the impact of the cost-of-living crisis on vulnerable residents. This initiative provided essential support to **1,542 tenancies**, with a strategic focus on high-priority demographic groups:
- **Families:** 613 households with children benefited from the funding
  - **Disability & Age:** Support was extended to 198 households with disabilities and 37 pensioner households.

- **Vulnerability:** The remaining 694 awards supported households with identified complex vulnerabilities.
- 4.6 The team utilised a multi-channel communication strategy to maximise rent collection and provide proactive support. Annual contact volumes (excluding automated system communications) include:
- **Telephony:** 30,348 inbound and outbound calls were managed, averaging 119 telephone contacts per working day.
  - **Digital Outreach:** A total of 7,500 targeted text messages were sent to facilitate payment and support discussions.
  - **Email Correspondence:** The team processed **24,115 emails** (14,977 sent; 9,138 received), averaging **95 emails per working day**.
  - **Direct Mail:** 23,444 bespoke letters were issued, averaging **93 per working day**; ranging from payment reminders to formal legal notifications.
  - **Field Engagement:** Officers completed 786 home visits to support tenants in their own environments.
- 4.7 In collaboration with the IT department, significant enhancements were made to the **Housing Online system**. These updates empower tenants by providing:
- **Service Charge Transparency:** Real-time access to service charge breakdowns, enabling tenants to provide accurate documentation to the DWP for timely Universal Credit processing.
  - **Comprehensive Account Oversight:** Enhanced visibility of sub-account balances, including warden and alarm charges.
- 4.8 The team prioritised integrated working to resolve complex cases and address barriers to payment:
- **Energy Advocacy:** Tenants were referred to **National Energy Action (NEA)** for specialised support with energy debt negotiation, Priority Services Register enrolment, and long-term efficiency advice.
  - **Internal Collaboration:** Regular collaboration with Tenancy and Repairs Management ensured that complex arrears cases were reviewed alongside repair issues or management concerns that might impact rent payments.
  - **Multi-Agency Welfare Strategies:** For non-engagement cases, the team utilised cross-agency strategies, including police welfare checks and cross-referencing with Social Care, health services, and HM Prison Service to locate and support "hard-to-reach" tenants.
- 4.9 To ensure continued service excellence within a remote-working framework, the following measures remained in place:
- **Complex Case Reviews:** Management and Team Leaders held frequent reviews of high-level arrears (exceeding £1,500) to develop robust action plans and maintain oversight of significant debt.
  - **Productivity Oversight:** A sustained emphasis on performance management ensured that output and productivity remained consistent and high throughout the year.

## Number of Cases

4.10 The number of current tenants with rent arrears owing 7 weeks or more net rent is shown in tables 3 & 4 below.

**Table 3.** Breakdown of Arrears Cases by Quarter end 2025/26

Period	Owing 7 Weeks or more Net
Quarter 1	690
Quarter 2	735
Quarter 3	407
<b>Quarter 4</b>	<b>285</b>

Where no net rent is payable (i.e. on full benefit), full rent used as a default value to calculate number of weeks owing)

**Table 4.** Breakdown of Arrears Cases by Year End

Period	Owing 7 Weeks or more Net
2022/23	968
2023/24	862
2024/25	477
<b>2025/26</b>	<b>285</b>

4.11 The number of cases in arrears owing 7 weeks or more net rent, **decreased by 40%** over the previous year end figure. The 7-week arrears include lower amounts of net rent, so this is not a true reflection of the serious debt cases.

## Average Arrears Per Debtor

4.12 The total arrears divided by the total number of tenants in rent arrears at the specified intervals are shown in tables 5 & 6 below:

**Table 5.** Average Arrears per Debtor by Quarter End 2025/26

Period	Average Arrears
Quarter 1	£233.96
Quarter 2	£260.05
Quarter 3	£252.35
<b>Quarter 4</b>	<b>£214.98</b>

**Table 6.** Average Arrears per Debtor by Financial Year End

Period	Average Arrears
2022/23	£246.94
2023/24	£273.79
2024/25	£226.01
<b>2025/26</b>	<b>£214.98</b>

4.13 Table 5 shows the average arrears fluctuated at each quarter end and Table 6 demonstrates, by year end they were lower by 5% compared to the previous year end which correlates with the decrease in the value of the rent arrears.

### Top 500 Arrears Cases (by value)

4.14 Table 7 & 8 (below) shows the top 500 accounts with the highest arrears and total value of arrears at the end of each quarter and year end regardless of tenants' payment methods.

**Table 7. Top 500 Arrears Cases by Quarter End**

Quarter End	Highest Case	Lowest Case	Average	Total Value
Quarter 1	£4,056	£712	£1,082	£541,249
Quarter 2	£5,488	£753	£1,160	£580,178
Quarter 3	£5,293	£612	£1,020	£510,118
Quarter 4	£4,975	£533	£849	£424,598

**Table 8. Top 500 Arrears Cases by Year End**

Period	Highest Case	Lowest Case	Average	Total Value
2022/23	£3,009	£650	£930	£464,865
2023/24	£5,889	£717	£1,101	£550,651
2024/25	£3,787	£582	£882	£440,904
<b>2025/26</b>	<b>£4,975</b>	<b>£533</b>	<b>£849</b>	<b>£424,598</b>

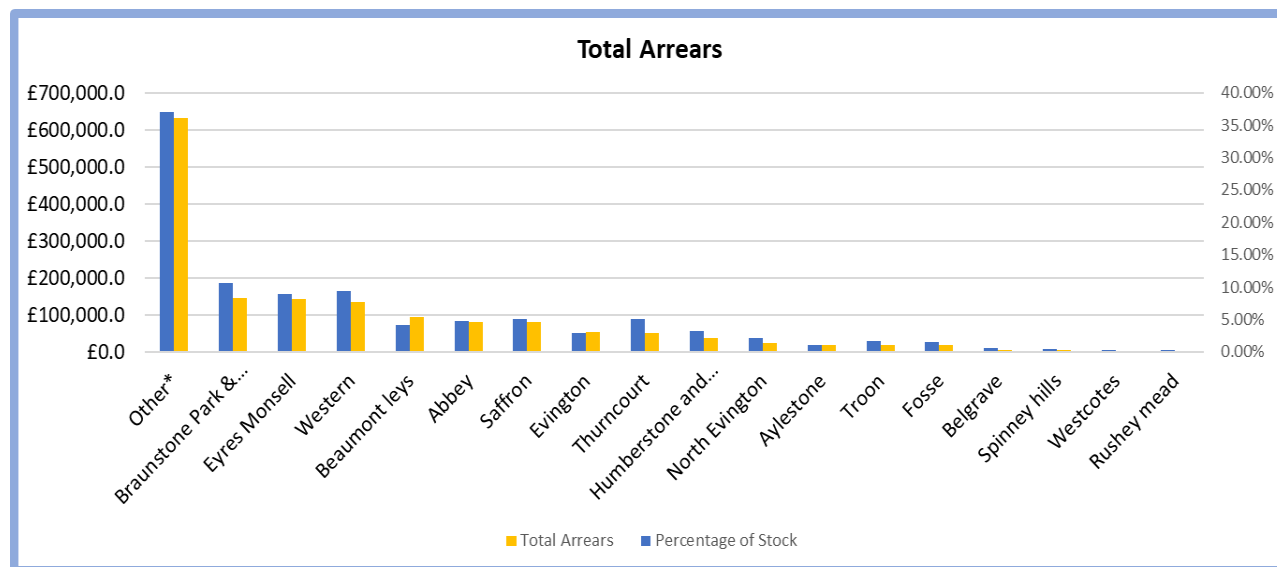
4.15 Table 7 shows that the total value of top arrears cases **decreased by 22%** at year end when compared to quarter 1. The total value figures within this table have been relatively stable throughout the year.

4.16 Table 8 shows the total value of the top 500 cases at year-end 2025/26 was **lower by over 4%** when compared to the same point in the previous year.

## Arrears by Ward

4.17 The graphs presented below show the total arrears and average arrears by ward at end of financial year 2025/26.

**Graph 1. Total Arrears by Ward**



(\*Other includes Castle, Knighton, Stoneygate and Wycliffe)

4.18 The graph above illustrates the Total Arrears (yellow bars) and the Percentage of Housing Stock (blue bars) distributed across various wards in Leicester.

### Graph Overview

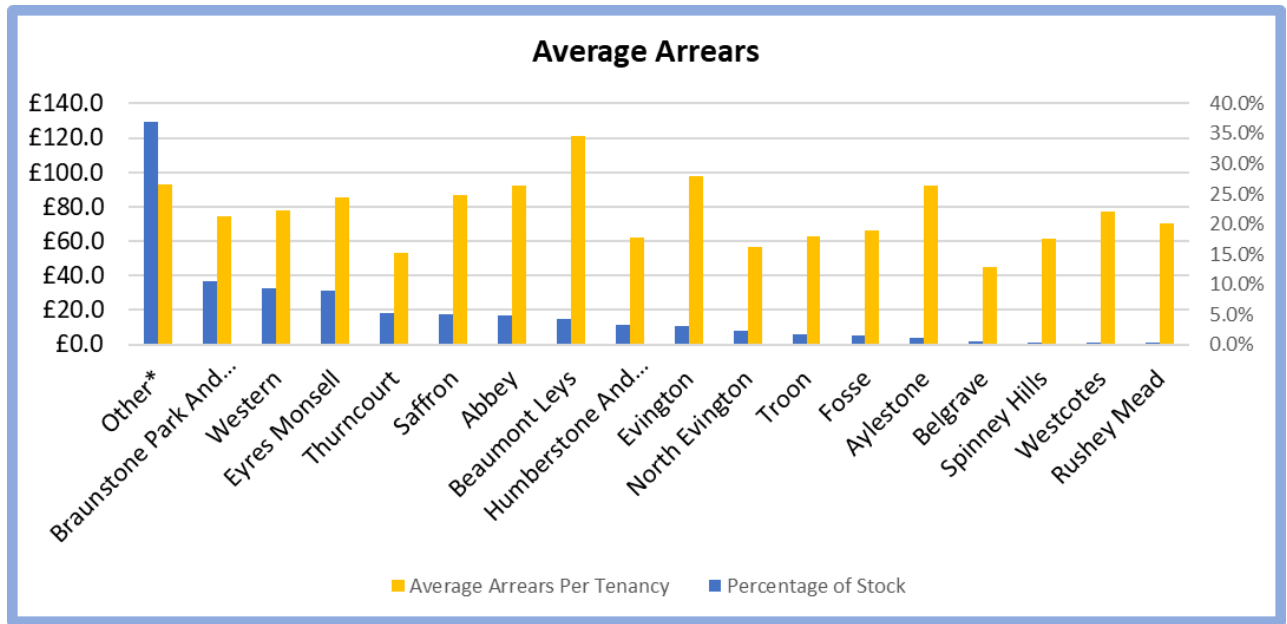
The "Other\*" category represents the largest volume of arrears, followed closely by Braunstone Park & Rowley Fields, Western, and Eyres Monsell.

In most wards, there is a direct correlation between the amount of stock and the total debt. However, in areas like Braunstone Park and Western, the yellow bars (arrears) are significantly high relative to other wards, indicating a deeper concentration of financial hardship in these specific communities.

Wards like Rushey Mead, Westcotes, and Spinney Hills show minimal arrears, likely due to a lower percentage of council-managed stock in those specific locations.

Arrears in these wards are rarely static; they fluctuate based on several localised and national economic drivers. These include benefit and Universal Credit changes and transitions, Cost of living and inflationary shocks.

**Graph 2. Total Average Arrears by Ward**



(\*Other includes Castle, Knighton, Stoneygate and Wycliffe)

4.19 This second graph shifts the focus from the total debt to the Average Arrears Per Tenancy (yellow bars) compared to the Percentage of Stock (blue bars). This is a critical metric because it reveals where the financial pressure is most intense on an individual household level, regardless of how many houses are in that ward.

**Graph Overview:**

While Beaumont Leys has a relatively small percentage of the city’s total housing stock (approx. 5%), it has the highest average arrears per tenancy, peaking at roughly £120. This suggests that while there are fewer tenants here than in Braunstone, those who are in debt owe significantly more on average.

As you move toward the right of the chart (wards like Aylestone, Westcotes, and Rushey Mead), the percentage of stock drops to nearly zero, yet the average arrears remain high (often between £70–£90). This indicates that in wards with very little social housing, the few tenants who do live there are experiencing high levels of financial strain.

Wards like Thurncourt and Belgrave show much lower average arrears (approx. £40–£50), suggesting that residents in these specific pockets are currently managing the cost-of-living increases more effectively or are benefiting from localised support.

## Universal Credit & Rent Management Advisor Support

4.20 Table 9 (below) provides information about Council tenants claiming Universal credit from the Department of Works and Pensions (DWP).

**Table 9.** Universal Credit Key Performance Indicators

Quarter End	Number of UC Cases	% UC Cases in Arrears before UC Started	% UC Cases in Arrears at Quarter End	Total Value of Arrears	Average Arrears per Debtor	No. of APA's*
Quarter 1	9,855	53%	65%	£1,638,056	£254	6,022
Quarter 2	10,257	52%	70%	£2,030,317	£281	6,313
Quarter 3	10,455	52%	41%	£1,066,716	£250	6,466
Quarter 4	10,482	51%	49%	£1,123,605	£220	6,511

\*APA = Alternative Payment Arrangements are when the DWP pay the housing Costs directly to the Council from the tenants Universal Credit Housing costs entitlement

4.21 By the end of the **2025/26 financial year**, the number of council tenants claiming Universal Credit (UC) reached **10,482**, representing **57%** of the total tenant population. In contrast, only **17%** of tenants remain in receipt of traditional Housing Benefit.

It is important to note that UC is paid a month in arrears. This payment structure frequently results in "technical" or "virtual" arrears appearing on rent accounts until the scheduled payment is processed and credited.

4.22 Analysis shows that a significant majority of tenants already held pre-existing arrears prior to moving onto Universal Credit. This is a recurring trend during the transition between benefit systems, as gaps in payment cycles often occur while new claims are processed. Furthermore, tenant non-compliance with DWP requirements can exacerbate these arrears, particularly as the backdating of UC is only permitted under exceptional circumstances.

4.23 At year-end, **6,511 tenants** had successful Alternative Payment Arrangements (APAs) in place. The remaining UC claimants consist of those:

- Awaiting an initial UC award or first payment.
- Paying the Council directly via other methods.
- Awaiting APA approval.

These administrative delays contribute significantly to the "technical arrears" mentioned above, impacting the overall arrears figures cited earlier in this report.

4.24 The Income Management Team continues to work closely with the Department for Work and Pensions (DWP) and local Job Centre Plus Work Coaches to mitigate the impact of UC on rent debt.

- **Escalation:** Complex cases or systemic issues are escalated directly to DWP Partnership Managers for resolution.
- **Direct Support:** We maintain an appointment-based service at the Job Centre Plus to provide immediate support for tenants with urgent or complex benefit claims.

- 4.25 The Council's 'Trusted Partner' status provides the team with direct access to the **Landlord Portal**. This integrated IT system allows the team to:
- **Verify Housing Costs:** Accelerate the verification process to prevent delays in claim assessments.
  - **Streamline APAs:** Directly apply for Alternative Payment Arrangements for vulnerable tenants who may struggle to manage their rent payments or arrears independently.

### The Rent Management Advisors

- 4.26 The teams **8 Rent Management Advisors (RMA)** are responsible for supporting our most vulnerable tenants, or those with complex needs with claiming and maintaining Universal Credit claims. They have been helping tenants set up e-mail accounts, supporting people to make and manage their UC claims, supporting tenants with backdated payments and reconsideration of welfare benefits and encouraging people to consider digital learning courses. Additionally, they are regularly conducting research and sharing information within the team so we can respond to tenants needs and provide the most appropriate advice.
- 4.27 The RMAs received **982 referrals**, representing a 16% decrease compared to the same period last year. Notably, **76%** of these referrals included an **identified vulnerability** disclosed by the tenant. Of the total received, **936 (95%) were accepted**, while **46 (5%) were declined** for not meeting the support criteria. To date, **727 cases have been closed** following the completion of support; of these, **13% were closed due to non-engagement**. The current active caseload stands at 206.
- 4.28 Support is categorised into two tiers: 'Short-Term' (up to two months) and 'Long-Term' (up to six months). Of the **727 closed cases, 77% required short-term assistance**, primarily for benefit claims or basic budgeting, while the remaining **23% received long-term support**. This longer-term intervention focused on ongoing claim management and applications for additional elements, such as Limited Capability for Work-Related Activity (LCWRA).
- 4.29 The average time for referral allocation and initial tenant contact was **two working days** respectively. These figures indicate that the current waiting list process is functioning effectively, allowing the team to manage workloads without significant delays.
- 4.30 Accepted referrals (936) were categorised by risk:
- **High (18%):** Immediate risk of homelessness/eviction.
  - **Medium (61%):** Risk of court possession proceedings.
  - **Low (21%):** Low-level arrears with no legal action.

- 4.31 Legal action is strictly a last resort, initiated only after all tenancy sustainment options are exhausted. Of the 727 cases closed this year, **82% were successfully supported to remain in their homes**. Formal action was required in only 18% of cases, typically due to non-engagement or the refusal of support. For active and ongoing eviction cases, RMAs maintain persistent engagement efforts until a final resolution is reached.
- 4.32 The RMA team provides comprehensive support for welfare benefits, council tax reduction and council tax discretionary payments, Household Support fund and mandatory reconsiderations. Over the past 12 months, the team secured **£259,000** for 867 households. This figure includes backdated payments and projected 12-month entitlements for disability benefits. Notably, while the team achieves significant results, the timeline for these outcomes is often impacted by external delays in DWP reconsiderations and appeals.
- 4.33 Targeted RMA intervention directly resulted in a **£524,000 reduction** in total rent arrears. This impact is calculated by comparing the arrears balance at the point of case opening against the balance at closure, demonstrating the clear financial value of proactive intervention.
- 4.34 To measure long-term impact, RMAs track "Soft Outcomes" via a confidence scoring system (1–5). This measures a tenant's ability to manage future claims independently. Of the 727 closed cases, **77% of tenants reported a marked improvement** in confidence. The remaining **23%** represents those who **felt no change or did not engage** with the assessment process.

#### **Discretionary Housing Payment (DHP)**

- 4.35 For the 2025/26 financial year, the team received no allocation for Discretionary Housing Payments (DHP) to support rent arrears. To mitigate the impact of this funding gap on vulnerable tenancies, the Income Management Team proactively pivoted to utilise the Household Support Fund (HSF). By strategically deploying these funds, the team was able to provide essential financial interventions for tenants at risk of possession proceedings, effectively bridging the shortfall left by the absence of DHP and maintaining our commitment to homelessness prevention.

#### **Household Support Fund (HSF)**

- 4.36 The Household Support Fund (HSF) was a multi-billion-pound emergency grant program delivered by local authorities in England. It was designed to provide a flexible "safety net" for households struggling with the rising cost of living. The HSF was launched in **October 2021**. The primary goal was immediate Crisis Support, this included paying utility arrears, providing supermarket vouchers, or direct cash transfers. Over time, the HSF evolved to include **Preventative Support**, helping with housing costs in "exceptional circumstances" where existing support (like Housing Benefit or DHPs) was insufficient.
- 4.37 This year the Crisis support focussed on supporting people primarily with utilities. Over the year a **total of 2,198** tenants were supported which equates to **12% of all**

**council tenants.** Tenants who did not qualify for HSF support were provided with advice on HB/UC and council tax which in total was 577 tenants. (see table below)

**Table 10. Household Support Fund**

Description of Assistance Provided	Number of Households	Percentage of tenants supported
Utilities	2198	12%
HB / UC advice offered	179	1%
Council Tax advice offered	398	2%

4.38 **The Household Support Fund** served as a vital lifeline for tenants experiencing acute financial hardship, particularly those ineligible for traditional support such as Discretionary Housing Payments (DHP), Housing Benefit, or Universal Credit. In a decisive response to the cost-of-living crisis, the team successfully allocated **£946,428** in housing cost support. This targeted intervention directly stabilised **1,542 tenancies**, providing a critical safety net for vulnerable households who otherwise lacked access to financial assistance.

The distribution of support across the assisted group was categorised as follows:

- **86%** related to rent arrears exclusively.
- **4%** addressed fixed District Heating debts.
- **10%** covered combined rent arrears and other essential service charges.

Notably, **over 55%** of these tenancies had reached critical legal stages, including the service of legal notices or pending court and eviction dates. Due to the timely intervention of the HSF and the team's mediation, **all pending legal activity for these cases was successfully aborted**, significantly reducing the risk of homelessness across the Council.

4.39 Through comprehensive Income and Expenditure assessments, the team identified clear patterns affecting this cohort. The primary drivers of debt were identified as low income, unemployment due to long-term ill health, and complex debts compounded by significant mental health vulnerabilities.

To ensure long-term tenancy sustainability beyond one-off financial awards, the team provided:

- **Budgeting Assistance:** Basic financial management support offered directly by Income Management Officer and Rent Management Advisors.
- **Specialist Referrals:** Direct pathways to expert partners including **CITAL**, the **Community Advice & Law Service**, **National Energy Action**, **Turning Point**, and **STAR**.

By addressing the root causes of financial hardship through these multi-agency referrals, the team has worked to break the cycle of debt for our most vulnerable residents.

## Court and Evictions

4.40 The Income Management Team remains committed to a "support-first" approach, ensuring that possession proceedings are only instigated after all avenues of tenant assistance have been exhaustively explored. To maintain high standards of oversight, every potential court case undergoes a rigorous management review prior to submission. Between April 2025 and March 2026, **90 cases** were submitted for rental possession, averaging **8 cases per month**. While this is a slight increase from the 59 submissions in 2024/25, it remains remarkably low when compared to pre-pandemic levels. Prior to 2020, the team averaged approximately 80 submissions per month; the current figures represent a **90% annual reduction** in possession actions compared to that baseline. This sustained decrease is a direct result of the team's effective arrears management and proactive tenancy sustainment interventions, which successfully resolve the majority of cases before legal action becomes necessary.

4.41 Warrant requests and evictions are pursued only as an ultimate last resort. Even after a possession order is granted, the team continues to offer support and payment solutions to sustain the tenancy right up until a scheduled eviction date. Management scrutinises every potential eviction to ensure:

- **Income Maximisation:** All possible benefit entitlements and funding streams (such as HSF) have been applied.
- **Vulnerability Assessment:** Any physical, mental, or social vulnerabilities have been identified.
- **Specialist Referrals:** Necessary referrals to support agencies were made well in advance of the legal process.

By providing tenants with ample opportunities to reach reasonable payment agreements, the team ensures that the eviction route is only followed once all efforts to sustain the tenancy have been demonstrated as exhausted.

4.42 In the 2025/26 financial year, only **5 evictions** were carried out for non-payment of rent. This figure highlights the team's success in maintaining low eviction rates despite the ongoing challenges of welfare reform and the cost-of-living crisis. For context, this compares to 4 evictions in 2024/25 and 7 in 2023/24.

Analysis of this year's evictions shows that the majority involved single-person households who had effectively abandoned their properties or childless couples who consistently failed to engage with payment plans. 1 Eviction which took place was for a Family with children however, extensive support was provided to this family by the Income Management team, along with other teams within the authority and external support services, however due to extremely high levels of arrears, and no payments from the tenant the tenancy was not deemed sustainable. Despite this one case the team continue to reinforce its commitment to protecting the most vulnerable households in our community.

## 5. Key Challenges for Year 2026/27

The Income management teams face a landscape defined by significant rent increases, shifting legal protections for tenants, and the persistent pressure of the cost-of-living crisis.

The primary goal for the year ahead is balancing the council's need for a sustainable **Housing Revenue Account (HRA)** against the increasing financial vulnerability of its tenants.

- 5.1 **The Renters' Rights Act 2026:** The abolition of Section 21 "no-fault" evictions (effective May 1, 2026) shifts the legal landscape. The team must now rely exclusively on Section 8 grounds for possession. This requires more robust evidence gathering regarding serious rent arrears and repeated late payments to secure court orders.
- 5.2 **Cost of Living & Vulnerability:** The ongoing cost of living pressures are impacting everyone but have a greater impact on those with lower incomes. The team faces the challenge of identifying and supporting "working poor" tenants who do not qualify for full benefits but are hit hardest by inflation and cost of living pressures.
- 5.3 **Stock Loss:** LCC continues to lose housing stock (partly through Right to Buy), A smaller stock pool puts more pressure on the income management team to maximise collection from remaining units to fund essential services.
- 5.4 **Crisis and Resilience Fund (CRF):** With the transition from the Household Support Fund to the Crisis and Resilience Fund on April 1, 2026, the team faces several operational and strategic challenges. While the new CRF allowance provides a more stable three-year funding window (2026–2029), it introduces stricter requirements that move away from "one-off" emergency grants.

### **Strategic Priorities: Tenancy Sustainment & Income Maximisation**

LCC currently maintains a high **tenancy sustainment rate of 98.96%**. The priority for 2026/27 is to protect this figure through the **Income Management Team**.

- 5.5 **Early Intervention:** Moving away from punitive measures toward "support-first" models, ensuring tenants maximise their benefit entitlements (e.g., Universal Credit, funding support available) before arrears escalate.
- 5.6 **Sustainable Payment Plans:** Working directly with residents to create payment schedules that are realistic in the current economic climate.
- 5.7 **Automated Communication:** Utilising digital tools to send automated rent reminders and statements, allowing officers to focus their time on complex cases requiring face-to-face or telephone intervention.
- 5.8 **Risk Profiling:** Using data to identify households at high risk of falling into arrears before they miss their first payment.

## 6. Financial, legal, equalities, climate emergency and other implications

### 6.1 Financial implications

This report sets out the position in relation to net rent arrears for current tenants at the end of March 2026. Not documented in this report are the arrears associated with non-dwelling properties (such as garages and parking spaces), hostel bedspaces and former tenants. The overall gross debt outstanding for all Council tenancies decreased by 8% compared to March 2025; this reduction will result in a corresponding decrease in the provision for bad debt.

Unlike in 2025, this financial year there was no support from Discretionary Housing Payments, however the pressure was managed with careful application of the Household Support Fund. This support has been instrumental in helping tenants sustain tenancies and manage arrears, though future funding constraints may present challenges.

Jade Draper, Principal Accountant  
14<sup>th</sup> May 2026

### 6.2 Legal implications

Litigation should be utilised (and is so) as a last resort in any matter, but especially with respect to rent arrears given the impact this has on individuals.

Pre-action engagement is encouraged by the Pre-Action Protocol for possession claims by social landlords prior to a Court claim being instigated. It encourages exchange of information and consideration of the tenant's circumstances and reasons for the arrears. This is in line with the Council's approach on engaging with the tenant before any referral is made to legal services.

Shazmin Ghumra, Principal Solicitor  
14<sup>th</sup> May 2026

### 6.3 Equalities implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The report provides an update on the rent arrears progress within the general housing stock, over the full financial year, from April 2025 to March 2026.

Rent arrears, Universal Credit, the cost-of-living crisis and the use of enforcement action can disproportionately affect tenants with protected characteristics, particularly disabled people, older people, families with children, single-person households and some ethnic minority groups. It would be useful in relation to tenants in serious debt to have these monitored by protected characteristics as defined by the Equality Act in order to address any adverse impact and put in place mitigating actions.

It is important that officers continue to offer early appropriate professional support and guidance to tenants to reduce rent arrears. Tenants will continue to face challenges and pressures in the coming years due to the cost-of-living crisis and as central government continue to reduce funding. The work carried out by the Rent Management Advisors in relation to supporting vulnerable people some of whom will have complex needs helps to impact positively on people from across all protected characteristics. While maintaining a robust approach to rent collection, policies must be fair and proportionate, recognising that financial difficulties can arise from various circumstances, some of which may be linked to protected characteristics.

Equalities Officer, Surinder Singh, Ext 37 4148  
Dated 11 May 2026

#### 6.4 Climate Emergency implications

There are no direct climate emergency implications arising from this report, although it is worth noting that the success in reducing rent arrears and sustaining rental income will be contributing to ensuring the council has the funds needed to maintain an energy efficiency stock. This not only reduces carbon emissions but also helps reduce fuel poverty.

Phil Ball, Sustainability Officer, Ext 372246  
13th May 2026