

EastendHomes

Service Charge Arrears Policy

Policy

This policy sets out Eastend Homes approach to the collection of service charge arrears which, applies to all our leaseholders. Leaseholders pay a variable service charge based on actual and estimated charges that may also include major works. The new demand for financial year April 2015 to March 2016 will show a combination of general and major works service charges. There is a duty to accurately identify the cost of managing services, ensuring that costs passed on to leaseholders are reasonable. Leaseholders will typically pay service charges as follows:

- Building insurance
- Responsive repairs
- Concierge services
- Door entry systems
- Lift repair/renewal
- Cleaning
- Caretaking
- Grounds maintenance
- Communal Energy
- Qualifying works
- Long term Agreements

1: Overall Aim

The overall aim is to manage an effective service and ensure that leaseholders pay their ground rent and service charges in accordance with their lease.

EastendHomes aims to ensure appropriate measures are in place to encourage prompt payment and to avoid leaseholders falling into arrears. As a result, EastendHomes will:

- Maximize Income
- Undertake comprehensive review and monitor leaseholder accounts
- Minimize leaseholders arrears
- Communicate without delay with leaseholders where there is evidence of non-payment
- Use benchmarking and best practice examples to identify improvements in service charge collection
- Ensure a consistent approach to best practice, legislation and regulation

2: Relevant Legislation

- Housing Act 1985
- Sections 20B & 21B of the Landlord and Tenant Act 1985
- Service Charges (Summary of Rights & Obligations) Regulations 2007
- Housing and Planning Act 1986
- Section 47 Landlord & Tenant Act 1987
- Leasehold Reform, Housing and Development Act 1993
- Commonhold and Leasehold Reform Act 2002

3: Policy Objectives and Standards

EastendHomes will:

- Ensure that all service charges are calculated correctly in accordance with legislation and lease terms.
- Ensure the lease allows Eastend Homes to make the demand.
- Ensure every demand is accompanied by a summary of the leaseholder's rights and obligations.
- Issue regular statement of account.
- Ensure leaseholders receive their service charges demand on time.
- Provide a wide variety of payment methods for leaseholders to pay their service charges.
- Offer leaseholders payment plans where appropriate.
- Seek to prevent arrears by giving advice on debt management and on applicable benefits.
- Remind leaseholders of their obligation to pay their service charges.
- Work in partnership with agencies that can assist with financial advice
- Ensure that leaseholder service charge disputes are fully addressed and seek early resolution.
- Apply a consistent arrears procedure that meets this policy's objectives
- Where appropriate start legal action promptly to protect EastendHomes against further debt.
- When approaching a mortgage lender notify the leaseholder.
- Seek forfeiture of the lease in cases of persistent arrears only as a last resort.

4: Payment

EastendHomes wants to enable easy and convenient access for leaseholders to pay their service charges, and to limit the possibility of getting into debt. Where arrears are evident, advice and support will be offered to enable the leaseholder to clear their debt as soon as possible.

There are three options for paying:

- If the lease specifies: quarterly payment in advance.
- To pay the full amount within 28 days of the date of demand.

- To apply for and pay in 10 monthly instalments during the year.

Methods of payment:

- Direct debit through bank or building society
- Online through Allpay.net
- Standing order
- Telephone debit card payments.
- At shops displaying the PayPoint logo.
- By cheque either by post or in person at local housing centres
- Post Office – cash, cheque or debit card.

The arrears procedure:

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- will ensure that the same procedures will be followed for all leaseholders
- will charge additional administration fees to leaseholders with persistent arrears
- Will charge leaseholders interest on accounts with persistent arrears, in accordance with county court rules.