



Rent & Service Charge Arrears Policy & Procedure

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1. General Arrears

- 1.1 This relates specifically to the charges that the tenant is responsible for service charges and for any housing benefit (rent) shortfall resulting from partial housing benefit being awarded due to level of income and/or prior overpayments.
- 1.2 Arrears must be paid in addition to on-going rent due.
- 1.3 When the weekly cash rent payable by the licensee is £20 or more the procedure will be initiated at 7 days arrears and operate on a 7-day cycle.

2. Arrear Stages

2.1 Stage 1: Arrears Letter 1:

- 2.1.1 Is issued when a tenant has two weeks of outstanding rent and/or service charges and gives the tenant two weeks to repay the arrears.
- 2.1.2 This letter, will be issued in person.
- 2.1.3 The tenant should arrange a repayment plan as soon as possible.
- 2.1.4 All repayment plans agreed with us are likely to seek full repayment within four weeks.

2.2 Stage 2: Arrears Letter 2:

- 2.2.1 Will be issued if the repayment plan has not been achieved within 2 weeks.
- 2.2.2 This gives the tenant a further two weeks in which to make the repayment.

2.3 Stage 3: A notice to quit:

- 2.3.1 Will be issued if the arrears remain outstanding after four weeks of arrears letter 1 being issued.
- 2.3.2 This will only be withdrawn on receipt of the full amount owed being paid within 14 days.
- 2.3.3 However, it can be suspended if an agreed repayment plan is being complied with and be re-activated if repayments cease.
- 2.3.4 Any suspension will be in writing.

- 2.4 All arrears letters and notices to quit, along with any agreed repayment plans should be copied and kept in the warnings section of the client's file.