

NORTH LANARKSHIRE COUNCIL

REPORT AGENDA ITEM No.

To: HOUSING AND SOCIAL WORK SERVICES COMMITTEE		Subject: FORMER TENANT ARREARS WRITE OFF TO 31 MARCH 2013
From: JOINT ACTING HEAD OF HOUSING AND SOCIAL WORK RESOURCES		
Date: 29 JANUARY 2015	Ref: UC/AJ	

1. Introduction

This report seeks approval to write off the sum of £716,021 relating to former tenant rent arrears prior to 31 March 2013 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	Value £
Abandoned	68	43,486
Eviction	30	39,509
Deceased	384	70,140
No Forwarding Address	321	190,787
Recovery Exhausted	1,001	389,049
Credit Balances	(619)	(16,950)
Totals	1,185	716,021

2.2 When compared to the total annual rental income of £105m, the write-off sum of £716,021 equates to 0.68% in overall terms.

2.3 The above write off can be offset against provision held within the Council's Balance Sheet at 31 March 2014.

2.4 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.

- 2.5 In bringing forward this report, Committee should be aware of the proactive measures that are being taken to collect rental income. The Council has put in place a range of initiatives to mitigate the effect of welfare reform, as outlined in previous reports to Committee. Notwithstanding these measures, the effect on rent arrears has been significant, contributing to a 50% increase during the 2013/14 financial year.
- 2.6 Recent trends, combined with current assumptions about the impact of welfare reform on rent arrears, indicate that the level of write off will increase in the future years. Additional provision for bad debt has therefore been factored into the HRA base budget from 2015/16.

3. Recommendations

It is recommended that Committee:

- a) Approves the write off of Former Tenant Arrears totalling £716,021 in relation to the period ending 31 March 2013; and
- b) Refers the report to the Policy and Resources (Finance and Customer Services) Sub Committee for approval.



Una Coleman
Joint Acting Head of Housing and Social Work Resources
16 January 2015

For further information on this report please contact Angela Johnstone, Income Manager, on telephone 01698 332776.