



INCOME & DEBT RECOVERY POLICY

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1. Introduction

- 1.1** Eastlight Community Homes (hereafter ‘Eastlight’) is committed to providing high-quality homes and services to residents.
- 1.2** This Income & Debt Recovery Policy sets out Eastlight’s approach to how we collect rent, service charges and other charges incurred by the resident. It also outlines how we recover all monies owed by Eastlight residents and homeowners, past and present, across rented, shared ownership and leasehold properties.
- 1.3** Maximising income and reducing debt or arrears helps us to continue providing high-quality homes and services to residents. It also keeps Eastlight financially strong so that we can meet our current and future business and financial objectives.
- 1.4** The income collected from residents is essential for Eastlight to continue to deliver housing and related services, maintain and invest in existing homes, and develop new affordable homes for those in housing need.
- 1.5** We aim to always work with residents to help them sustain their tenancies and home through proactive support, engagement and communication, particularly for those experiencing financial difficulty.
- 1.6** This Policy has been designed to ensure that Eastlight meet its legal and statutory requirements under UK legislative and regulatory obligations.

2. Scope

- 2.1** The Income & Debt Recovery Policy applies to those who have a financial obligation to Eastlight, including residents, shared owners, leaseholders, licensees and garage or parking permit holders, excluding any commercial arrangements.
- 2.2** It covers the management, collection and recovery of all charges linked to a tenancy, licence or property-related agreement, including shared ownership or freehold properties (‘homeowners’). This applies to the collection of rent, service charges, rechargeable repairs, court costs, garage rents and any other related charges.
- 2.3** It applies to both current and former residents, including any debt or other monies owed to Eastlight during or following the termination of their tenancy or property-related agreement.
- 2.4** This Policy serves as a reference to all temporary or permanent Eastlight employees, consultants, representatives of Eastlight and contactors or third parties that are

involved in income management and resident or neighbourhood support.

2.5 This Policy should be read in conjunction with:

- Rent Policy
- Service Charge Policy
- Reasonable Adjustment Policy
- Complaints & Resolution Policy
- Compensation Policy
- Shared Ownership Policy
- Affordability Policy
- Leasehold Management Policy.

3. Statutory & Regulatory Requirements

3.1 This Policy is designed to ensure Eastlight meets its obligations under the following statutory and regulatory requirements:

- Housing Act 1985 & 1988 (as amended by the Housing Act 1996)
- Protection from Eviction Act 1977
- Equality Act 2010
- Data Protection Act 2018
- UK General Data Protection Regulation (UK GDPR)
- Regulator of Social Housing's Regulatory Standards
- Social Housing (Regulation) Act 2023
- Leasehold Reform Act 1967
- Landlord & Tenant Act 1985 & 1987
- Leasehold Reform, Housing & Urban Development Act 1998
- Commonhold & Leasehold Reform Act 2002
- Leasehold Reform (Ground Rent) Act 2022
- Renters' Rights Act 2025
- Pre-Action Protocol for Possession Claims by Social Landlords
- Insolvency Act 1986.

4. Think Customer

4.1 At Eastlight, we exist to provide the best possible homes and services for residents.

4.2 Our 'Think Customer' approach aims to guide and support colleagues whenever they make decisions that affect residents, directly or indirectly.

4.3 'Think Customer' ensures our people fully consider how residents will experience and

be impacted by the service we provide. Before acting, our people must think about:

- The short and long-term effects of their actions
- The residents' individual needs and preferences
- Whether their communication is clear, respectful and appropriate
- If they can draw on any past insights or experiences to help them when making tough decisions
- Whether they, themselves, would be happy with the service being provided.

- 4.4** The 'Think Customer' model is designed to complement and work alongside all Eastlight policies and procedures, including this Income & Debt Recovery Policy.

5. Our Approach to Income Collection

- 5.1** Eastlight will make all reasonable efforts to maximise collection of rental income and other charges, ensuring all monies required from residents, shared owners, leaseholders and other customers are paid in a timely manner and in line with their tenancy, lease or other property-related agreement. To do this effectively, we will prioritise:

5.2 Prevention & Partnership Working

- 5.2.1 We will focus efforts on early intervention and provide proactive support to residents to manage their charges and reduce any arrears they have, from first-time instances to those at risk of increasing debt.
- 5.2.2 Where needed, we will collaborate effectively with local authorities, advice agencies and support services to help residents manage their debt or payments.

5.3 Tenancy Sustainment

- 5.3.1 We will help residents manage their rent or other obligations through advice, payment plans and benefit support, signposting to external agencies as and when appropriate.
- 5.3.2 We will provide flexible payment methods and arrangements that respond to resident need and capability.

5.4 Compliance & Maximisation

- 5.4.1 We will ensure all rent, service charges and other charges owed are collected promptly and efficiently to maintain Eastlight's financial viability.
- 5.4.2 We will comply with all statutory and regulatory requirements, ensuring appropriate checks are embedded throughout the arrears management process.
- 5.4.3 Where residents have been declared bankrupt or have obtained a Debt Relief Order

(DRO), they may have included rent arrears within their list of debts. If so, Eastlight are bound by the Insolvency Act 1986. We will not write off debt contained within an order unless legally obliged to do so, seeking legal advice as required.

5.5 Act Fairly & Transparently

- 5.5.1 We will treat residents with fairness and respect at all times, ensuring their circumstances, accessibility needs and communication preferences are taken into account.
- 5.5.2 We will make best endeavours to communicate to residents in ways that work for them, including supporting with reasonable adjustments where these become necessary (please see our Reasonable Adjustments Policy).

5.6 Be Firm But Fair

- 5.6.1 Enforcement action will only be used as a last resort once all other methods have been exhausted, prioritising prevention and support in the first instance. Enforcement action may include obtaining a court order for repayment of an outstanding debt or an eviction from the property.
- 5.6.2 Our decision-making will be transparent and documented to support robust record-keeping, regulatory compliance and resident right of access to information.

5.7 Accountability

- 5.7.1 We will take ownership of our duties and ensure residents are clear on theirs. We will communicate the details of residents' responsibilities early and the outcome of non-payment clearly.
- 5.7.2 We will ensure prevention measures are deployed as necessary, particularly in high-risk areas, and commit to supporting those experiencing financial hardship through targeted contact.
- 5.7.3 We monitor and review income performance monthly to maintain oversight at senior levels.

6. Homeownership Income Collection

- 6.1 Service Charges are determined and apportioned by the individual lease agreement for each property and the payment frequency will be set out accordingly.
- 6.2 Ground Rent is an annual charge determined by the lease. The lease will detail when this charge is due and how it is calculated.

- 6.3** Shared Ownership Rent is in addition to Service Charges and Ground Rent for any share of the property that is not owned by the homeowner. The lease will set out how the rent is due and how it is calculated.
- 6.4** The amount of Service Charge, Ground Rent and Shared Ownership Rent that our customers are required to pay are notified in writing to the property, as set out in their lease.
- 6.5** We will apply the principles set out in 5.1 to 5.7 of this policy to the collection of Home Ownership Income.
- 6.6** Eastlight may contact the mortgage lender where charges due under the lease remain unpaid and where Eastlight has not been able to recover any monies due directly from homeowner.

7. Compensation & Refunds

- 7.1** Should compensations or refunds to rent or service charges be applicable, we will use this to deduct the amount owed on residents' accounts, or otherwise clear any outstanding debts before a payment is made. This process will be explained to the resident clearly before we do so.
- 7.2** Exceptions to this will be made on a case-by-case basis and only in exceptional circumstances. This includes, but is not limited to, compensation payments that:
 - Have been ordered as a determination by the Housing Ombudsman. These will be paid directly to the resident and not used to alter residents' accounts
 - Are to replace or repair damage caused to white goods where Eastlight is responsible for this
 - Are to be used for the reimbursement of essential bills, such as gas, electric or food, where the resident would experience financial hardship as a result.

8. Recovering Former Resident Debt

- 8.1** We are committed to recovering former resident debt in a fair, proportionate and supportive manner, considering individual circumstances, needs and financial difficulties.
- 8.2** Following the termination of a tenancy or other property-related agreement, we aim to maximise income recovery, while maintaining positive relationships with former residents.
- 8.3** In doing so, we will:

- Identify former resident debt early, addressing monies owed promptly and effectively
- Encourage early repayment through clear, transparent communication
- Offer affordable, sustainable and flexible repayment arrangements, preventing unnecessary escalation of legal or enforcement action
- Ensure former residents are treated fairly, equitably and respectfully, taking into account their needs, financial situation and individual circumstances
- Comply with our legal, regulatory and data protection requirements, protecting Eastlight's income performance and financial sustainability.

8.4 We will consider enforcement action as a last resort. Our contact will always advise residents of when such action will become necessary. Where needed, Eastlight may work with third party enforcement agencies to recover former tenant debt.

8.5 Following a death of a former resident, we will consider the level of debt owed and the circumstances of the estate. If the debt is of high value, we will contact the appointed solicitor advising of the debt owed, or the Next of Kin where this is not in place. We recognise the impact a bereavement can have on the Next of Kin and will ensure that our approach is sensitive and empathic. We will work with the Next of Kin or representative of the estate to put an appropriate and proportionate resolution in place.

9. Equality Impact Assessment

9.1 An Equality Impact Assessment (EIA) for this Policy was conducted. As a result, actions have been put in place to mitigate any negative impacts.

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