

WEST DUNBARTONSHIRE COUNCIL

Report by the Interim Executive Director of Corporate Services

Corporate and Efficient Governance Committee: 23 November 2011

Subject: Rent Arrears Write Off – Quarter 2 2011/12

1. Purpose

- 1.1** This report seeks Committee approval for rent arrears write-offs for the second quarter of 2011/12.

2. Background

- 2.1** Financial Regulations D4 gives the Head of Finance & Resources authority to write-off individual debts up to £500.
- 2.2** Individual debts exceeding £500 can be written off only with the approval of the Council.
- 2.3** The Corporate and Efficient Governance Committee at its meeting on 26 March 2008 agreed that the details of individual debtors should not be identified on the report. A detailed list has been forwarded to each Member of the Committee.

3. Main Issues

- 3.1** Each year the Council has to consider writing-off arrears of rent which it has not been possible to collect. It should be noted that, although these cases are written-off, there is nothing to prevent later pursuit of the debt if new information becomes available in the future.

- 3.2** The accounts submitted for write off fall into the following categories:

Deceased

- 3.2.1** When a tenant dies and leaves no estate. Records are checked to determine whether any estate exists against which a claim could be made.

No Forwarding Address

- 3.2.2** Unfortunately, many tenants in arrears abandon their tenancies or terminate leaving no forwarding address. Every effort is made to trace these people. Records are checked and outside agencies are contacted to try and ascertain the debtor's address.

Prescribed/Over 5 Years Old

- 3.2.3** A former tenant's arrears become prescribed unless a "relevant claim" has been made against the former tenant, or the former tenant has acknowledged the debt within five years from the debt being incurred.

Unreasonable to Pursue

3.2.4 When a tenant is permanently hospitalised, or goes into residential care, their income is used towards the cost of their care, as is any capital which the person may have. It is, therefore, unreasonable to pursue any arrears from people in this category. It is also unreasonable to pursue arrears from former tenants who cannot deal with their arrears problems due to mental illness, dementia or learning disability. Former tenants who receive a custodial sentence will have their debt written off for the period of their sentence, this will be reinstated upon their release.

3.3 The total proposed write-off is £11,002.43 and Appendix 1 shows the breakdown of this sum by category. A detailed list has been forwarded to each Member of the Committee.

4. People Implications

4.1 There are no people implications.

5. Financial Implications

5.1 Sufficient budgetary provision exists for this write off.

6. Risk Analysis

6.1 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).

7. Equalities, Health & Humans Rights Impact Assessment (EIA)

7.1 No issues were identified in a screening for potential equalities impact of this proposal.

8. Strategic Assessment

8.1 This proposal will complement the Council's Financial Strategy whereby arrears of rent deemed as uncollectible will be written off and as such recovery resources will be targeted at arrears deemed to be collectable.

9. Conclusions and Recommendations

9.1 This report seeks Committee approval for rent arrears write-offs totalling £11,002.43 for 2011/12 as detailed in the appendix to the report.



.....
David Amos
Acting Executive Director of Corporate Services

Date: 31 October 2011

Person to contact: Vincent Gardiner, Client & Support Manager
Council Offices, Garshake Road, Dumbarton
Telephone (01389) 737192
Email: Vincent.Gardiner@west-dunbarton.gov.uk.

Appendices Appendix 1: Summary of Individual Debts

Background Papers: None

Wards affected: All Council wards