

**WEST DUNBARTONSHIRE
COUNCIL**

Report by Chief Officer – Housing and Employability

Housing and Communities Committee: 23rd November 2022

Subject: Former Tenant Rent Arrears Write Off – 2022/23 Quarter 2

1. Purpose

- 1.1** The purpose of this report is to seek Committee approval for the write-off of rent arrears for quarter 2 of 2022/23 for former tenants, arising from various years and reasons as detailed at 4.3.5.

2. Recommendations

- 2.1** It is recommended that Committee approves the write off of former tenant arrears accounts totaling £167,878.17.

3. Background

- 3.1** At the Council meeting held on 21st December 2016, Council agreed to increase Financial Regulation D4 which gives the Chief Officer - Resources authority to write-off individual debts. It was agreed to increase this from £1,000 to £5,000.
- 3.2** Individual debts exceeding £5,000 can be written off only with the approval of Committee.

4. Main Issues

- 4.1** When a tenancy ends and there are current tenant arrears of rent outstanding from the current and previous years a former tenant rent account is created. The Council's total rent that is due to be collected for 2021/22 was £44.22m of which approximately 98.4% was collected in that year.
- 4.2** The Council has to consider writing-off arrears of rent which it has not been possible to collect or which it considers will not be recoverable. It should be noted that, although these cases are written-off, a record of the arrears is maintained and there is nothing to prevent later pursuit of the debt if new information becomes available in the future, with the exception of prescribed debts.
- 4.3** The accounts submitted for write off are for former tenants and fall into the unreasonable to pursue category.

4.3.1 Former tenant arrears where our diligence action has been exhausted are requested to be written off. Examples of the actions that have been taken include telephone calls, text messages, letters and house visits or we have been unable to trace the former tenant. Following the diligence process it has been established that in the majority of cases the person does not have funds available to repay this debt. As full records are maintained for all cases written off if in future circumstances change this debt may be reinstated. This also includes cases that our managed debt partners have fully exhausted recovery attempts. The total proposed write-off in this category is 24 cases totaling £167,878.17.

4.3.2 The proposed write off figure is high due to the increased work carried out in attempts to recover debts. These include increased trace attempts for debtors that have moved out-with our area, engagement attempts and consideration to further avenues for recovery which include discussions with our debt partners which has resulted in cases being reviewed for longer. These cases have exhausted all recovery attempts and recovery is unreasonable.

4.3.3 Unfortunately, former tenants with arrears over £5,000 tend to lead chaotic lifestyles which that can include addition issues, health and various other issues. The cases for write off have had periods of non-engagement following by periods of rent being paid by tenant and/or Housing Benefit or Universal Credit. Due to income received by tenants, they can be paying their on-going rent charge with only small amount able to be paid to arrears. This arrangement can be sustained for months without issue and suddenly this ceases with officers having no immediate success in contacting tenants with arrears building. When the tenant does engage, a new arrangement is made however arrears have increased and this circle can unfortunately continue.

4.3.4 The officers during engagement and the recovery process ensure tenants know we can provide support, either financial or through W4U and to engage if they are struggling rather than ignoring the issue, hoping it will resolved itself and avoiding officers for weeks/months. This has proven successful but unfortunately not in all cases with some tenants that fail to engage until court action. Once court action has been started, tenants will engage with officers and this will continue for a period and then suddenly it ceases, until we are back to court action stage and this cycle can continue.

4.3.5 The total debt for write-off is analysed in the table below.

Year Tenancy Ended	Unreasonable to Pursue Write-Off Amount
2018	£11,973.00
2020	£23,316.13
2021	£132,589.04
Total	£167,878.17

5. People Implications

5.1 There are no people implications.

6. Financial & Procurement Implications

- 6.1** Sufficient provision exists for this write off. There are no procurement implications.

7. Risk Analysis

- 7.1** If write offs are not approved, this will affect the monitoring of performance against targets for performance indicators and budget monitoring within the Housing Revenue Account (HRA).

8. Equalities Impact Assessment (EIA)

- 8.1** No significant issues were identified in a screening for potential equality impact of this report.

9. Strategic Environmental Assessment (SEA)

- 9.1** There is no requirement to carry out a SEA

10. Consultation

- 10.1** Consultation has taken place with Housing and Legal Services.

11. Strategic Assessment

- 11.1** Proper budgetary control and sound financial practice are cornerstones of good governance and support Council and officers to pursue the 5 strategic priorities of the Council's Strategic Plan. This report forms part of the financial governance of the Council'.

Peter Barry

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Date: 8th November 2022

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Appendix: None

Background Papers: Detailed list of proposed write offs

Wards affected: All Council wards