

## Arrears and other tenancy breaches policy 2016-2019

Policy ref: Arrears and other tenancy breaches policy      Approved by: Senior Management Team  
Policy author/policy holder: Assistant Director Homeownership and Contract Services  
Date approved: 25 March 2011  
Review date: 1 March 2016      Date of next review: March 2019

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### 1:: Purpose and anticipated outcomes

Knightstone recognises the importance of having a clear and effective policy dealing with rent arrears and other tenancy breaches. Rent arrears have a significant negative impact on our business and tenancy breaches can often lead to estate management problems and damage to our properties with consequential financial loss.

This policy sets out the circumstances when we will take action against tenancy breaches. We intend that it will also provide tenants with sufficient information to enable them to sustain their tenancy wherever possible.

### 2:: Scope and definitions

This policy applies only to market-based Assured Shorthold Tenancies and includes:

- Tenants of Intermediate Rented properties (homes part-funded by public subsidy where rents are usually set at 80% of the market rent for a similar home).
- Tenants of market rented properties (homes without public subsidy, let at the full market rate).

This policy does not apply to tenants of Knightstone Housing Association who are renting an “affordable rented” home at similar rent levels to the Intermediate Rented properties.

### 3:: About this policy

The principle aims of this policy are to:

- reduce arrears
- minimise the amount of arrears debt
- assist people to maintain their tenancy where possible and treat eviction as a last resort
- ensure our estates are well managed for the benefit of our residents and their neighbours
- preserve the good condition of our homes and reduce maintenance and void costs
- reduce management costs
- minimise void times
- preserve and improve our reputation as a landlord
- set out the framework for an open relationship with our tenants, based on clear communication and expectations
- instil a clear understanding that we will pass on any costs or losses we sustain as a result of any tenancy breaches

## Arrears

The rent is payable monthly in advance and failure to pay the full amount due will not be accepted. Tenants will be made fully aware of how much their rent is and when it is due before they enter into their tenancy. We will ensure tenants know that they can contact us at the earliest opportunity if they are not going to be able to pay their rent on time. We will discuss the reasons why the payment is late and also offer advice on how to meet their financial obligations in order that they can sustain their tenancy.

## Action

If the rent is not paid within a week of the rent due date, we will contact the tenant, ask them to explain why this has occurred and request payment at the earliest opportunity. Where necessary (and at our absolute discretion), we will agree a repayment plan which will be monitored to ensure adherence. Failure to comply with the agreed plan will result in us taking further action as listed below:

- If the rent remains unpaid following the first contact, a formal letter requesting payment will be sent to the tenant at the property address. This will usually occur two weeks after the rent has become due.
- If the tenant fails to make payment (either in full or in accordance with the agreed repayment plan), we will send a second letter explaining that failure to meet payment obligations will result in legal proceedings to terminate the tenancy. This will usually occur three weeks after the rent has become due.
- Once the second month's rent becomes due and there are two months' arrears with no agreement having been made with the tenancy, we will serve a Section 8 Notice (Notice Seeking Possession). We will then go to court to seek possession of the property and a money order to recover the arrears.

Following expiry of the fixed term of a tenancy, we will take into account the payment history of the tenant before agreeing to offer a new fixed term tenancy. In some circumstance we may choose to allow the tenancy to lapse and become a periodic tenancy. Where this occurs, an explanation will be provided to the tenant (see footnote for explanation of periodic tenancy).

## Other tenancy breaches

In addition to the obligation to pay rent, there are a number of other requirements which must be met. These relate to:

- Utility supply connections and payment of utility bills
- Alterations to meters
- Permitted uses for the home
- Nuisance including noise, racial and other harassment
- Using the home for illegal or immoral purposes
- Pets
- Internal decorations
- Damage to the property
- Permitting access for repair and inspection
- Parking and roadways
- Storage in communal areas including rubbish
- Assignment/subletting/overcrowding and lodgers
- Smoking in the communal areas and inside the home
- Alterations to the home

## Action

Tenants are provided with a copy of the agreement before their tenancy starts, to ensure they are fully aware of the obligations they have agreed to. Failure to comply with the terms may lead to the tenancy being terminated...

For a detailed explanation of the principle obligations contained in the tenancy agreement and the circumstance which may lead to termination, please refer to our "Arrears and Other Tenancy Breaches fact sheet" details of which are available on our website [www.knightstone.co.uk](http://www.knightstone.co.uk)

Costs incurred by us resulting from a breach of the tenancy

We will seek to recover costs incurred by us resulting from a tenant breaching the terms of the agreement.

Where we are not seeking to end the tenancy, we will ask for these costs to be settled by the tenant. Full details of the costs will be given and settlement of the whole amount will be required within 14 working days.

If the tenant fails to settle any reasonable demand for costs, we will serve Section 21 Notice to end the tenancy and we will reclaim the costs from the security deposit. Where the deposit is insufficient to cover the full amount of our losses we will seek recovery through the Courts.

## 4:: Service standards, monitoring and review

### General

It is our aim to manage our tenancies in a fairly, taking account of the tenancy terms. We will always endeavor to deal with tenancy breaches before they become a problem thus avoiding the need to take enforcement action.

We will confirm in writing all agreements for the repayment of rent arrears.

We will direct tenants to relevant agencies in order to assist them to identify any benefits they may be entitled to.

We will offer home visits to tenants with arrears who are in need of advice or assistance.

There may be exceptional circumstances where a tenancy breach is unavoidable. Our policy does not oblige us to take enforcement action where we may wish to exercise discretion within the policy.

We will in all circumstances deal with people in a prompt, professional and courteous manner.

### Appeals

If a tenant wishes to appeal against our decision to enforce the tenancy agreement, they may do so by submitting their case in writing to the Association's Director of Development and Homeownership Services. The tenant will be notified of the outcome within twenty one working days from receipt of the notice of appeal. Where Section 21 Notice has been served as a tenancy enforcement tool, the tenant will be given the opportunity to attend a Review Panel if they want the decision reviewed.

Complaints will be dealt with under the Association's Complaints Policy.

## 5:: Legal considerations

- Housing Act 1988 Schedule 2
- Deregulation Act 2015

## 6:: Linked/associated policies and other references

- Equality impact assessment
- Arrears and Other Tenancy Breaches fact sheet
- Knightstone HA Complaints Policy

### **Note:**

A tenancy automatically becomes periodic at the end of the fixed term of the Assured Shorthold Tenancy. This means that the tenancy continues on a month to month basis and the terms of the original agreement still apply. To end a periodic tenancy, the tenant must give one months' notice, whereas the landlord must give two.