



Cabinet report

CIVICA CX write off request on former accounts

1. Background

The Income and Leasehold Service has carried out significant work over the last two years reviewing processes and practices to improve performance across the service. These improvements enabled us to enhance our offer to residents. We were able to respond more effectively to residents often complex debt issues, debts further enhanced because of covid 19. We placed a clear emphasis on supporting resident to sustain tenancies by assisting them obtain support & address often long-standing debt concerns.

Two internal audits were carried out in 2019 and 2021, recommendations for both have been implemented, alongside this, the service has taken an outwardly focused approach to rental income collection and best practice, by benchmarking and meeting other Landlords to learn and improve our service offer & delivery to residents.

Working closely with the Cabinet Member for Housing the Income service has adopted an holistic person-centred approach to rent collection, sign posting and supporting residents for budgeting and financial support, supporting residents with Universal Credit claims, Discretionary Housing Benefit where applicable and employment support.

Highlighted work:

- Focus on tenancy sustainability - arranging affordable repayment plans with residents
- Implementation of predicated analytical technology which supports early intervention for tenants facing financial difficulties
- Home visits carried out to non-engaging or vulnerable residents during the pandemic, visits remain ongoing & are now embedded in our service offer
- £1m Discretionary Housing Benefit claimed for residents with our direct support
- Increased income collection rate of 1.25% (£1.5m) during 2021-22
- Partnership working with DWP – officers working from Job Centres to respond to queries from DWP colleagues and residents who require advice and support around rent arrears
- Review of internal processes and implementation of sign off levels for enforcement work
- Complete review of letters and communications – use of plain English engaging text, move towards telephone calls, text messaging and email – resulting in savings in operational costs and a higher response rate from residents
- Implementation of quarterly write off process to manage bad debt – previously not reviewed

2. Impairment and bad debt

Historically the service has not managed bad debt in a periodical way. Former tenant debts have built up on the system over time and this has affected and inflated the overall figure for total arrears. We introduced quarterly bad debt reporting to Homes & Landlords Services Leadership Team in 2021, however legacy bad debt remained an issue which needed to be addressed.

HRA Finance have confirmed that former tenant debts over three years old are 100% impaired and that the writing down of these amounts have already been budgeted for. It is not expected that any

of these amounts will be recovered and, on this basis, the CIVICA CX debt be reviewed and processed for bulk write off before the year end = £1,538,592

General Fund former tenant short-term lettings are 100% impaired after 12 months and are included in this paper as these are held on CIVICA CX.

3. Former accounts on CIVICA CX

The reporting tool takes into consideration the following criteria:

- If the balance is in arrears
- That no payment has been made within the last twelve months
- The arrears CX policy action has not been progressed in the last twelve months
- That the former account is over three years old as of 4 January 2022

The table below shows the tenure type of former accounts eligible for write off on CIVICA CX

Tenure Type	Sum	Count
Secure former tenant accounts	£ 1,101,397.91	1813
Short-Term Letting (Not HRA)	£ 253,560.37	1283
Use & Occupation	£ 117,115.63	131
Introductory former tenant accounts	£ 47,915.78	91
Unsecure	£ 6,358.92	13
Youth Project	£ 4,628.10	39
Garage (Council Let)	£ 4,240.50	21
Miscellaneous	£ 3,374.54	55
Total	£ 1,538,591.75	3446

The table below shows the breakdown of the same accounts by arrears band

Row Labels	Sum	Count
(B)_£0-£50	£ 19,581.86	1120
(C)_£50-£100	£ 32,854.66	447
(D)_£100-£250	£ 98,773.07	616
(E)_£250-£500	£ 173,239.36	495
(F)_£500-£1000	£ 238,372.30	339
(G)_£1000-£2500	£ 468,945.86	307
(H)_£2500	£ 506,824.64	122
Grand Total	£ 1,538,591.75	3446