



FINANCE, ASSETS, INVESTMENTS AND RECOVERY COMMITTEE

20 DECEMBER 2023

REPORT TITLE:	Housing Debt Write Off
REPORT OF:	Lauren Stretch, Director of Housing

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

R1: To agree that the following debt amounts are approved 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

SUPPORTING INFORMATION

1.0 REASON FOR RECOMMENDATION

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

- 1.2 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.
- 1.3 275 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.
- 1.4 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 the account.
- 1.5 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.
- 1.6 A single miscellaneous case of shared equity loan under recovery totalling £13,056.
- 1.7 The overall debt write off figure being proposed is £202,327.54
- 1.8 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

- 2.1 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.
- 2.2 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.
- 2.3 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.
- 2.4 There are also a number of cases which did progress to our debt recovery agency, but efforts to recover the debts have been unsuccessful.

- 2.5 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.
- 2.6 All debts to be written off have been consulted on in line with the constitution.
- 2.7 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.
- 2.8 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

- 3.1 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 statute barred purposes.

4.0 RELEVANT RISKS

- 4.1 Financial loss to the HRA.

5.0 ENGAGEMENT/CONSULTATION

- 5.1 The chair and vice chair of housing committee has been consulted on the write off debts along with the Director of Housing, Strategic Director of Operations and the Section 151 officer.
- 5.2 In addition to the above, the Housing, Health and Community Committee approved the recommendation to present to FAIR committee for formal write off approval on 18 December 2023.
- 5.3 Tenant Talkback were consulted in November 2023 and agreed that unrecoverable debts be written off.

6.0 FINANCIAL IMPLICATIONS

Name & Title: Tim Willis, Director – Resources (Section 151 Officer)
Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk

- 6.1 The recovery of former tenant debts is integral to the maintenance of the Housing Revenue account. However, it is recognised that bad debt needs to be written off.

6.2 It is important that there is an understanding and set process for any amount written off, to be written back on if the persons financial circumstances or whereabouts change. This will allow provision for future recovery.

7.0 LEGAL/GOVERNANCE IMPLICATIONS

Name & Title: Claire Mayhew, Acting Joint Director – People & Governance (Monitoring Officer)

Tel & Email 01277 312500 / claire.mayhew@brentwood.rochford.gov.uk

7.1 Statute barred regulations state that debts not at court action by 6 years are unrecoverable through the legal system and should be written off.

8.0 EQUALITY & HEALTH IMPLICATIONS

Name & Title: Kim Anderson, Corporate Manager - Communities, Leisure and Health

Tel & Email 01277 312500 kim.anderson@brentwood.gov.uk

8.1 The Public Sector Equality Duty applies to the Council when it make decisions. The duty requires us to have regard to the need to:

- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act make discrimination etc. on the grounds of a protected characteristic unlawful
- b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- c) Foster good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.

8.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and 'civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

8.3 The proposals in this report will not have a disproportionate adverse impact on anybody with a protected characteristic.

9.0 ECONOMIC IMPLICATIONS

Name & Title: Phil Drane, Director - Place

Tel & Email 01277 312500 / phil.drane@brentwood.rochford.gov.uk

9.1 There are no economic implications.

10.0 ENVIRONMENTAL IMPLICATIONS

Name & Title: Henry Muss, Sustainability & Climate Officer

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10.1 There are no environmental implications

REPORT AUTHOR:

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APPENDICES

None

BACKGROUND PAPERS

None

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
None	