

Clydebank Housing Association Limited

To: Management Committee
From: Head of Housing Services
Date: 16 February 2021
Subject: HM POL 8 – Write Off Policy

The attached policy outlines how former tenant arrears and former tenant credits are dealt with.

In addition, any requested amounts for credit and former tenant arrears write offs are listed in accordance with the policy on pages 4, 5 & 6.

Even though 'written off', debts will still be pursued and recovered where possible as 'bad debts'.

Committee is asked to approve both the policy itself and the amounts for write off.



"Offering our community more than a home"

Write off Policy February 2021

Management Committee submission:	23 February 2021
Last Approved:	25 February 2020
Date Approved:	
Next Review date:	February 2022

CHA Objectives:

- To provide quality, affordable housing that meets the changing needs of our customers and to ensure fair access to housing within our area.
- To manage the houses provided, in a professional and cost effective manner, for the benefit of our local community and the environment.

Regulatory Standards:

- The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.
- The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these objectives.
- The RSL manages its resources to ensure its financial well-being and economic effectiveness.
- The governing body bases its decision on good quality information and advice and identifies and mitigates risks to the organisation's purpose.

This policy can be made available on request in a variety of different formats, such as on tape, in large print and translated into other languages.

Former Tenant Arrears

- Irrecoverable former tenant arrears will be written off before the end of each financial year, but where possible these will still be pursued as bad debts in the future. Reasons for arrears being irrecoverable are listed in the rent arrears policy, they include, but are not limited to:
 - The debt is uneconomical to collect; i.e. the cost of collection is greater than the value of the debt
 - The debt is time barred, where the statute of limitation applies. Generally, this means that if a period of six years has elapsed since the debt was last demanded the debt cannot be enforced by legal action.
 - The debtor is not responding to communication/cannot be found and it is known that there is no prospect of recovery due to limited income or financial hardship from existing information.
 - The debtor is deceased and there is no likely settlement from the estate or next of kin.
 - Hardship, where permitted, on the grounds that recovery of the debt is likely to cause the debtor serious financial difficulty.
 - Insolvency where the organisation or person has gone into bankruptcy and there are no assets to claim against.
- Former tenant arrears less than £50 will not be actioned for recovery.
- The amount of former tenant arrears recovered during each financial year will be reported to Committee at the end of each financial year.
- The Management Committee or the Finance & Corporate Services Sub Committee will approve the amount of arrears to be written off
- Although 'written off' the Housing Officer will continue to pursue arrears where recovery is possible, and payment agreements will be expected to be maintained by the former tenants.
- Any arrears subsequently recovered can be recorded as a bad debt recovered.

Former tenant Credits

- Credits where the tenant has left no forwarding address will be written off at the end of each year
- Credits where the tenant is no longer at the forwarding address will be written off at the end of each year
- Credits where there is no overpayment of housing benefit will be written off where a tenant has always been in receipt of housing benefit
- Credits where the tenant is deceased and no next of kin or executor is known will be written off.
- Credits less than £25 will not be actioned for refund, except where the former tenant requests a refund. All credits (including those under £25) will be actioned for rechargeable repairs, or housing benefit overpayments owed if applicable.

Write offs

Committee is asked to approve the following sums to be written off. Please note that the writing off of former tenant arrears does not mean that we will stop pursuing these debts, they will simply be pursued as a bad debts with the same procedure being followed as though they were live.

Former tenant credits

There are £336.37 in former tenant credits to be written off. Details of these cases are on table 2 on page 6.

Former Tenant Arrears

Total £28,624.94. This amount is made up of 29 cases ranging from £0.40 to £2,962.40. This represents a write off percentage of 50% of all former tenant arrears (£57,530.05). In all cases, recovery action has been taken as far as is reasonably possible or cost effective. These debts will be pursued in future should any new information come to light which enables recovery. Details of these cases are on table 1 on page 5. A higher write of percentage can be seen this year as a number of cases are historic and payments have ceased with no chance of recovery. The ability to resurrect a debt as a 'bad debt' remains and all cases will be pursued in this instance.

Please note the amount actually written off for an individual case may be lower than the amount reported. This is because a payment may be received in the intervening period between this report being finalised for Committee and subsequent action to write off being approved and actioned.

The previous three years write off percentages are shown below for comparison:

2019-20: £26,918.16 of £74,455 written off (36% write off)
2018-19: £26,029.81 of £68,410 written off (38% write off)
2017-18: £34,705.21 of £63,207 written off (55% write off)
2016-17: £13019.72 of £60,054 written off (22% write off)

N.B. Although written off, all FT arrears, where possible are pursued as bad debts and recovery figures published in monthly HMMSC arrears reports.

Table 1: Former tenant arrears for write off

Balance written off	End of tenancy date	Reason for write off
£2,962.40	14/03/2019	No contact from tenant - all actions exhausted
£2,702.75	28/06/2019	No contact from tenant - all actions exhausted
£2,530.77	27/09/2018	No contact from tenant - all actions exhausted
£2,479.70	18/06/2018	No contact from tenant - all actions exhausted
£2,423.02	09/08/2019	No contact from tenant - all actions exhausted
£2,305.84	28/08/2019	Debtor cannot be found
£1,942.02	29/01/2020	Debtor cannot be found
£1,705.83	13/05/2019	Debtor cannot be found
£1,266.90	25/09/2019	No contact from tenant - all actions exhausted
£1,193.31	13/02/2019	No contact from tenant - all actions exhausted
£1,076.41	17/01/2019	No contact from tenant - all actions exhausted
£977.36	13/05/2019	No contact from tenant - all actions exhausted
£920.76	28/06/2019	No contact from tenant - all actions exhausted
£877.62	17/01/2019	No contact from tenant - all actions exhausted
£845.77	15/04/2019	No contact from tenant - all actions exhausted
£547.10	06/01/2020	No contact from tenant - all actions exhausted
£539.75	19/11/2019	No contact from tenant - all actions exhausted
£347.84	07/02/2020	No contact from tenant - all actions exhausted
£294.47	22/06/2020	Deceased - no estate
£262.93	09/11/2020	Deceased - no estate
£186.67	16/10/2020	Deceased - no estate
£85.16	01/10/2018	Uneconomical to recover
£50.00	07/02/2020	Uneconomical to recover
£42.23	04/05/2020	Under £50
£19.86	02/02/2021	Under £50
£15.00	02/03/2020	Under £50
£13.40	28/09/2020	Under £50
£9.67	29/01/2021	Under £50
£0.40	01/03/2019	Under £50
Total to be written off (pursued as bad debts where possible) = £28,624.94		

If it becomes possible at a later date to recover a written off debt, it will be resurrected from its written off state and pursued as a bad debt.

It is possible that arrears from previous financial years may be contained in table 1. This is caused by Housing Benefit overpayments which are legally payable by CHA having been reclaimed by the Council after the tenancy has ended.

Details of the ongoing action taken against former tenant arrears cases can be found in the Arrears Management reports presented at each Housing Services Sub-Committee meeting (HSSC). These are copied to all Management Committee members for information. In keeping with regulation and inspection guidelines all arrears are reported anonymously. All written off arrears have been pursued as far as is economically possible in keeping with the criteria on page 3 of this policy.

Table 2: Former tenant credits for write off

£ Balance for write off	End of tenancy date	Reason for write off
-£0.52	30/07/2020	Under £25 no other debt
-£0.87	14/02/2020	Under £25 no other debt
-£2.11	21/12/2020	Under £25 no other debt
-£3.52	27/10/2020	Under £25 no other debt
-£6.08	03/11/2016	Under £25 no other debt
-£7.91	28/09/2020	Under £25 no other debt
-£9.75	25/09/2019	Under £25 no other debt
-£13.59	25/02/2020	Under £25 no other debt
-£15.39	13/11/2019	Under £25 no other debt
-£18.94	22/03/2019	Under £25 no other debt
-£20.68	15/10/2020	Under £25 no other debt
-£23.73	12/10/2020	Under £25 no other debt
-£34.73	10/05/2018	No forwarding address no other debt
-£46.51	24/04/2016	No forwarding address no other debt
-£132.04	26/08/2016	Deceased - no next of kin for payment
Total to be written off = £336.37		

Joe Farrell, Head of Housing Services, 16 February 2021.

For office use only – Actions

Customer Consultation Required/Arranged	No
Intranet Update	Yes
F Drive Update	Yes
Website Update	Yes
Leaflet change required?	No
Newsletter Promotion?	No
Other information updated, e.g. posters, automatic email responses, post cards, answering machine messages, etc.	No