

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 17 MAY 2006

FORMER TENANT ARREARS

Report by Executive Director of Neighbourhood Services

1. PURPOSE OF REPORT

- 1.1 To seek approval for writing off those former tenant arrears which are no longer economically viable to pursue.

2. BACKGROUND

- 2.1 It was reported to Committee on 21 May 2003 that regular reports requesting write-off of former tenant arrears would be submitted and would include those cases where the Debt Recovery Agency have attempted to recover the debt but have since concluded that it is no longer economically viable to pursue the debt. There are a variety of reasons for this, including: failure to trace, death of former tenant, or small value of debt.
- 2.2 Debts of less than £15, sequestrated debts, those of deceased tenants and those of permanently hospitalised (or nursing home) tenants are not being forwarded to the contractor to pursue and are, accordingly, recommended for write-off.
- 2.3 It was reported to Committee in September 2004 that Stirling Park had been awarded the contract for the Recovery of Former Tenant Arrears. The amount presented below under the heading: *Debt Recovery Agency Write-off* includes those accounts which have been returned by Stirling Park as non-recoverable, having exhausted the recognised methods of recovery.

3. AMOUNTS FOR WRITE OFF

- 3.1 The amounts of former tenant arrears presented for write-off are as follows:

Debt Recovery Agency Write-off	£12,094.33
Accounts under £15	£157.50
Deceased Tenants	£2,486.06
Hospital/ Nursing Home	£1,115.27
Sequestrated	£0.00
Other	£2,137.90
Total	£17,991.06

(position as at 21 April 2006)

- 3.2 The amounts above include former tenant arrears for lock-up garages, where the recovery process has followed the same route as for house rents. The section headed 'other' refers to debts owed by long term prisoners who have been contacted but have failed to take any action to deal with the debt.

In the event that they request housing at some point in the future, the debt will be raised through the Debtors System.

- 3.3** These debts are presented for write-off without prejudice to future recovery of the debt should that prove possible at some future date.

4. FINANCIAL IMPLICATIONS

- 4.1** The Accounts Commission consider it to be good practice for Local Authorities to write off as bad debts, on a regular basis, those sums owing to the Authority which are thought to be not recoverable. Budget provision is made in the Housing Revenue Account to cover bad debt costs.

5. LEGAL IMPLICATIONS

- 5.1** Debts owed to the Council are normally recoverable up to five years after the date on which they are constituted, subject to a number of exceptions which include debts for which a court decree has been obtained irrespective of any decision to write off the debts.

6. CONCLUSIONS

- 6.1** Where every reasonable measure has been taken to recover debts, it is appropriate to present these debts to Committee for write-off.

7. RECOMMENDATIONS

- 7.1** It is recommended that Committee:
- i) approve the write-off in the current financial year of Former Tenant Arrears of £17,991.06 as detailed in paragraph 3.1 of the report.

William Stafford
Executive Director of
Neighbourhood Services

2 May 2006

CMCA/GD/LA

LIST OF BACKGROUND PAPERS

Nil

Members wishing further information on any of the above should contact Gerry Darroch, Housing Services Manager on 01563 554873.

Implementation Officer: chris.mcaleavey@east-ayrshire.gov.uk