

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 14 December 2013	<b>Decision Taker:</b> Cabinet Member for Finance, Resources and Community safety
<b>Report title:</b>		Authorisation of Housing Benefit Debt Write-offs of £5,000 up to £50,000 for Revenues & Benefits Department	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Assistant Director, Revenues & Benefits	

## RECOMMENDATIONS

1. That approval is given for the write off of £865,113.54 of debt detailed in Appendix 1 of the report (multiple write-offs)
2. That the cabinet member advises any further action they require on any write-offs not agreed within this report.

## BACKGROUND INFORMATION

3. Under the council's constitution write-off of debts of £5,000 up to £50,000 has been delegated to individual members within their own service area. Debt write-off under £5,000 can be authorised by chief officers. Write-off of any debt of £50,000 or over must be referred to cabinet for authorisation.
4. There are a number of key reasons why the council may wish to write-off a debt. These are :
  - The debt is uneconomic to collect i.e. the cost of collection, including substantiation, 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.
  - There has been a negotiated settlement as part of a complaint or dispute resolution which leaves a residual amount to be written off.
  - The debtor cannot be found or communicated with despite all reasonable attempts to trace the debtor.
  - The debtor is deceased and there is no likely settlement from the estate or next of kin.

- Insolvency where the organisation or person has gone into bankruptcy and there are no assets to claim against and no likelihood of settlement.

### **KEY ISSUES FOR CONSIDERATION**

5. The proposed write offs set out in this report are recommended in accordance with the council's agreed write off policies and procedures.
6. Appendix 1 includes 78 debts, with a total value of £865,113.54.
7. The revenues business unit have used a minimum of three tracing method and have conducted a 10% audit review to ensure that the correct procedures have been adhered to. In the cases referred to within Appendix 1 of this report the revenues business unit can confirm that the checking procedure has been followed.
  - The housing benefit write-offs are recommended by the council's revenues business unit. In each case the revenues business unit has attempted to trace housing benefit overpayment debtors using standard procedures.
  - If a debtor has absconded, the business unit would use a number of tracing systems to attempt to locate the current address; these would include the council databases and internal/external agencies as appropriate according to the amount of the debt.
  - In the case of a deceased housing benefit overpayment debtor and following confirmation that there are no funds in the estate to settle the debt, the debt will be submitted for write off.
8. Where the housing benefit overpayment debtor is insolvent and confirmation is received there are no dividends available to pay creditors, the account is submitted for write off.

### **Community impact statement**

9. All write-offs are considered with due regard to any potential community impact and on their own merits. This decision has been judged to have no or a very small impact on local people and communities

### **Resource implications**

10. The total debt recommended for write off is £865,113.54 relating to housing benefit overpayment debtors that have absconded, been made Bankrupt or deceased.
11. The debts in appendix 1 will be contained within the housing benefit overpayments bad debt provisions.
12. The schedule of write offs have been compiled in accordance with the council's agreed policy and procedures.

13. Under the constitution, the write-off of debts below £50,000 but over £5,000 is delegated to the Cabinet Member within their own service area. The debt has arisen due to the overpayment of housing benefit.
14. The council's policy on write-off allow debts to be written off where the debtors have either absconded, been made bankrupt, deceased, or where it is uneconomical to pursue recovery of the debt,

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Legal Services**

15. This report recommends that the debts as set out in Appendix 1, be written off in accordance with the council's procedure on debt write-off.
16. The report has set out circumstances whereby debts can lawfully be written off by the council and these include circumstances when a debtor has gone bankrupt, the debt is time barred, where the debtor is deceased or gone away. In such circumstances to pursue the debt would be a very difficult and costly exercise with little or no chances of success.
17. The Director of Legal Services considers these write-offs to be in accordance with the council's procedures and lawful.

### **Director of Finance and Corporate Services**

18. Each debt meets one or more of the criteria for write-off and the Director of Finance and Corporate Services consider that it would be uneconomic to make any further attempt at recovery of the debt.
19. The cost of the write-offs will be met from the provision for bad debts referred to in the Resource Implications section of this report.

## **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Housing Benefit Customer Accounts and Invoices	Revenues & Benefits Department 160 Tooley Street SE1 2QH	Norman Lockie 020 7525 0298

## **APPENDICES**

<b>No.</b>	<b>Title</b>
Appendix 1	Write off pro forma

## AUDIT TRAIL

<b>Lead Officer</b>	Dominic Cain, Assistant Director of Revenues & Benefits	
<b>Report Author</b>	Norman Lockie, Operations Manager (Revenues)	
<b>Version</b>	Final	
<b>Dated</b>	16 December 2013	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	No
<b>Date final report sent to Constitutional Team</b>		16 December 2013

## APPENDIX 1

### REQUEST FOR WRITE-OFF PRO-FORMA

This pro-forma is to be used for multiple write-offs of £5,000 up to £50,000 that are being passed for cabinet member individual decision making and approval in accordance with the council's constitution and financial standing orders. A separate sheet should be used for each service area. If only one item is being proposed for write off, this appendix is unnecessary, full details should be given in the key issues area. The closed appendix contains the reference number for identification of each debtor.

OP / INVOICE CREATED	OP START DATE	OP END DATE	HB AMOUNT	REASON
08/02/2010	17/12/2007	18/01/2009	£7,100.87	BANKRUPT
21/07/2011	14/07/2008	18/01/2009	£6,075.00	BANKRUPT
13/12/2008	10/05/2004	28/10/2007	£11,174.31	FAU
24/07/2009	03/03/2008	12/04/2009	£7,476.49	FAU
13/12/2008	13/08/2007	15/06/2008	£5,408.36	UTP
13/12/2008	09/06/2003	04/12/2003	£12,466.76	OLD DEBT
13/12/2008	09/09/2002	08/08/2004	£8,422.38	TIME BARRED
13/12/2008	01/09/1997	05/05/2002	£8,571.77	TIME BARRED
13/12/2008	29/12/2003	07/08/2005	£12,550.78	TIME BARRED
13/12/2008	17/05/2004	07/05/2006	£6,220.29	TIME BARRED
13/12/2008	25/09/2000	13/07/2003	£6,627.29	TIME BARRED
13/12/2008	30/01/2006	09/01/2009	£5,965.47	UTP
09/04/2010	03/08/2009	07/03/2010	£6,188.22	UTP
13/12/2008	03/04/2006	13/01/2008	£6,537.23	UTP
13/12/2008	05/06/2001	15/08/2004	£6,099.22	TIME BARRED
12/08/2009	22/10/2007	24/05/2009	£13,688.27	FAU
13/12/2008	10/11/2003	05/12/2004	£5,327.49	TIME BARRED
13/12/2008	05/07/2004	27/02/2005	£8,361.68	TIME BARRED
13/12/2008	19/06/2000	13/07/2003	£10,667.62	TIME BARRED

OP / INVOICE CREATED	OP START DATE	OP END DATE	HB AMOUNT	REASON
13/12/2008	05/02/2007	17/06/2007	£6,415.61	UTP
09/01/2009	16/10/2006	23/11/2008	£8,800.00	DECEASED
13/12/2008	01/09/2003	21/10/2007	£5,827.72	BANKRUPT
13/12/2008	18/05/1998	04/03/2001	£16,434.50	TIME BARRED
13/12/2008	27/06/2003	02/04/2006	£5,185.48	TIME BARRED
13/12/2008	04/04/2005	22/12/2008	£5,088.28	TIME BARRED
13/12/2008	09/09/1996	17/01/1999	£6,566.64	TIME BARRED
13/12/2008	23/08/1999	06/07/2003	£6,677.27	TIME BARRED
13/12/2008	25/06/2007	17/08/2008	£6,707.07	UTP
13/12/2008	16/04/2001	04/07/2004	£9,756.58	TIME BARRED
13/12/2008	27/10/1997	07/10/2001	£10,221.88	TIME BARRED
12/10/2011	02/07/2005	22/05/2011	£10,692.63	DECEASED
23/01/2009	04/04/1994	07/01/2001	£7,350.60	DECEASED
30/03/2009	18/04/2005	14/08/2005	£5,569.43	DECEASED
27/02/2012	16/04/2007	14/02/2010	£5,865.72	BANKRUPT
13/12/2008	11/02/2008	05/10/2008	£6,613.04	UTP
13/12/2008	11/08/2003	27/11/2005	£13,200.00	DECEASED
13/12/2008	13/05/2002	31/04/2004	£6,165.96	OLD DEBT
17/01/2012	04/10/1993	06/04/2003	£11,415.25	DECEASED
22/06/2010	09/11/1998	16/03/2008	£17,827.99	BANKRUPT
13/12/2008	22/02/1993	17/06/2008	£21,765.80	TIME BARRED
06/03/2013	16/05/2005	20/11/2011	£20,170.68	DECEASED
10/07/2012	25/11/2009	19/09/2010	£7,412.88	UNREC - Benefits
25/07/2006	04/04/1994	12/03/2006	£16,954.54	DECEASED
26/09/2011	20/12/2006	24/07/2011	£39,106.62	UTP
27/09/2010	23/06/2003	18/04/2010	£32,082.13	UTP
05/10/2010	27/04/1998	15/08/2010	£19,642.66	UTP
13/12/2008	15/05/1995	18/05/2003	£19,258.21	TIME BARRED
28/01/2009	10/09/2001	20/10/2002	£16,698.29	BANKRUPT

OP / INVOICE CREATED	OP START DATE	OP END DATE	HB AMOUNT	REASON
13/12/2008	01/09/1997	04/04/1999	£16,600.00	TIME BARRED
13/12/2008	18/05/1998	04/03/2001	£16,434.50	TIME BARRED
10/12/2009	02/06/2005	25/10/2009	£37,065.93	BANKRUPT
14/10/2010	22/11/1998	24/10/2004	£15,094.73	BANKRUPT
13/12/2008	11/04/2005	16/11/2008	£14,497.34	UTP
13/12/2008	21/04/1997	06/02/2005	£14,121.80	DECEASED
13/12/2008	07/04/1997	21/09/2008	£13,338.16	DECEASED
13/12/2008	06/06/2005	09/07/2006	£13,579.30	TIME BARRED
17/12/2008	02/02/2004	11/12/2005	£5,902.02	UTP
13/12/2008	14/02/2005	06/08/2006	£5,906.13	BANKRUPT
13/12/2008	25/06/2007	17/08/2008	£6,707.07	UTP
13/12/2008	14/11/2005	01/10/2006	£7,965.00	TIME BARRED
13/12/2008	20/12/2004	23/10/2005	£8,606.28	UTP
13/12/2008	15/03/2005	01/10/2006	£7,475.24	TIME BARRED
13/12/2008	17/03/2003	16/11/2003	£6,685.00	UTP
13/12/2008	01/04/2004	17/04/2005	£5,524.67	TIME BARRED
13/12/2008	22/04/2002	29/01/2006	£5,407.88	TIME BARRED
13/12/2008	28/04/2003	01/02/2004	£6,426.40	UNREC - Benefits
13/12/2008	24/01/2005	12/02/2006	£10,582.44	BANKRUPT
26/07/2011	10/05/2008	21/03/2010	£16,016.94	UTP
02/02/2009	29/08/2005	25/05/2008	£10,963.30	UTP
08/03/2010	08/09/2008	14/02/2010	£14,748.06	UTP
19/11/2012	27/06/2005	22/04/2012	£14,825.76	UTP
30/01/2012	04/08/2008	08/05/2011	£14,761.21	UTP
26/06/2009	28/06/1999	24/08/2008	£7,529.21	UTP
04/11/2010	05/05/2008	31/03/2011	£9,982.03	UNREC - Tribunal
13/03/2013	01/02/2010	16/12/2012	£8,949.92	UNREC - Benefits
22/01/2010	30/08/2007	17/01/2010	£8,658.03	UNREC - Tribunal
13/12/2008	18/08/2003	19/11/2006	10,770.18	TIME BARRED
13/12/2008	04/04/2005	24/12/2008	9,586.05	TIME BARRED
			<b>£865,113.54</b>	