

Report to: **Executive**  
Date: **14 March 2006**  
Report of: **Head of Housing Strategy**  
Subject: **Housing Revenue - Rent Account**

## **1.0 Purpose of Report**

1.1 Permission is requested from the Executive to approve the charging of amounts to the HRA provision for Bad Debts amounting to £253,225.89 and former tenants credits amounting to £7,351.32.

## **2.0 Consultation**

2.1 In preparing this report I have consulted with the Head of Financial Management and Director of Finance & Support Services, East Durham Homes.

## **3.0 Background**

3.1 The totals of £253,225.89 and £7,351.32 consist of a number of categories, details of which are shown in paragraph 4.

## **4.0 Position Statement and Option Appraisal**

- 4.1
- a) 21 tenancies to the value of £63.85 where the individual balances are below £5.00 and it is considered uneconomical to pursue the recovery of these amounts any further.
  - b) 62 tenancies to the value of £12,564.73 where the tenant has died, there is no remaining estate and we are unable to recover the debt.
  - c) 266 tenancies to the value of £240,597.31 which were all accrued prior to 1 October 2004 and it is good financial management to make provision for not collecting these arrears.
  - d) 85 tenancies to the value of £7,351.32 where all the credits accrued prior to 1 October 2004.

4.2 East Durham Homes have recommended the above former tenants amount are removed from the Council's accounts.

## **5.0 Implications**

### **5.1 Financial Implications**

5.1.1 Provision has been made in the current accounts to cover the full value of the above amounts being provided for Bad Debt. In all cases steps have been taken to recover the outstanding debt through East Durham Homes debt recovery processes, and it is now considered uneconomical to continue recovering the debt. Details of the tenancies are held in the Rent Section and are available for Members Information.

## 5.2 Legal Implications

5.2.1 There are no legal implications

## 5.3 Policy Implications

5.3.1 There are no policy implications.

## 5.4 Risk Implications

A risk assessment has been carried out, and the necessary action to manage the identified risks, either have or will be implemented.

## 5.5 Communication Implications

5.5.1 It is proposed that a statement is prepared for the local press.

5.5.2 East Durham Homes Rent Income Collection is currently at 98.1% which represents top quartile performance nationally. It is important that this provision is viewed in the light of improving performance in Rent Collection.

## 5.6 Corporate Implications

There are no corporate implications.

### 5.6.1 Equality & Diversity

There are no equality and diversity implications.

### 5.6.2 E-Government

There are no e-government implications.

### 5.6.3 Procurement

There are no procurement implications.

## 6.0 Recommendations

6.1 Members are asked to agree the recommendation from East Durham Homes to:

- a) Approve the removal of the aforementioned former tenants amounts from the accounts.
- b) Note that details of the tenancies referred to are held in the rent section and recovery will be pursued wherever possible.

### **Background Papers/Documents referred to in preparing this report**

- 1 Previous rent arrears reports

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