

EAST RENFREWSHIRE COUNCILCABINET18 February 2016Report by the Director of EnvironmentWRITE – OFF OF IRRECOVERABLE RENT, COURT EXPENSES,SHELTERED HOUSING WARDEN AND INSURANCE CHARGES**PURPOSE OF REPORT**

1. The purpose of this report is to seek Cabinet approval to write off as irrecoverable Rents, Court Expenses, Sheltered Housing Warden and Insurance Charges totalling £92,067.64.

RECOMMENDATIONS

2. The Cabinet is asked to:
- (a) note the write-off sum up to the value of £92,067.64 of irrecoverable Rents, Court Expenses, Sheltered Housing Warden and Insurance Charges without prejudice to subsequent recovery procedure; and
 - (b) approve that £91,226.64 of this amount is written off against the Housing Revenue Account and that £841.00 is written off against the Non Housing Revenue Account being debts accrued by applicants during the homelessness process.

BACKGROUND

3. The Council's Rent Arrears Policy (Section 5) lists situations where the write-off of debts will be considered when all viable means of collection are exhausted. These include the following criteria and in some cases, where action was last taken over 5 years ago, the Council is now time barred from taking any further action.

- Debtor is deceased and has left no estate.
- Debtor is in care of nursing home and there is no likelihood of debt being settled.
- Debt collection process is exhausted.
- Small balances outstanding under £20 where recovery costs exceed the amount to be collected.

REPORT

4. A breakdown of the proposed “write-off” amount for the HRA is as follows:

Category	Rents	Court Exp	Sheltered Warden	Insurance	Total
Debtor deceased with no estate	£13988.92(32)	0.00	£344.94(4)	£8.66(1)	£14342.52(37)
Debt Collection process Exhausted	£66777.21(48)	£9161.58(35)	0.00	0.00	£75938.79(83)
Debtor in care of nursing home	£777.55(3)	0.00	£38.48(2)	0.00	£816.03(5)
Small balances under £20 where recovery costs exceed amount due	£106.51(14)	0.00	0.00	22.79(3)	£129.30(17)
Total	£81650.19(97)	£9161.58(35)	£383.42(6)	£31.45(4)	£91226.64(142)

5. A breakdown of the proposed “write off” amount for Non HRA is as follows:

Category	Rents	Court Exp	Sheltered Warden	Insurance	Total
Debtor deceased with no estate	£192.55(1)	0.00	0.00	0.00	£192.55(1)
Debt Collection process Exhausted	£639.99(2)	0.00	0.00	0.00	£639.99(2)
Debtor in care of nursing home	0.00	0.00	0.00	0.00	0.00
Small balances under £20 where recovery costs exceed amount due	£8.46(2)	0.00	0.00	0.00	£8.46(1)
Total	£841.00(5)	0.00	0.00	0.00	£841.00(5)

FINANCE AND EFFICIENCY

6. In the current year around £4.3m of rent, net of benefits payments, is due to be received from tenants and the sum recommended for write off represents around 2.1% of this total and can be met from existing bad debt provisions. Last year the Cabinet approved write offs totalling £362,541.39 following a major review of outstanding debts.

7. Responsibility for managing the rent arrears function transferred to Housing Service in July 2015. This report has been prepared by Housing Services staff using the existing Rent Arrears Policy. It is intended to review this policy during 2016/17.

CONSULTATION AND PARTNERSHIP WORKING

8. This report has been drafted in consultation with colleagues from Accountancy and Revenue Services

IMPLICATIONS OF THE PROPOSALS

9. This report does not have any implications in terms of property, staffing, legal, equalities, IT and sustainability.

CONCLUSIONS

10. Given that the cost of pursuing these debts is greater than the money that would be recovered should recovery be successful it is concluded that write off is the most appropriate course of action.

RECOMMENDATIONS

11. The Cabinet is asked to:

- (a) note the write-off sum up to the value of £92,067.64 of irrecoverable Rents, Court Expenses, Sheltered Housing Warden and Insurance Charges without prejudice to subsequent recovery procedure; and
- (b) approve that £91,226.64 of this amount is written off against the Housing Revenue Account and that £841.00 is written off against the Non Housing Revenue Account being debts accrued by applicants during the homelessness process.

Director of Environment

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KEY WORDS - Write-off, Irrecoverables, Rent Arrears, Sheltered Warden Charges