

EAST RENFREWSHIRE COUNCIL

CABINET

27 March 2014

Report by the Director of Finance

WRITE-OFF OF IRRECOVERABLE RENT AND COURT EXPENSES

PURPOSE OF REPORT

1. The purpose of this report is to seek approval to write-off as irrecoverable Rents and Court Expenses totalling £51,806.76

RECOMMENDATION

2. The Cabinet notes the report and approves the write-off sum up to the value of £51,806.76 of irrecoverable Rent and Court expenses without prejudice to subsequent recovery procedure.

BACKGROUND

3. The Council debt recovery policy lists situations where write-off debts will be considered when all viable means of collection are exhausted. These include the following criteria and in some cases where action was last taken over 5 years ago the Council is now time barred from taking any further action.

- Debtor is deceased and has left no estate.
- Debtor is in care of a nursing home and there is no likelihood of debt being settled.
- As Advised by Sheriff Officers
- Small balances outstanding under £20.00.

REPORT

4. A recent/...

REPORT

4. A recent trawl of outstanding Rent and Court Expense accounts shows by reason of write-off:

| | <u>Number of Accounts</u> | <u>Irrecoverable account Total</u> £ |
|-------------------|-------------------------------|---|
| Deceased | 18 | 4,321.66 |
| Process Exhausted | 97 | 47,105.58 |
| In Care | 5 | 366.14 |
| Small Balances | 4 | 13.38 |
| | <hr/> | <hr/> |
| | 124 | 51,806.76 |
| | <hr/> | <hr/> |

5. In the current year around £4m of rent net of benefit payments will be received from tenants and the sum recommended for write off represents around 1.6 % of this total and can be met from existing bad debt provisions. Last year the Cabinet approved write offs totalling £64,607.81.

RECOMMENDATION

6. The Cabinet notes the report and approves the write-off sum up to the value of £51,806.76 of irrecoverable Rent and Court expenses without prejudice to subsequent recovery procedure.

N Williamson
Director of Finance
DM/ac
27/2/2014

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BACKGROUND PAPERS:

1. Ohms Housing Management System Reports
2. Cars Corporate Debt recovery Reports

KEY WORDS Write off and irrecoverable.