

WEST DUNBARTONSHIRE COUNCIL

Report by Director of Housing, Regeneration and Environmental Services

Corporate Services Committee: 28 June 2006

Subject: Former Tenant Rent Arrears – Write-offs

1. Purpose

- 1.1 This report seeks Committee approval for rent arrears write-offs for the first quarter of 2006/2007.

2. Background

- 2.1 The Financial Regulations, approved by the Council at its meeting on 24 November 2004, gives the Head of Finance authority to write-off individual debts up to £500. Individual debts exceeding £500 can be written off only with the approval of the Council. A full list of proposed write-offs has been left in the Members' library.

3. Main Issues

- 3.1 Each year the Council requires to consider writing-off arrears of rent which have not been possible to collect. It should be stressed 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. (For example, a person who had terminated a previous tenancy leaving no forwarding address and later re-applying for housing).

- 3.2 The arrears fall into the following categories:-

3.2.1 Deceased

When a tenant dies and leaves no estate, arrears require to be written-off. If the tenant has been in receipt of housing benefit, records are checked to determine whether any capital exists, against which a claim could be made.

3.2.2 Uneconomical to Pursue

When tenants move leaving a small amount of arrears (under £75) attempts are made to collect this by issuing letters and former tenants are telephoned or visited if they still live in West Dunbartonshire. In most cases, court action would not be an economical option and therefore, if these efforts fail, it is more cost effective to write-off these arrears.

3.2.3 No Forwarding Address (NFA)

Unfortunately, many tenants in arrears abandon their tenancies or terminate leaving no forwarding address. Every effort is made to trace these persons, departmental records are checked and whenever possible outside agencies are contacted.

3.2.4 Prescribed

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.

3.2.5 Unreasonable to Pursue

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 persons 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 being reinstated upon their release.

3.3 The total proposed net write-off is £76,396.84. Appendix I shows the breakdown of this sum by category.

4. Financial Implications

4.1 There are no financial implications.

5. Personnel Issues

5.1 There are no personnel issues.

6. Conclusions

6.1 This report seeks Committee approval for rent arrears write-offs totalling £76,396.84 for the first quarter of 2006/2007 as detailed in the appendix to the report.

7. Recommendation

7.1 The Committee is invited to consider and approve the cases submitted for write-off.

David McMillan
Director of Housing, Regeneration and Environmental Services
Date: 1 June 2006

Wards Affected: All

Appendix: Appendix 1 - Details of Write-Offs by Category Quarter 1

Background Papers: None

Person to contact: Margaret Caldwell Manager of Housing Operations
Telephone 01389 737874