

## ARREARS POLICY

### Policy Statement

The purpose of this policy is fourfold:

1. To prevent residents being evicted and returning to a homeless spiral
2. To teach and encourage good management of personal finances
3. To minimise loss to the YMCA, Guildford
4. To comply with Tenant Services Authority principles of sound financial management

### 1. Introduction

- 1.1 Arrears can be a problem for both the resident and the YMCA, so action must be taken at an early stage if there is any chance of avoiding any serious problem developing. The YMCA will ensure that residents are clear about all stages of action being taken, and the result of visits and arrangements for future planned action will be confirmed in writing.
- 1.2 Whereas special arrangements may be made for residents undergoing changes in employment status and those residents who are receiving state benefits, a fair and strict, clearly communicated regime will be applied to prevent arrears building up.
- 1.3 The principle to be fairly and strictly applied will be that residents should not be permitted to get more than 3 weeks behind with their payments.
- 1.4 Residents will have the right of appeal if they feel that the following procedure has not been operated fairly. The Appeal will be heard by the Director of Operations.

### 2. Pre-Occupation of Referred Residents

- 2.1 During the selection process the Supported Housing Team will discuss income, charges payable and the method of payment with the applicant.
- 2.2 Where a resident will be relying on State Benefits, the Benefits Administrator will give advice on the range of benefits which are likely to be available.
- 2.3 If a referred applicant is accepted for residency after the initial interview, a member of the Residential Team will assist with completion of all relevant paperwork to ensure there is no delay in payment of benefits. The prospective Tenant will be informed at this stage that 1 week rent will need to be paid in advance before they can be accepted for Residency within the Hostel. Individual circumstances will be taken into consideration and any deviation from this procedure is at the discretion of the Supported Housing Manager.

2.4 Prior to residency, stamped receipts of benefit applications will need to be produced as proof of delivery to relevant agencies.

2.5 Residents on monthly pay (in arrears) will need to agree, in writing, to pay five weeks charge until such time as they have cleared all arrears and their account is in credit.

### 3. Regular Action

3.1 The Benefits Administrator will review the arrears records weekly, and issue reminder letters. The Manager will be given a report of all arrears each week, and individual cases will be discussed at a weekly meeting. It is the role of Key workers in the Supported Housing Team to provide advice and support to residents to help them to maintain their payments.

3.2 Monthly paid residents will enter into a written payment plan (incorporating stages 1 and 2), agreeing to pay five weeks personal contributions in arrears payable on the day their salary is paid, until monthly payment in advance is achieved. Their rent is payable the day they receive their salary. Failure to make that payment, without an extenuating circumstance, will result in eviction being issued for the next day.

3.3 Residents returning to work:

The Benefit Administrator will need to establish the following details as soon as a resident knows he/she will be returning to work:

- Weekly or monthly paid
- Proof of employment
- Paid on which day of the week or month
- Paid by BACS payment or cheque into Bank or Building Society
- Establish when funds are cleared to pay Accommodation Charge
- Agree new Personal Contribution amount to reflect net earnings

### 4. Stage One - 1<sup>st</sup> Warning

4.1 Charges are paid one week in advance and are due on Monday of each week. (For those receiving benefit payments, their charges are due on the day of the week the benefit is received, and the same principle applies). If charges are still outstanding 48 hours later the a member of the Supported Housing Team will write to the resident, using a standard letter, to remind him/her that money is owing. This letter will indicate the process that will follow if payment is not made, including eviction, and will state the date that would happen, effectively giving 2 weeks' notice. A duplicate of the letter will be kept on the resident's file.

### 5. Stage Two - Final Warning and Eviction

5.1 If no contact or payment has made by the Monday following the due date, a member of the Supported Housing Team will write again to the resident, to remind him/her that money is still owing and ask him/her to immediately clear the arrears or make contact within three days. Failure to respond by the due date will result in eviction on the date specified.

## **6. Stage Three - Issue of Termination of Licence**

6.1 If no contact or payment has been made by the set date, the Manager will write to the resident confirming notice of Termination of Licence on the specified date.

## **7. Stage Four - Notice Period and Expiry of Notice**

7.1 During the Notice period the Manager will make every effort to secure a reduction in the amount of the arrears.

7.2 If the arrears have been cleared, the resident will be informed that the notice is withdrawn.

7.3 If the arrears are reducing, the resident will be informed that the notice will be amended to a rolling eviction notice, and will be withdrawn when the arrears are cleared.

7.4 If no payments have been made, the resident will be asked to leave immediately. (The Manager has discretion to defer enforcement of the Notice if he/she believes there are good reasons why the arrears have not been reduced).

## **8. Court Action and Possession**

8.1 In the event of the resident not vacating the premises, the Manager will ensure that resident receives a summons from the court giving the date of the hearing.

8.2 During the period before the court hearing, the Manager will make every effort to secure a reduction in the amount of the arrears.

8.3 The Manager will attend court with the YMCA's solicitor. If an agreement to reduce the arrears has still not been reached and implemented, a seven day possession order will be requested. If the arrears have been cleared or reduced, a suspended order will be requested.

8.4 If the resident does not vacate the room by the end of the period ordered by the court, the Manager will instruct the YMCA's solicitor to apply to the court bailiff for a warrant.

## **9. Recovering Debts from Departed Residents**

- 9.1 Anyone leaving with a debt will be sent a 4<sup>th</sup> letter explaining that they will be allowed into the building to make payments and that they will not be accepted for future accommodation unless a repayment plan is agreed. We will ask them to take all their belongings away with them and inform them that the debt with us will affect future accommodation offers from other Guildford hostels and Guildford Borough Council.
- 9.2 Invoiced clients who have departed will be expected to settle accounts within 30 days. Accounts outstanding will be chased with a reminder letter the following month, and a telephone call 2 weeks' later.
- 9.3 After a further 2 weeks if the debt is still outstanding, the Finance office will put the matter in the hands of a collection agency who will pursue the debt.
- 9.4 The final step will be legal action through the Small Claims Court or paying the Collection Agency to recover the debt.

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