

NORTH LANARKSHIRE COUNCIL

REPORT

AGENDA ITEM No. 15

To: HOUSING AND SOCIAL WORK SERVICES COMMITTEE	Subject: FORMER TENANT ARREARS WRITE OFF TO 31 MARCH 2012
From: ACTING JOINT HEAD OF HOUSING AND SOCIAL WORK RESOURCES	
Date: 30 JANUARY 2014	Ref: UC/DS

1. Introduction

This report seeks approval to write off the sum of £755,893 relating to Former Tenant Rent Arrears prior to 31 March 2012, which are considered irrecoverable.

2. Executive Summary of Financial Position

2.1 In bringing forward this report, the Council should be aware of the proactive measures that are being taken to collect rental income. The 2012/13 Statutory Performance Indicators collated by Audit Scotland identify North Lanarkshire Council's Housing Service as one of only 14 of 26 Scottish local authorities to meet set rent arrears targets. The Service's figure of 4.1% was well below the Scottish Average of 6.8%. This level of write off should therefore be viewed in the context of the Council's overall performance.

2.2 However, current trends indicate that, due to the impact of welfare reform (predominantly under occupancy rules combined with the forthcoming introduction of Universal Credit), this level of performance is no longer sustainable.

2.3 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 and Sheriff Officers, incorporating a variety of legal options available.

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

Reasons	No of Cases	%	Amount £	%
Abandoned	101	10.4%	77,317	10.2%
Eviction	56	5.8%	49,850	6.6%
Deceased	348	35.8%	67,077	8.9%
No Forwarding Address	679	70%	323,224	42.8%
Recovery Exhausted	671	69.2%	269,009	35.6%
Credit Balances	(885)	(91.2)%	(30,584)	(4.1)%
Totals	970	100%	755,893	100%

- 2.5 When compared to the total annual rental income of £104m, the write-off sum of £755,893 equates to only 0.73% in overall terms.
- 2.6 The above write off can be offset against provision held within the Council's Balance Sheet at 31 March 2013.

3. Recommendations

It is recommended that Committee:

- a) Approves the write off of Former Tenant Arrears totalling £755,893 in relation to the period ending 31 March 2012; and
- b) Refers the report to the Policy and Resources (Finance and Customer Services) Sub Committee for approval.



Una Coleman
Acting Joint Head of Housing and Social Work Resources
19 December 2013

For further information on this report please contact David Shaw on telephone 01698 332776.