

Report of Head of Finance

Report to Director of Environment and Housing

Date: April 2014

Subject: Write Off of Former Tenants Rent Arrears – Housing Leeds South and South East area

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. On a regular basis Housing Leeds and Belle Isle Tenant Management Organisation (BITMO) request approval to write off former tenants rent arrears where they have exhausted all potential recovery.

Recommendation

2. The Director of Environment and Housing is requested to approve the write off of irrecoverable Former Tenants Arrears in the sum of £11,468.85 represented by 29 accounts.

1 Purpose of this report

- 1.1 This report seeks Director of Environment and Housing approval to write off 29 accounts with a value of £11,468.85 representing irrecoverable debts relating to former tenants arrears, in respect of Housing Leeds, South and South East area.
- 1.2 This figure should be considered in the context that the rent and service charge for all properties during 2014/2015 will be approximately £220m.
- 1.3 This is the first write off for the financial year 2014/15.

2 Background information

- 2.1 The policy in respect of Former Tenancy Arrears for Housing Leeds is to make every attempt to recover the debt as follows:
 - a) Tracing tenants through the Council's 3 main systems (Orchard, Council Tax and Housing Benefits) where no forwarding address exists
 - b) Issuing accounts to tenants where an address has been obtained
 - c) Referring debt to External Recovery Agents where no payment is being received
 - d) Where tenants are in work recovery action through the courts can be pursued
- 2.2 Where a tenant cannot pay or dispute accounts, Housing Leeds offer payments by arrangements and in circumstances where the former tenant may be entitled to Housing Benefit, the Housing Leeds South and South East area officer will provide this advice.
- 2.3 Housing Leeds offers various methods of payment, including:
 - a) At the Post Office, PayPoint or PayZone using a plastic swipe card
 - b) Direct Debit from the tenant's bank account
 - c) Standing Order at the bank
 - d) Over the telephone or internet using either a debit or credit card.
 - e) Deduction from wages where the tenant is employed by Leeds City Council.
- 2.4 Debts are written off for the following reasons:
 - a) No forwarding address is held or the tenant has moved abroad.
 - b) The tenant is deceased and/or no next of kin
 - c) The tenant will be in prison for over 3 years
 - d) It is not economic to collect the debt eg the debt is less than £10.00.
 - e) The External Debt Recovery agents deem the debt irrecoverable
 - f) The tenant has no assets
 - g) Account is statute barred
 - h) Recommended by managing Department
 - i) Debt over 3 years old and no payments received in previous 12 months
 - j) Bankruptcy
- 2.5 Should an account be written off, it is possible to reactivate an account if we subsequently trace the customer, or if the customer approaches the Council e.g. in the case of a future application for rehousing.

3 Main issues

- 3.1 This report identifies irrecoverable debts scheduled for write off, with a value of £11,468.85 represented by 29 individual accounts relating to former tenants rent arrears in respect of Housing Leeds South and South East area.
- 3.2 Appendix 1 shows details of the arrears to be written off analysed by reason and value.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 There was no consultation carried out for this exercise. The write off of arrears is undertaken on a regular basis, and is considered prudent financial management,

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality Impact Assessment screening has been undertaken for previous reports of this nature. On this occasion there are no implications for Equality and Diversity or Cohesion and Integration
- 4.2.2 Where debt is considered irrecoverable, or further action uneconomic the debts will be referred for write off irrespective.

4.3 Council Policies and City Priorities

- 4.3.1 There are no implications for either Council policy or City priorities

4.4 Resources and Value for Money

- 4.4.1 The council HRA contains provision for the write off of bad debts. The recovery of these debts has been exhausted and therefore it would be uneconomic to pursue further recovery and would not represent value for money.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This is an administrative decision and does not have any legal implications and is not subject to call in

4.6 Risk Management

- 4.6.1 Continued recovery action in respect of irrecoverable debts would result in the Council expending further resources, which does not represent value for money.

5 Conclusion

- 5.1 The outstanding amounts are deemed irrecoverable and consequently the debts proposed to be written off.

6 Recommendations

- 6.1 The Director of Environment and Housing is requested to approve the write off of irrecoverable Former Tenants Arrears in the sum of £11,468.85 represented by 29 accounts for Housing Leeds South and South East area

7 Background documents¹

- 7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.