

EastendHomes

RENT ARREARS RECOVERY POLICY

1. STATEMENT OF INTENT

- 1.1 EastendHomes has a responsibility to ensure that all rent and service charge payments are made in accordance with tenants' obligations under their tenancy agreement.
- 1.2 Payment of rent and service charges is a condition of tenancy; income from the rents is crucial to the finances of EastendHomes. From time to time some tenants may have difficulty making payments and may accrue arrears. EastendHomes will offer tenants every possible assistance to help them overcome such difficulties to ensure that any arrears are cleared.
- 1.3 Where tenants fall into arrears, EastendHomes will take a sympathetic and fair approach, but will always take action to recover the rent owing. Attempts will be made to recover arrears from former tenants.
- 1.4 EastendHomes does not use ground 8 of schedule 2 of the Housing Act 1988 to obtain possession of the premises for rent arrears,
- 1.5 EastendHomes has a separate policy for the management of starter tenancies.

2. ARREARS PREVENTION

- 2.1 Arrears prevention begins through the Lettings process and when the tenancy commences.
- 2.2 EastendHomes' procedures for rent collection and arrears management will ensure that all tenants are aware of their obligation to pay their rent and service charges, the amount owing and the methods by which they can make payments.
- 2.3 Where tenants may be eligible to claim benefits EastendHomes officers will assist the tenant to progress any aspect of their benefit claim. Information on available benefits will be made available to tenants at tenancy sign up and at regular intervals thereafter.
- 2.4 EastendHomes officers will discuss benefits matters with any tenant experiencing difficulty paying their rent.
- 2.5 EastendHomes will develop working relationships with appropriate partners to provide access for tenants to welfare and debt advice.

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2.6 EastendHomes will request tenants in receipt of housing benefit to agree to have their benefit paid directly to EastendHomes. EastendHomes officers will establish these arrangements as tenants sign up for their tenancies.

3. CURRENT TENANTS ARREARS

3.1 Action to recover rent arrears will include ensuring the tenant has the opportunity to bring any outstanding debt under control. Immediate clearance of a debt will be encouraged. In other circumstances arrangements will be made with the tenant to clear the debt over a reasonable period.

3.2 When an arrear appears on a tenant's rent account they will be notified in line with the arrears recovery procedure. Where specific service delivery needs are known, EastendHomes officers will make contact in the agreed format. The tenant will be urged to contact EastendHomes to agree an arrangement for repayment of the debt.

3.3 EastendHomes officers will consider, with the tenant, whether any additional tenancy support is required and make appropriate referrals if any needs are identified.

3.4 EastendHomes officers will continue recovery action in line with EastendHomes rent arrears procedure which will ensure that a proportionate escalation is progressed over time.

3.5 Legal action will be only be taken where all other recovery options have been exhausted and action will be taken in accordance with the Pre-Court Protocol.

3.6 EastendHomes will keep tenants fully informed of all actions taken through out the recovery procedure.

3.7 Where EastendHomes has incurred court fees for arrears action, EastendHomes will seek to recover these. When recovering court costs, EastendHomes will consider any vulnerability issues.

3.8 When an eviction date has been arranged, EastendHomes will notify the local authority Homeless Persons Unit.

3.9 All decisions to evict must be approved by the Head of Central Housing Services or delegated officers as agreed by Board..

3.10 Reasons for tenancy failure will be analysed annually to determine whether support and early intervention is effective in minimising homelessness.

3.11 Consideration will be given to obtaining a money order judgement for the debt where appropriate.

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- 3.12 Tenants with outstanding rent arrears will only be allocated another property in accordance with Tower Hamlets Common Housing Register Allocations Scheme or where rehousing within EastendHomes' stock assists tenants affected by welfare reform to reduce their debt and maintain a tenancy.
- 3.13 Any miscellaneous let, or contents insurance, will be revoked if the tenant has arrears on their main account. This is because rent on the home is a priority debt and removal of any non essential lettings will improve capacity to pay the rent due on the property.

4. FORMER TENANT ARREARS

- 4.1 All former tenants' arrears will be pursued. Different approaches will be adopted depending upon circumstances including:-
- (i) Under normal circumstances EastendHomes will not rehouse a tenant with arrears, but if an EastendHomes tenant in rent arrears is transferred into another EastendHomes property, the arrear will be transferred to the new property.
 - (ii) Where the former tenant has moved away, EastendHomes will seek information on their whereabouts and decide whether it is cost effective to pursue the arrear. If contact is made with the tenant, an arrangement will be made for repayment of the debt.
 - (iii) Where the former tenant has died, attempts will be made to recover the debt from the tenant's estate.
- 4.2 Consideration will periodically be given to all outstanding debt to determine if further recovery action is likely to generate income, with a view to recommending write-offs, as appropriate.
- 4.3 EastendHomes may engage third parties to support tracing of former tenants and debt recovery.

EastendHomes

RENT ARREARS RECOVERY POLICY - APPENDIX 1

This is a guide to the Grounds for Possession that EEH will not use in relation to rent arrears as stated in 1.4 of the Rent Arrears Recovery policy:-

Schedule 2, Housing Act 1988

Ground 1

The property is the landlord's only or principal home

Ground 2

The property has a mortgage outstanding on it and the mortgagee wishes to dispose of the property

Ground 3

The property is let as a holiday let

Ground 4

The property is let as a student let

Ground 5

The property is for the use of a minister of religion

Ground 6

Demolition or major works are to take place

Ground 8

At least 8 weeks rent is unpaid

The court **must** grant possession if these grounds are used, EastendHomes will not seek to use them in relation to rent arrears recovery.