

AGENDA ITEM No. 2

NORTH LANARKSHIRE COUNCIL

REPORT

To: HOUSING AND SOCIAL WORK SERVICES COMMITTEE		Subject: FORMER TENANT ARREARS WRITE OFF TO 31 MARCH 2006
From: HEAD OF HOUSING AND SOCIAL WORK RESOURCES		
Date: 27 FEBRUARY 2008	Ref: RP/UC/IMCC	

1. Introduction

This report seeks approval to write off the sum of £908,605.77 relating to Former Tenant Rent Arrears prior to 31 March 2006, which are considered irrecoverable.

2. Executive Summary of Financial Position

2.1 The arrears write-off is made up as follows:

Reasons	No of Cases	%	Amount £	%
Abandoned	269	6.4	176,030.17	19.4
Eviction	200	4.8	239,239.04	26.3
Deceased	549	13.2	96,315.84	10.6
No Forwarding Address	499	11.9	176,418.04	19.4
Recovery Exhausted	1,170	28.0	265,798.80	29.2
Credit Balances	1,489	35.7	(45,196.12)	(4.9)
Totals	4,176	100.0	908,605.77	100.0

2.2 When compared to the total annual rental income of £92m, the write-off sum of £908,605.77 equates to only 1% in overall terms.

2.3 The above write off can be offset against provision held within the Council's Balance Sheet at 31 March 2007, which was increased to reflect new accounting practices introduced to comply with audit recommendations.

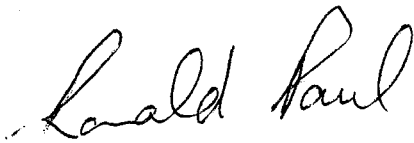
2.4 In bringing forward this report, the Council should be aware of the proactive measures that are being taken to collect rental income. The 2006/07 Statutory Performance Indicators collated by Audit Scotland identify North Lanarkshire Council's Housing Service as one of only 16 of 27 Scottish local authorities to meet set rent arrears targets. The service's figure of 3.7% of net rental income was well below the Scottish average of 6.7%. This level of write off should therefore be viewed in the context of the Council's overall performance.

2.5 Although the above sums will be written-off through the Council's final accounts, Committee should note that, where possible and practicable, efforts will continue to secure payment of outstanding rent balances from former tenants. This will involve the pursuit of debts in a formalised manner, using staff from within the service, Sheriff Officers and other external debt agencies, incorporating a variety of legal options available.

3. Recommendations

It is recommended that Committee:

- a) Approves the write off of Former Tenant Arrears totalling £908,605.77 in relation to the period ending 31 March 2006;
- b) Refers the report to the Policy and Resources (Finance and Customer Services) Sub Committee for approval; and
- c) Otherwise notes the contents of this report.



R Paul
Head of Housing and Social Work Resources
30 January 2008

For further information on this report please contact Ian McCulloch on telephone 01236 812681.