
WRITE-OFF OF HOUSING SERVICES FORMER TENANT ARREARS

**Responsible Cabinet Member – Councillor Veronica Copeland,
Adult Social Care and Housing Portfolio**

Responsible Director – Richard Alty, Director of Place

SUMMARY REPORT

Purpose of the Report

1. This report gives an update on the current position on Housing Services former tenants arrears and seeks approval to write-off debts of £203,191

Summary

2. Approval is being sought to write-off £203,191 of former tenant rent arrears in respect of 152 individual cases where arrears exceed £500, for the financial year 2012/13. All reasonable recovery action has been taken and it has become apparent that no further steps can be taken to recover the sums due. This sum represents 0.91% of the annual rent debit of £22,372,481.
3. As at 31 March 2013, a total of £82,296 has been received in income from former tenants towards arrears for the financial year 2012/13

Recommendation

4. It is recommended that a total amount of £203,191 of former tenant arrears be written off as the regular arrangement for writing off debts is in accordance with Audit Commission best practice for good financial management.

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.

Richard Alty
Director of Place

Background Papers

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

Tony Martin: Extension: 2516

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
Carbon Impact	There are no carbon impact implications in this report
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 Audit Commission guidance effective write-off mechanisms also ensure streamlining of processes in terms of financial management and good housekeeping

MAIN REPORT

Information and Analysis

Former Housing Tenant Arrears

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	£4,978
No forwarding Address	28	£42,292
Statute Barred ¹	32	£38,102
Miscellaneous	0	
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.	85	£117,819
Total	152	£203,191

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

¹ 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 carry out pre termination visits and set in place arrangements to clear any outstanding arrears or debt. Officers are actively involved in a Financial Inclusion Group which involves working alongside our key partners and external agencies offering advice and assistance to all customers.
9. Housing Officers have also provided appropriate training scripting and support to front line staff to assist them in:
 - (a) Triaging calls
 - (b) Providing good quality, relevant advice and support
 - (c) Providing appropriate signposting services
10. Streamline Terminals are available in the Customer Services Centre. This enables Officers to take payment from tenants whilst carrying out home visits or if they contact 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 monitored to prove its effectiveness.
11. The sum of £10,500 has also been written off under delegated powers for cases where arrears were below £500.

Outcome of Consultation

12. No consultation has been undertaken for the purpose of this report.