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**WRITE OFF OF FORMER HOUSING TENANT ARREARS FOR FINANCIAL YEAR  
2009/2010**

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**Responsible Cabinet Member – Councillor Bill Dixon  
Neighbourhood Services and Community Safety Portfolio**

**Responsible Director – Cliff Brown, Director of Community Services**

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**SUMMARY REPORT**

**Purpose of the Report**

1. This report gives an update on the current position on former tenant arrears and seeks approval to write off debts of £146,795.

**Summary**

2. Approval is being sought to write off £146,795 of rent arrears from the housing debit which represents 125 cases of former tenant arrears where arrears exceed £500. This sum represents 0.77% of the annual rent debit total of £19,049,471.
3. The sum of £11,629 was written off under delegated powers for cases where arrears were below £500. As at 21 March 2010, a total of £78,536 has been received in income from former tenants towards arrears.

**Recommendation**

4. It is recommended that a total amount of £146,795 for former tenant arrears be written off subject to steps for recovery being taken, wherever possible, if and when contact is made.

**Reasons**

5. The recommendation is supported as regular arrangements for writing off debts are in accordance with Audit Commission best practice for good financial management.

**Cliff Brown  
Director of Community Services**

**Background Papers**

No background papers were used in the preparation of this report.

Tony Martin / Val Raper - Extension 2516/2621

S17 Crime and Disorder	It is not considered that the contents of this report have any such effect.
Health and Well Being	There are no issues relating to health and well-being which this report needs to address
Sustainability	There are no sustainability issues
Diversity	There are no diversity issues
Wards Affected	Not applicable
Groups Affected	Not applicable
Budget and Policy Framework	The issues contained within this report do not represent change to Council budget or the Council's policy framework.
Key Decision	This is not a key decision
Urgent Decision	For the purpose of the 'Call-in' procedure this does not represent an urgent decision.
One Darlington: Perfectly Placed	The report has no particular implications for the Sustainable Community Strategy.
Efficiency	In accordance with Department of Working Pensions guidance effective write off mechanisms also ensure streamlining of processes in terms of financial management and good housekeeping.

## MAIN REPORT

### Information and Analysis

#### Proposed Write-Offs

6. A summary of former tenant arrears recommended for write off is given in Table 1:-

**Table 1: Proposed Arrears to be Written Off**

Category	No	Value £
Death	7	9,436
No forwarding Address	28	31,863
Statute Barred <sup>(1)</sup>	-	-
Miscellaneous	1	1,177
Cases referred for Debt Recovery action and/or legal action but not financially viable to proceed. eg: cases where the debtor has no assets or is in receipt of state benefits.	89	104,318
<b>Total</b>	<b>125</b>	<b>146,795</b>

7. Best Practice recommends that applicants who apply for housing with former tenancy debts be considered objectively. The Choice Based Letting policy states that applicants with arrears and outstanding debts will be overlooked initially but can be re-housed in accordance with the criteria detailed in table 2 below.

**Table 2: Re-housing Criteria for Applicants with Debts**

Circumstances	Decision	Action taken by Applicant
Under £500 Arrears/ Not evicted	Overlook for offers	Clear debt in full or maintain repayment schedule for 13 consecutive weeks or more
Over £500 Arrears/Not evicted	Overlook for offers	Clear debt in full or maintain repayment schedule for 26 consecutive weeks or more
Evicted	Make ineligible	Clear debt in full or fresh application can be made after 12 month ineligibility period, providing repayment schedule maintained for 26 consecutive weeks or more
Former Tenants Rechargeable Repairs under £500	Overlook for offer	Repayment schedule must be maintained for 13 consecutive weeks or more
Former Tenants Rechargeable Repairs over £500	Overlook for offers	Repayment schedule must be maintained for 26 consecutive weeks or more

<sup>(1)</sup> Statute barred – Debts outstanding over six years, where it is had not been possible to obtain an acknowledgement to the debt, are statute barred from recovery by sections 5 or 24(1) Limitation Act 1980.

8. Housing Services have seen an increase in both outstanding former tenant arrears and write off amounts. This is a reflection of the external current climate and as such Housing Officers are working closely with the Debt Recovery Team carrying out pre termination visits setting in place arrangements to clear any outstanding arrears or debt. Officers are actively involved in a Financial Inclusion Group which involves working alongside our partners and external agencies offering advice and assistance to all customers.
9. Housing Services have also worked closely with Customer Services on the production of user friendly scripting in relation to Housing Management, helping Customer Services triage their calls, offering information and relevant signposting. It has also enabled Customer Services staff the ability to offer advice on low level Management issues.
10. Streamline Terminals were introduced in August 2009, as part of the Corporate Debt Review. This enables Officers to take payment from tenants whilst carrying out home visits, and or if they contacted the office and wished to make a payment immediately. This facility can be used for both current and former tenant arrears and at present is being monitored to prove its effectiveness.

### **Financial Implications**

11. Financial regulations require authorities to make an annual assessment of the extent to which any money owed to the Council is likely to prove irrecoverable and to make adequate provision in their accounts. The financial implications of writing off the proposed former tenants arrears debt of £146,795 has therefore, already been taken into account in the Housing Revenue Account.

### **Outcome of Consultation**

12. No consultation has taken place.