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**Meeting of the Executive Members for  
Housing and Adult Social Services and  
Advisory Panel**

**Date of meeting**

11 September 2006

Report of the Director of Housing and Adult Social Services

**Write Off of Former Tenant Balances**

**Summary**

1. To seek agreement to write off a number of former tenants arrears.

**Background**

2. The district auditor requires outstanding balances to be examined and uncollectable debts to be written off each year. In the audit commissions Housing Inspection report in October 2002 they highlighted the need to write off bad debts more readily:
3. Former tenant arrears has had a significant effect on the additional contribution made each year within the HRA towards bad debts. The relatively low amount of bad debt written off contributes to the steady increase in required provision within the HRA. This has an adverse effect on resources available for expenditure.
4. Where a debt is written off this does not mean that the debt can not be resurrected if a former tenant is located or returns to York and seeks housing. Where a tenant is located or requests housing, the debt will be resurrected
5. Officer delegated powers are restricted to writing off debts of £2000 or less
6. As previously agreed by EMAP, write off reports will be brought to EMAP every six months. This will assist officers and members in the monitoring process and should give a clearer view on performance throughout the year.
7. Former tenant arrears are monitored weekly. The level of activity involved in recovery is based on the size of the debt. The Authority utilises a tracing database in line with Data Protection legislation to find where former tenants now live. Where a former tenant can be traced efforts are made to recover the debt in the traditional ways including letters, visits and phone calls and where appropriate court action is taken. The Authority also employ debt collection agents to collect debts from people who have moved away from York.

8. Details of individual cases are set out in annex A.

## **Consultation**

9. None

## **Options**

### **Option 1**

10. Maintain these Former Tenant Arrears on account, this would lead to an increase in the bad debt provision and would go against good practice as commented on in the Housing Inspectors report in October 2002.

### **Option 2**

11. Write the debts off on the understanding that if necessary they can be re activated at a later date.

## **Analysis**

12. It is recommended that former tenant arrears are written off totalling £61,549.68. This represents 0.28% of the total debit. These are cases where we have attempted a number of traces but have been unable to obtain a forwarding address or knowledge of the former tenant's whereabouts. It also includes cases where the tenant has died and there were insufficient funds in the estate.

## **Corporate Objectives**

13. 1.7 Provide a high quality housing landlord service meeting the aspirational expectation of the local community in both fabric condition and housing management standards.

8.6 Continue to provide sound and timely financial management, and improve medium and long term financial planning

## **Implications**

14. **Financial** – These write offs can be contained within the provision of the Housing Revenue Account. The current provision is £1241K.

- **Human Resources (HR)** - None
- **Equalities** - None
- **Legal** - None
- **Crime and Disorder** - None

- **Information Technology (IT)** - None
- **Property** - None
- **Other** - None

## Risk Management

15. Not writing off debts that can not currently be recovered will help reduce the bad debt impact on the HRA. This reduces high risk financial implications for the HRA.
16. The risk of these debts never being recovered is high but has been improved due to the use of tracing IT package and more robust systems on checking for former debts when customers want rehousing.

## Recommendations

17. That the Advisory Panel advise the Executive Member:

That the Executive Member approves Option 2 writing off of formers tenants arrears totalling £61,549.68 as detailed in the report

Reason: This is in line with the recommendations of the audit report detailed in paragraph 1 and also for the financial implications listed above

## Contact Details

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### Chief Officer Responsible for the report:

Bill Hodson  
Head of Housing & Adult Social Services

**Report Approved**  **Date** *Insert Date*

*Chief Officer's name*  
*Title*

**Report Approved**  **Date** *Insert Date*

## Specialist Implications Officer(s)

None

**Wards Affected:** *List wards or tick box to indicate all*

None

**All**

**For further information please contact the author of the report**

**Background Papers:**

None

**Annexes**

Annexe A : List of individual debts over £2000 to be written off