

ANGUS COUNCIL

NEIGHBOURHOOD SERVICES COMMITTEE – 28 MAY 2009

HOUSING REVENUE ACCOUNT – WRITE-OFF OF RENT IN 2008/2009

REPORT BY DIRECTOR OF NEIGHBOURHOOD SERVICES

ABSTRACT: This report meets Financial Regulations in seeking Council approval for debts, in respect of rent for the HRA account and homelessness accommodation rent, to be written off for 2008/2009.

1. RECOMMENDATION

- 1.1 It is recommended the Committee agree that 747 debts, valued at £263,955.98 be written off as irrecoverable for 2008/2009. This is an average of £353.35 per debt.
- 1.2 The appendix gives numeric details of cases written off analysed by category.

2. BACKGROUND

- 2.1 The cases, which are the subject of this report have gone through various recovery processes, from reminder stage to full Court Action, and are now considered as irrecoverable and should be written off.
- 2.2 The term “written off” does not mean the debt is disregarded. If a debtor applies for Council housing efforts will be made to recover the debt and where legislation allows, the applicant will be deferred from receiving offers of housing. During the financial year 2008/2009, the sum of £2,714.99 was collected from previously written off debts.
- 2.3 During the 2008/2009 financial year, the total rent charge on the Housing Revenue Account in respect of houses was £18,029,097.17 and the £263,955.98 write-off amount represents 1.46%, up from 0.71% in 2007/2008. However the 2007/2008 figures did not include write off amounts for homeless accommodation/no forwarding address which are now included in the 2008/09 figures.
- 2.4 It should however be noted that these accounts have still to be audited by Angus Council’s external auditors and this process will begin after the Council’s draft accounts are submitted, which must be no later than 30 June 2009..

3. FINANCIAL IMPLICATIONS

- 3.1 The anticipated rent detailed above and in the appendix is considered to be no longer attainable and has been taking into consideration in the unaudited draft Housing Revenue final accounts for 2008/2009.
- 3.2 As part of previous years’ final accounts processes, a provision for bad debts has been built up in the HRA accounts. This provision amounted to £614,228.29 at 31 March 2008 and the write off of £263,955.98 will be met from this provision.
- 3.3 As part of the 2008/09 final accounts process the level of required ongoing bad debt provision will be reviewed and adjusted to reflect arrears levels at 31 March 2009. An overall budget allowance of £200,000 for bad debt purposes was included in the HRA budget approved at the Special Neighbourhood Services meeting of 12 February 2008. Any increase required in the bad debt provision will be met by this budget. Should the bad debt provision be required to be increased in excess of this level, the excess will require to be borne by the overall HRA revenue account and will be reflected in the overall surplus / deficit position of the account.

4. HUMAN RIGHTS IMPLICATIONS

4.1 There are no Human Rights implications arising from this report.

5. EQUALITIES IMPLICATIONS

5.1 The issues dealt within this report have been the subject of consideration from the equalities perspective (as required by the legislation). An [equalities impact assessment](#) is not required.

6. CONSULTATION

6.1 In preparing this report there has been consultation with the Chief Executive, Director of Corporate Services, Head of Finance and Head of Law and Administration who are in agreement with the above recommendation.

**RON ASHTON
DIRECTOR OF NEIGHBOURHOOD SERVICES**

NOTE: No background papers, as defined by Section 50d of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information), were relied upon to any material extent in preparing this report.

Hsg/NS/AM/MK

APPENDIX 1 2008/09 - WRITE OFF ANALYSIS

Town	Tenancy Terminated Irrecoverable		Tenancy Terminated Decree held		Sequestrated/ Trust Deed		Evicted		Abandoned House Procedure		No Forwarding Address		Deceased		No	Less Than £50		Total	
	No	£	No	£	No	£	No	£	No	£	No	£	No	£		No.	£	No.	£
Arbroath	15	2,031.43	2	1,946.05	0	0.00	5	11,216.63	12	14,495.48	254	78,631.78	30	6,244.77	95	1,956.69	413	116,522.83	
Brechin	0	0.00	0	0.00	2	6,104.61	2	4,130.40	2	1,637.79	41	19,108.94	10	3,389.64	0	0.00	57	34,371.38	
Carnoustie	1	6.00	0	0.00	1	0.00	0	0.00	0	0.00	5	1,374.00	2	567.95	0	0.00	9	1,947.95	
Forfar	1	392.80	0	0.00	0		0	0.00	4	6,968.05	88	46,733.67	7	585.27	26	658.04	126	55,337.83	
Kirriemuir	1	235.55	0	0.00	0	0.00	1	874.48	2	1,355.47	4	1,120.45	2	148.20	0	0.00	10	3,734.15	
Monifieth	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	235.56	0	0.00	0	0.00	1	235.56	
Montrose	0	0.00	0	0.00	6	9,622.67	2	3,552.31	0	0.00	100	36,722.17	9	1,545.41	14	363.72	131	51,806.28	
TOTAL	18	2,665.78	2	1,946.05	9	15,727.28	10	19,773.82	20	24,456.79	493	183,926.57	60	12,481.24	135	2,978.45	747	263,955.98	

