

EAST RENFREWSHIRE COUNCIL

CABINET

19th February 2015

Report by the Deputy Chief Executive

WRITE-OFF OF IRRECOVERABLE RENT AND COURT EXPENSES

PURPOSE OF REPORT

1. The purpose of this report is to seek approval to write-off as irrecoverable Rents and Court Expenses totalling £362,541.39

RECOMMENDATION

2. The Cabinet notes the report and approves the write-off sum up to the value of £362,541.39 of irrecoverable Rent and Court expenses without prejudice to subsequent recovery procedure.

BACKGROUND

3. The Council rent collection policy lists situations where write-off 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 a nursing home and there is no likelihood of debt being settled.
- As Advised by Sheriff Officers
- Small balances outstanding under £20.00.

REPORT

4. A comprehensive review of outstanding former tenant rent arrears has recently been undertaken to ensure that only debts with a reasonable chance of collection are passed to the Housing service when it assumes responsibility for rent collection. The write off of the amount recommended should improve the rent arrears performance indicator for 2015/16 by over 3%.

	<u>Number of Accounts</u>	<u>Irrecoverable account Total</u> £
Deceased	31	14,662.63
Process Exhausted	383	346,341.23
In Care	3	1,443.43
Small Balances	11	94.10
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	<u>428</u>	<u>362,541.39</u>

5. In the current year around £4.1m of rent net of benefit payments will be received from tenants and the sum recommended for write off represents around 8.8 % of this total and can be met from existing bad debt provisions. Last year the Cabinet approved write offs totalling 51,806.76.

RECOMMENDATION

6. The Cabinet notes the report and approves the write-off sum up to the value of £362,541.39 of irrecoverable Rent and Court expenses without prejudice to subsequent recovery procedure.

C Innes, Deputy Chief Executive
DM/AG
29/01/2015

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BACKGROUND PAPERS:

1. Ohms Housing Management System Reports
2. Cars Corporate Debt recovery Reports

KEY WORDS Write off and irrecoverable.