

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 3 SEPTEMBER 2003

WRITE OFF OF FORMER TENANT ARREARS

Report by Director of Homes and Technical Services

1.0 PURPOSE OF THE REPORT

- 1.1 To seek approval for the writing off of those former tenant arrears accrued prior to 3 August 2003 which are no longer viable to pursue.

2.0 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, being recommended for write-off.

3.0 AMOUNTS FOR WRITE OFF

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

Debt Recovery Agency Write-Off	£37273.36
Accounts under £15 (not sent to DRA)	£ 92.14
Deceased Tenants (not sent to DRA)	£ 3232.65
Hospital/ Nursing Home(not sent to DRA)	£ 2031.16
Sequestrated	£ 746.50
Total	£43375.81

(position as at 14 August – week 19 2003)

- 3.2 The amounts above are presented for write-off without prejudice to future recovery of the debt should that prove possible at some future date.

3.3 As at 15 August 2003, the two contractors have collected a total of £40,402. 22p, broken down as follows.

Contractor	Total Collected	Commission	Net Collected
Intandem	£16,730.05	£4,147.90	£12,582.15
Moorcroft	£26,372.17	£4,438.25	£19,233.92
Totals:	£40,402.22	£8,586.15	£31,816.07

A future report to Committee will provide a full analysis of the performance of both Contractors.

4.0 FINANCIAL IMPLICATIONS

4.1 The Accounts Commission consider it to be good practice in 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. Provision is made in the HRA for bad debt.

5.0 LEGAL IMPLICATIONS

5.1 With reference to paragraph 3.2 above 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, irrespective of any decision to write the debts off.

6.0 RECOMMENDATIONS

6.1 It is recommended that members:

- i) approve the write-off in the current financial year of Former Tenant Arrears of £43375.81 as detailed.

James Lavery
Director of Homes and Technical Services
18 August 2003

LIST OF BACKGROUND PAPERS

Nil

Members wishing further information on any of the above should contact Gerry Darroch, Operations Manager (Homes) on 01563 554873.

Implementation Officer: Gerry Darroch, Operations Manager