

# **COUNCIL HOUSING SERVICE RENT POLICY**



# Glossary of Terms

**Arrears**-Money that is overdue or unpaid. In this context, it refers to unpaid rent.

**Attachment of Earnings**-A legal order that allows the deduction of money from a person's wages to repay a debt.

**ASB-Anti-Social Behaviour**-The ASB and Tenancy Manager is responsible for tenancy breaches, including arrears and conduct.

**Court Order**-A legal directive issued by a court. In rent arrears cases, this may include possession orders or repayment arrangements.

**Decant**-When a tenant is required to temporarily move out of their home, usually due to repairs or redevelopment.

**Direct Debit**-A payment method allowing money to be automatically deducted from a tenant's bank account on an agreed schedule.

**Enforcement Action**-Steps taken to recover a debt, including legal actions such as obtaining a money judgment or wage deductions.

**Housing Benefit**-A government benefit that helps people on low income pay their rent. It is being replaced by Universal Credit in most areas.

**Housing Officer**- Any member of staff working in the council's housing service.

**Housing Options Team**-A team within the council that provides advice and support to people who are homeless or at risk of homelessness.

**Introductory Tenancy**-A trial tenancy lasting 12 months (extendable by 6 months). Tenants have fewer rights than secure tenants and can be evicted more easily.

**Money Judgment Order**-A court order that formally recognises a tenant owes money to the Council and can be enforced through other legal means.

**Notice of Seeking Possession (NOSP)**-A formal notice served by the landlord to start legal proceedings to end a tenancy due to a breach such as rent arrears.

**Outright Possession Order**-A court order requiring the tenant to leave the property by a specific date.

**Pre-Action Protocol** - A legal framework that landlords must follow before starting court proceedings for possession due to rent arrears.

**Rent Statement**-A summary provided to tenants showing rent charged, payments made, and the current balance over a specified period.

**Repayment Plan**-An agreement between the Council and the tenant to pay back rent arrears in instalments.

**Secure Tenancy**-A long-term tenancy offering stronger legal rights and protections, including the right to remain in the property as long as the tenancy conditions are met.

**Suspended Possession Order**-A court order allowing the tenant to stay in their home as long as they comply with agreed payment terms.

**Tenancy Agreement**-A legal contract between the tenant and the landlord outlining rights and responsibilities.

**Tenancy Management Officer**-A Council officer responsible for managing tenant issues, including rent arrears, support needs, and tenancy enforcement.

**Tracing Agents**-External services used to locate former tenants who have left with arrears and whose current address is unknown.

**Universal Credit**-A government welfare benefit replacing Housing Benefit and other benefits, providing financial support for housing and living costs.

**Vulnerable Tenant**-A tenant who may need extra support due to mental health, age, disability, or other personal circumstances.

# 1.0 Purpose, Scope and Objectives

## 1.1 Purpose

Hinckley and Bosworth Borough Council aims to set and vary rents across its housing stock in a way that keeps rent both affordable and accessible for new and existing tenants, whilst ensuring compliance with legal and regulatory requirements. The council also needs to ensure that it has enough income to ensure that its housing services continue to be effective and meet customers' needs.

## 1.2 Scope

This policy applies to the efficient and effective maximisation and recovery of:

- Rental income
- Service charges
- Former tenant arrears

The policy will be implemented by officers of the Council undertaking housing management activities.

## 1.3 Aims and Objectives

- To ensure that rents and service charges are set in accordance with statutory regulation.
- To protect the Council's income stream, maximising income from all housing-related charges to prevent the HRA from falling into deficit.
- To proactively identify tenants in financial hardship and provide early support and advice.
- To support tenants in hardship with repayment plan options and offer alternatives to legal action.
- To work collaboratively with other council teams and external partners to ensure tenant support.
- To comply with the Pre-Action Court Protocol.
- To protect tenants from contributing to costs they are not responsible for.

# 2.0 Monitoring and Reporting

- Weekly monitoring of rent arrears by area across the borough.
- Quarterly reporting of arrears and recovery action using the Council's performance management system.
- Annual sharing of performance with elected members and tenants.
- Benchmarking against comparable organisations to inform service improvements.
- Monitoring of tenancy terminations due to eviction for rent arrears.
- Annual review of the standards of services charged to tenants.

## 3.0 Use of Your Information

### 3.1 A Customer-Focused Response

Hinckley and Bosworth Borough Council aims to provide services that consider the personal circumstances of each tenant. To do so:

- Consent may be requested to share information with partners such as the Department for Work and Pensions (DWP).
- Personal information, including photographs, will only be shared with third parties when legally required or with tenant consent.
- All information will be held in line with GDPR and retained only as long as necessary.

## 4.0 Rent Setting

From the 1 April 2020 the Rent Standard permitted rent increases of up to CPI + 1% for a period of five years. All tenants will be notified of any increase in writing, at least four weeks in advance.

### 4.1 Social Rent

Social rents are set using a national formula based on:

- 70% of national average rent, adjusted by county earnings and bedroom weight, plus
- 30% of national average rent, adjusted by property value.

The Council's stock is primarily let at social rent. Existing properties will not be converted to affordable rent, though new stock may be assessed on a site-by-site basis.

### 4.2 Affordable Rent

Affordable rent may be charged when:

- The property is covered by a delivery agreement with Homes England;
- HBBC has an agreement with the Secretary of State;
- The property was acquired as affordable rent stock.

Affordable rents are capped at 80% of local market rent, including service charges. The Council will generally cap rents at Local Housing Allowance (LHA) rates, with exceptions for high-value rural areas.

### 4.3 Setting Affordable Rents

- Rents will not exceed 80% of market rent (inclusive of service charges).
- If formula rent exceeds 80% of market rent, the lower of the two will apply.
- Reference: Policy Statement on Rents for Social Housing (Feb 2019, GOV.UK).

## 4.4 Rent Flexibility

Registered providers (including HBBC) may apply a rent uplift of:

- Up to 5% above formula rent for general needs housing
- Up to 10% for supported housing

### 4.4.1 Supported Housing

Properties classified as supported housing include:

- Sheltered housing
- Homeless hostels
- Dispersed temporary housing

A 10% rent flexibility uplift is applied to cover the additional costs associated with temporary housing support.

### 4.4.2 General Needs Stock

A 5% uplift may be applied:

- Upon first let or re-let of a property less than 3 years old (where affordable rent is not applicable)
- When significant improvements or upgrades are completed
- When the property achieves EPC Band B or above

## 5.0 Service Charges

### 5.1 General Principles

Service charges cover services, maintenance, improvements, insurance, or management costs—usually related to communal areas in flats.

- Charges will aim to recover full actual costs
- Increases will generally be kept within CPI + 1%
- Clear information will be provided to tenants on how charges are calculated
- For affordable rent properties, service charges are included in the rent

## 5.2 Calculating Service Charges

The Council will:

- Set reasonable and transparent charges
- Ensure value and quality of services
- Separate service charges from rent in billing
- Consult tenants when new services introduce additional charges
- Base charges, where possible, on actual expenditure from the previous financial year
- Adjust charges downward if actual expenditure is lower

Note: Most service charges are eligible for Housing Benefit.

## 6.0 Rent Collection

The Tenancy Agreement outlines the responsibility of all council tenants to pay their rent.

Rent is payable weekly in advance and may be paid weekly, monthly, or at another agreed interval.

Rent and service charges are due for every week of the year — there are no rent-free periods.

### 6.1 Payment Methods

Tenants can pay their rent using a range of methods, including:

- Direct debit
- Online payments
- Standing order
- Telephone payments
- Card reader
- AllPay cards

For tenants in financial difficulty, support may be available via Universal Credit or Housing Benefit.

### 6.2 Communication

The Council will:

- Inform tenants in writing at least four weeks before any rent or service charge changes.
- Notify tenants in writing if they are in arrears.
- Issue annual rent statements summarising balances and payments over the past 12 months.
- Send text message reminders to prompt payments where needed.
- Contact tenants by telephone to discuss rent accounts.
- Provide online services to view rent balances and make payments.



### **6.3 Debt Recover**

An incremental approach to debt recovery will be taken in line with the Pre-Action Court Protocol.

In persistent cases of non-payment, the Council may:

- Apply to the County Court for possession of the property.
- Seek a Money Judgment Order for recovery of debt.
- Recover any legal costs incurred.

### **6.4 Tenant Responsibilities**

If a tenant falls into arrears:

- They may lose eligibility to join or remain on the housing register.
- They may be ineligible for mutual exchanges.
- They must honour arrangements related to previous debts, including management move arrears, rechargeable repairs, and court costs.
- Before ending a tenancy, tenants must arrange to repay any debts and provide a forwarding address.

### **6.5 Temporary Accommodation**

- Tenants decanted into alternative accommodation remain liable for rent (not exceeding their current monthly rent).
- Individuals under licence agreements will be charged for occupation.

### **6.6 Approach to Rent Collection**

The Council balances support with enforcement and aims to:

- Take early action in every case.
- Provide up-to-date rent account balances.
- Record all actions and communications in the housing management system.
- Communicate clearly in plain English.
- Use multiple contact methods (text, phone, letters, visits).
- Agree on repayment plans based on income and expenditure.
- Offer basic debt advice (e.g. via Citizens Advice).
- Support tenants in claiming housing-related benefits.
- Work closely with the DWP and other partners to prevent legal action.
- Allow long-term repayment options in cases of hardship.

## 6.7 Joint Tenancies

Joint tenants are jointly and severally liable for all rent and arrears. The Council will:

- Address correspondence to all named tenants.
- Engage with any party representing all joint tenants.
- Provide legal documentation to all tenants named in the agreement.

## 6.8 Introductory Tenancies

During the introductory period, tenancy breaches (e.g. rent arrears) may result in possession proceedings.

Tenants will be:

- Notified in writing and given opportunities to address issues.
- Able to apply for a review of any decision to end or extend the tenancy.

Note: Under Section 125A of the Housing Act 1996, the introductory period may be extended by six months where necessary.

## 6.9 Tenancy Ready Approach

All housing applicants placed in temporary accommodation by the Housing Options team will be offered support to prepare for and maintain their new tenancy.

This clause belongs here, as it links support before and during a new tenancy.

## 6.10 Interviews

All rent-related interviews — whether in-person, at home, or by phone — will be:

- Conducted sensitively and in private.
- Scheduled in advance where possible.

In cases without prior appointments (e.g. at home), tenants will be informed at the time that the purpose of the visit is to discuss rent.

- Rescheduled if inconvenient, and documented accordingly.

If a tenant fails to keep a rescheduled appointment without good cause, the case may proceed to the next rent arrears stage.

All interviews will be documented, with key points confirmed in writing.



## 6.11 Home Visits

For home visits, Housing officers will:

- Show identification.
- Explain the purpose of the visit.
- Ensure privacy for discussions.
- Encourage the presence of a carer/family member if needed.
- Make referrals if vulnerabilities are identified (e.g. to Social Care or Tenancy Support)

## 7.0 Person-Centred Approach

Hinckley and Bosworth Borough Council is committed to treating each tenant as an individual. We recognise that personal circumstances, such as mental health challenges, age, learning difficulties, or physical disabilities, may require tailored support from Housing Officers. Where such needs are identified, the Council may adopt a more comprehensive approach, which may include the following:

### 7.1 Tenants with Vulnerabilities or Mental Health Needs

- Repayment plans will be realistic and affordable, taking into account the tenant's circumstances.
- The tenant will be sent written confirmation of any repayment agreement, including payment dates where appropriate.
- A Notice of Seeking Possession will not be served until a home visit or interview has been considered.
- Where court proceedings are necessary, the Council will request that any County Court Possession Order be suspended on the condition of regular rent payments plus an agreed additional amount.
- If there are concerns about the tenant's vulnerability, Adult Social Care will be notified before applying for a warrant for possession.

### 7.2 Households with Children Under 16

- Housing Officers will assess whether additional support is needed for the household.
- If necessary, Children's Services may be notified before possession proceedings begin.
- The Council will generally request that Possession Orders are suspended, contingent on an affordable repayment arrangement.
- On a case-by-case basis, Children's Services will be informed when a warrant for possession is requested.

### 7.3 Tenants Who Cannot Read or Write, or Who Face Language Barriers

- Key decisions and communications will be delivered verbally or with the assistance of a translator, wherever possible.

All actions involving social care or external referrals will be managed through the Tenancy Management Officer/Housing Officer.

## 8.4 Safeguarding and Referrals

Where appropriate, Housing Officers/Tenancy Management officers may refer a tenant or household member to relevant support services in line with the:

- Adult Safeguarding Policy, or
- Children and Young Persons' Safeguarding Policy

This ensures additional protection and coordinated support for those at risk.

### 8.0 Tackling Rent Arrears- Our Processes

Hinckley and Bosworth Borough Council recognises that some tenants are unable to meet their responsibilities regarding rent payment due to financial hardship. As such, we remain committed to supporting our tenants and working with them to help them maintain their tenancy.

However, some tenants are persistently in rent arrears despite support and intervention. For those tenants a more robust response to rent recovery may be required.

## 9.0 Stages of Rent Recovery

An incremental approach to rent arrears recovery will be implemented by the rents team.

### Rent Arrears- Incremental Approach for Secure Tenants

#### Stage 1 - Reminder

We will notify you that there are arrears on the account. We will try all forms of contact to ensure that you are aware of the debt and to enable you to make a payment plan or pay the debt in full

#### Stage 2 - Warning

We will continue to attempt to make contact and ensure that you are fully aware of the debt and the consequences if you do not pay the arrears. Support will be offered to you if it is needed.

#### Stage 3 - Final Warning

We will make a final attempt to contact you before a Notice of Seeking Possession or a Notice of Possession of Introductory Tenancy (NOSP/NOPIT) is served on you. A home visit will be conducted in order to ensure that you have the relevant support in place.

#### Notice of Seeking Possession (NOSP)

You will be issued with a legal document informing you that we will be taking the case to court in 28 days, unless you have agreed a payment plan with the Rents Team.

### Legal Action

#### Court Action

You will be informed that you are being taken to court.

#### Notification of Court Hearing

You will be notified of a court date that you will need to attend

Court proceedings can commence at any time during the following 12 months after the Notice has been served. Once the 12 months are up, the Notice will lapse, and a new Notice must be served before possession can be sought.

## 9.1 Preventing Eviction

Eviction remains the last resort for the Council.

In most possession cases, the Rents Team will request a Suspended Possession Order from the Court. This allows the tenant to remain in their home, provided they continue to pay ongoing rent and make regular payments toward their arrears as directed by the Court.

In cases where tenants repeatedly breach the terms of the Court Order or fail to engage with the Rents Team, the Council may seek an Outright Possession Order. In these situations, the Housing Options Team will be informed at the earliest opportunity to offer support and assistance to those facing eviction.

The Council will also signpost tenants to external agencies, such as Citizens Advice, for independent guidance and support.

## 10.0 Former Tenant Arrears

The Council will seek to recover former tenant arrears for as long as it is economically viable to do so. Where necessary, enforcement actions may be pursued, including:

- Money Judgement Orders
- Attachment of Earnings
- Order to Attend Court for Questioning

Further detail can be found in the Former Tenant Arrears Procedure (see Appendix B).

Responsibility for recovery and monitoring of former tenant debt lies with the Tenancy Management Team.

## 10.1 Former Tenant Arrears Recovery

Upon termination of a tenancy:

- Tenants will be notified of any outstanding debt.
- The Council may liaise with other internal departments, including Benefits and Council Tax teams, to confirm any outstanding balances.
- Where full repayment is not possible, a repayment arrangement may be offered.

Other recovery actions may include:

- Referring debts to an outsourced collection agency in line with the Council's Corporate Debt Policy.
- Using tracing agents to locate former tenants where contact has been lost, provided this is cost-effective.
- In cases involving a deceased tenant, contact will be made with the next of kin or executor to recover debts from the estate.

Debts may be considered for write-off where:

- Recovery is uneconomical or not possible.
- Financial hardship is demonstrated.
- Such decisions will be reviewed by the ASB and Tenancy Manager or the Head of Housing.

## **11.0 Policy Review**

This policy will be reviewed every three years, or sooner if there is a significant legislative or regulatory change impacting the Council's rent collection or arrears recovery procedures.

## **12.0 Equality And Diversity Commitment**

The Council is committed to meeting its responsibilities under the Equality Act 2010 and the Public Sector Equality Duty. All officers and partners are expected to:

- Eliminate discrimination, harassment, and victimisation.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between different groups.

Protected characteristics include:

Age, Gender, Gender Reassignment, Disability (including physical, mental health, and learning disabilities), Race and Ethnicity, Sexual Orientation, Religion or Belief, Marital or Civil Partnership Status, Pregnancy and Maternity.

No individual will be discriminated against on the basis of any of these characteristics, or due to personal attributes such as political beliefs or socio-economic background.