

Item No.	Classification: Open	Date: 11 August 2016	Decision Taker: Cabinet Member for Finance, Modernisation and Performance
Report title:		Housing Benefit Overpayment Write offs over £5,000 and under £50,000	
Ward(s) or groups affected:		All	
From:		Director of Exchequer, Finance and Governance	

RECOMMENDATIONS

1. That approval is given for the write off of £390,714.48 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 30 debts, with a total value of £390,714.48
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.
 - 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

8. 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

9. The total debt recommended for write off is £390,714.48 relating to Housing Benefit Overpayment Debtors that have absconded, been made Bankrupt or deceased.
10. The debts in Appendix 1 will be contained within the Housing Benefit Overpayments bad debt provisions.
11. The schedule of write offs have been compiled in accordance with the Council's agreed policy and procedures.
12. 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 Law and Democracy

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 law and democracy considers these write-offs to be in accordance with the council's procedures and lawful.

Strategic Director of Finance and Governance

18. Each debt meets one or more of the criteria for write-off and the strategic director of finance and governance 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

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Write off pro forma

AUDIT TRAIL

Lead Officer	Dominic Cain, Director of Exchequer, Finance and Governance	
Report Author	Norman Lockie, Operations Manager (Revenues)	
Version	Final	
Dated	11 August 2016	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	No
Date final report sent to Constitutional Team		11 August 2016

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.

OP CREATED	OP START DATE	OP END DATE	HB Amount	CTB Amount	Reason
18.09.2014	28.01.2013	29.07.2014	£8,483.95		Unrecoverable
21/12/2015	24/12/2012	06/09/2015	£6,176.46		Unrecoverable
20/10/2015	01/04/2013	25/10/2015	£5,357.77		Unrecoverable
13/10/2015	02/04/2012	18/10/2015	£7,681.57		Hardship
15/07/2015	04/04/2005	18/05/2008	£13,551.35		Uneconomical
15/06/2015	29/09/2008	11/01/2015	£20,207.14		Unrecoverable
27/05/2015	29/11/2004	01/02/2015	£22,310.23		Hardship
25/05/2015	04/07/2011	17/07/2011	11,703.40		Abscond
13/08/2014	04/04/2005	01/06/2014	£5,679.22		Unrecoverable
15/04/2014	10/09/2007	07/08/2011	£8,161.77		Unrecoverable
07/11/2013	03/10/2005	21/09/2011	23,688.53		Abscond
11/09/2013	03/11/2003	03/08/2008	£37,251.36		Unrecoverable
07/06/2013	22/02/2010	11/03/2012	15,857.44		Abscond
05/04/2013	09/04/2012	10/02/2013	8,123.28		Abscond
23/01/2013	08/01/2001	04/04/2004	£11,486.70		Unrecoverable
07/01/2013	02/04/2012	02/12/2012	6,036.54		Abscond
14/11/2011	23/08/2010	14/08/2011	8,000.86		Abscond
14/10/2011	17/01/2011	11/09/2011	5,157.64		Abscond
01/08/2011	20/07/2009	05/06/2011	£9,049.43		Unrecoverable
28/07/2011	13/10/2008	03/07/2011	6,963.55		Abscond
24/06/2011	08/12/2008	06/09/2009	6,781.43		Abscond
15/06/2011	09/07/2007	28/09/2014	£7,434.21		Unrecoverable
08/02/2011	01/09/2008	27/09/2008	£9,071.35		Hardship
22/07/2015	14/04/2013	28/06/2015	£5,576.77		Bankrupt
10/10/2013	01/04/2006	25/08/2013	£35,764.04	£5,884.48	Unrecoverable
01/08/2014	05/05/2008	30/01/2013	£21,512.75	£3,379.15	Unrecoverable
15/05/2016	19/12/2013	07/07/2014	£5,906.09		Unrecoverable
03/03/2016	13/04/2013	06/03/2016	£5,410.89		Unrecoverable
03/09/2015	19/05/2014	09/08/2015	£6,394.22		Unrecoverable
22/05/2013	23/01/2006	12/05/2013	£36,670.91		Deceased
			£381,450.85	£9,263.63	