



**COMMITTEE TITLE: Housing, Health and Communities**

**DATE: 18<sup>th</sup> December 2023**

<b>REPORT TITLE:</b>	Housing Debt Write Off
<b>REPORT OF:</b>	Lauren Stretch

## **REPORT SUMMARY**

In July 2023 the Council introduced a new Former Tenant Debt Recovery Agency to assist with the collection of all former tenant debts. This triggered a review of all outstanding debts.

Following this review, a number of accounts have been identified as requiring write offs for debts where all avenues of recovery have been exhausted, the debt is statute barred (6 year old debt) rendering it unrecoverable for legal action or the debtor has passed away and there is no money in the estate to cover the debts.

## **RECOMMENDATION**

**1: To agree that the following debt amounts are presented to the FAIR committee for approval for write off.**

**A: Former Tenant Debt £66,663.87**

**B: Temporary Accommodation Debt £122,607.67**

**C: Miscellaneous Debt £13,056**

**Total: £202,327.54**

## **SUPPORT ING INFORMATION**

### **1.0 REASON FOR RECOMMENDATION**

Following a review of all former tenant debts. The below debts have been deemed to be unrecoverable for various reasons.

10 cases totalling £3691.33 are deemed statute barred. This means they are older than 6 years and officers have been unable to progress to the legal stage of collection.

275 temporary accommodation cases between 2004-2017 totalling £122,607.67 are deemed statute barred. This means they are older than 6 years and Officers have been unable to progress to the legal stage of collection.

18 cases totalling £12,329.16 are deceased residents where there is no money left in the estate to cover the rent debt left on he account.

50 cases totalling £50,643.38 are where all avenues of recovery and tracing of the person have failed by our specialist debt recovery agency and therefore are deemed uncollectable.

1 Miscellaneous case of shared equity loan under recovery totalling £13,056

The overall debt write off figure being proposed is £202,327.54

By writing these debts off officers can focus on the recovery of the debts we are able to redeem and work more efficiently.

## **2.0 BACKGROUND INFORMATION**

In July 2023 the Council introduced a new Former Tenant Debt Recovery Agency to assist with the collection of all former tenant debts after it was identified that there was not the resource in house to actively recover these debts and the Council was losing revenue.

Before we could send the historical cases to the debt recovery agency appointed, we conducted a review of all outstanding debts, a task which was last completed in 2018.

During this review we looked at all former tenant debt accounts, temporary accommodation debt and any other long-term debts that sit within the Housing department. These were cross referenced against the credits we have on accounts to see if any could be cleared by existing funds and what remained, is what we are recommending be written off.

There are also a number of cases which did progress to our debt recovery agency, but efforts to recover the debts have been unsuccessful.

Finally, we also have one case of an equity loan which has become unrecoverable in whole due to a lack of equity following the sale of the property.

All debts to be written off have been consulted on in line with the constitution.

Any new debts which arise due to terminated properties, are being sent immediately to Debt Collection Services (DCS) our specialist recovery agency, to give us the best chance of collecting the debt.

Whilst the figures provided across all accounts will be written off, should that person(s) become known to the council again for the purposes of rehousing, the debt will be written back and asked to be cleared in full.

## **3.0 OTHER OPTIONS CONSIDERED**

It was considered to leave the debt on the accounts but this posed problems in the collection of recoverable debts. It is also best practice to write off debts where all avenues of recovery have been exhausted or where the debt is deemed unrecoverable for statue barred purposes.

## **4.0 RELEVANT RISKS**

Financial loss to the HRA.

## **5.0 ENGAGEMENT/CONSULTATION**



**APPENDICES**

None

**BACKGROUND PAPERS**

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>