



Rent Arrears – Policy Overview

Purpose

Rent income is essential for YMCA Black Country Group to maintain homes, deliver services and support residents effectively. This policy explains how YMCA prevents, manages and recovers rent arrears while recognising that residents may face financial difficulties. Our approach is to act quickly, offer support and work with residents to resolve arrears wherever possible, with eviction only used as a last resort.

Our Approach – Person Centred, Co-Produced, Strengths Based and Trauma Informed

When dealing with rent arrears, staff must work in a trauma-informed and supportive way. Staff should:

- Focus on “What does this person need?” rather than “What is wrong?”
- Recognise that financial difficulties may be linked to wider life challenges
- Encourage open conversations about money and affordability
- Offer practical support and signposting to financial advice
- Work collaboratively with residents to create realistic repayment plans

Our aim is to support residents to sustain their accommodation wherever possible.

Preventing Rent Arrears

Preventing arrears is the most effective approach. Staff should ensure that:

- Residents clearly understand rent charges and payment responsibilities
- Housing Benefit or Universal Credit applications are completed where appropriate
- Residents are informed about payment methods and due dates
- Residents are encouraged to pay rent in advance where possible
- Budgeting advice and welfare support services are offered

For Y-Living accommodation, credit checks and affordability checks are carried out before an offer of accommodation is made.

Monitoring Rent Accounts

Housing Officers must monitor rent accounts regularly to identify arrears early. This includes conducting weekly monitoring of rent accounts, recording all contact and payment arrangements, discussing arrears cases in team meetings, and escalating serious arrears to the Housing Manager. Early intervention helps prevent small arrears becoming larger financial problems.

Managing Arrears in Supported Housing (Licence Agreements)

Stage 1 – Early Contact - If a resident misses a payment, the Housing Officer will contact the resident quickly, a supportive conversation will take place, a payment agreement may be made, and notes will be recorded on the resident's file.

Stage 2 – Arrears Warning - If arrears reach 4 weeks or approximately £400, or the resident does not engage a Stage 2 arrears letter will be issued and the resident will be asked to clear arrears or make contact within 3 days.

Stage 3 – Notice of Termination - If there is no engagement or payment a Notice of Termination of Licence may be issued and the notice period is normally two weeks.

Stage 4 – Notice Period - During the notice period staff will continue trying to agree payments and reduce arrears, if arrears are cleared, the notice may be withdrawn. If no payments are made, the resident may be required to leave. Eviction will only be used where all other options have failed.

Residents Moving into Work

Arrears can occur when residents move into employment and their benefit entitlement changes. Housing Officers should discuss income changes early, check affordability of accommodation, agree new personal rent contributions, support residents with budgeting and consider move-on options such as Y-Living accommodation. Residents may also be eligible for support schemes such as Thrive into Work.



Managing Arrears in Y-Living (Assured Tenancies)

For tenants with assured tenancies:

- Day 5: Contact tenant if rent not received
- Day 14: First arrears letter issued
- Day 28: Second arrears letter issued if no engagement
- 2 months arrears: Third letter issued and warning of legal action
- Further non-payment: Notice Seeking Possession may be issued

Tenants will always be encouraged to contact the Housing Team early to agree repayment arrangements.

Housing Benefit and Third-Party Payments

Residents remain responsible for ensuring their rent is paid, even where Housing Benefit or third-party funding contributes. Staff will support residents with benefit applications and claims, work with Local Authorities and funding partners and chase third-party payments where necessary. Failure to engage in resolving benefit issues may lead to arrears recovery action.

Repayment Arrangements

Where residents cannot clear arrears immediately:

- Affordable repayment plans may be agreed
- Payment arrangements should consider individual financial circumstances
- Agreements must be clearly documented
- Housing Officers will monitor progress regularly

If a resident repeatedly breaks repayment agreements, further enforcement action may be required.

Court Action and Possession

Legal action will only be taken where all other attempts to resolve arrears have failed. This may include serving possession notices, attending court hearings, applying for possession orders and instructing bailiffs if necessary. Throughout this process YMCA will continue to encourage repayment and resolution of arrears.

Former Resident Arrears

Where arrears remain after a resident leaves YMCA accommodation the Former Residents/Tenants Arrears Policy will apply. YMCA will attempt to recover outstanding debt, and debts may be written off where recovery is not viable.

Staff Responsibilities

Staff managing rent accounts must:

- Monitor rent accounts regularly and act quickly when arrears occur
- Maintain accurate records of communication and agreements
- Offer support and financial advice where appropriate
- Follow YMCA arrears procedures consistently
- Work with partner agencies to support residents

Key Message for Staff

Our role is to:

- ✓ Prevent rent arrears wherever possible
- ✓ Identify and respond to arrears quickly
- ✓ Work with residents to agree realistic repayment plans
- ✓ Provide support and financial guidance
- ✓ Use legal enforcement only as a last resort

By managing arrears effectively and compassionately, we help residents maintain their accommodation while protecting the sustainability of YMCA services.