

NORTH LANARKSHIRE COUNCIL

REPORT

AGENDA ITEM No. 10

To: HOUSING AND SOCIAL WORK SERVICES COMMITTEE		Subject: FORMER TENANT ARREARS WRITE OFF TO 31 MARCH 2014
From: MANAGER (FINANCE AND ADMINISTRATION)		
Date: 4 FEBRUARY 2016	Ref: UC/AJ	

1. Introduction

This report seeks approval to write off the sum of £800,838 relating to former tenant rent arrears prior to 31 March 2014 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	112	91,442
Eviction	26	33,700
Deceased	413	87,325
No Forwarding Address	265	165,525
Recovery Exhausted	1,159	565,920
Credit Balances	(1,507)	(143,073)
Totals	468	800,838

2.2 When compared to the total annual rental income of £108m, the write-off sum of £800,838 equates to only 0.74% in overall terms.

2.3 The above write off can be offset against provision held within the Council's Balance Sheet at 31 March 2015.

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 impact of welfare reform, as outlined in previous reports to Committee. Notwithstanding these measures, the effect on rent arrears has been significant, contributing to a 19% increase during the 2014/15 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 £800,838 in relation to the period ending 31 March 2014; and
- b) Refers the report to the Policy and Resources (Finance and Customer Services) Sub Committee for approval.



Una Coleman
Manager (Finance and Administration)
21 December 2015

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