



## Arrears Policy

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### Introduction

This policy explains how we:

- deal with matters such as rental arrears, tenants' responsibilities, and unpaid water, gas and electricity charges; and
- manage accounts that are in arrears.

It covers our approach to dealing with arrears, what action we may take, and the responsibilities our tenants have. It also gives details of the support we can offer.

### Our commitments

Arrears affect our tenants and us. They put tenants at risk of losing their tenancies, and cause financial difficulties for us. It is in everybody's best interests to minimise unpaid debt.

We will respond to arrears in an open, honest and sensitive way.

Our approach will include:

- measures to prevent arrears;
- identifying problems, and responding to them, as early as possible;
- giving tenants support and guidance to help them reduce their arrears; and
- taking action that is appropriate to the level of arrears and legal requirements, as defined under the Residential Tenancies Act 1987.

We will only take legal action when all our other attempts to recover the arrears have failed.



## **Tenants' responsibilities**

Under their tenancy agreements, tenants have a legal responsibility to:

- pay their rent every fortnight, for the fortnight ahead; and
- pay other charges, such as charges for electricity, gas, water and so on, when they receive an invoice for them.

We ask our tenants to tell us of any circumstances that may affect their ability to pay the rent or other charges.

Joint tenants are responsible, together and separately, for paying any amounts due. This means that we can recover unpaid amounts from either tenant individually.

If we have allowed a tenant to sublet their home, they are still liable for the rent and any other charges.

A tenant's responsibilities relating to rent payments are set out in their tenancy agreement and tenant's handbook.

## **Our responsibilities**

We must respond to arrears as soon as possible.

When trying to recover arrears we will try to deal directly with tenants before starting formal procedures.

If a tenant fails to pay the arrears, or does not agree arrangements to pay off the arrears, we will follow the procedures set out in the Residential Tenancies Act 1987.

If a tenant has a support agreement in place with us, and a support provider, we will work with the support provider, in line with the agreement, on all matters relating to recovering the arrears.

## **Preventing arrears**

If a tenant's rent is subsidised, we will adjust the rent according to their household's income.

If a tenant's household income reduces, they can ask for a rent review (see our Rent Setting Policy).

If we intend to increase rent at any time and for any reason, we will give our tenants notice in line with the Residential Tenancies Act 1987.



## **Early action**

If a tenant falls into arrears, we will tell them straight away.

We will try to deal with arrears before the debt becomes unmanageable.

We will give tenants support and information on agencies that can give help and support, including financial advice.

We will also offer tenancy support for any other issues that may be affecting a tenant's ability to pay arrears.

## **Recovering arrears**

If a tenant falls into arrears, we will ask them to contact us to discuss the debt and make an arrangement to pay it off.

If a tenant cannot pay off the debt in a single payment, we will agree a repayment plan with them to reduce the arrears.

If we have agreed a repayment plan with a tenant, we will regularly monitor their rent account. If the tenant misses any payments we will take further action in line with our Arrears Procedure.

We will only take legal action when all our other efforts to recover the debt have failed.

## **Appealing**

If a tenant does not agree with any of our decisions or actions they can appeal against them under our Appeals Policy.

## **Monitoring and reporting arrears**

We will monitor and report on arrears using measures specified by the Tenancy Management & Enrichment Sub-committee and the Board from time to time.