

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 10 November 2015	<b>Decision Taker:</b> Cabinet Member for Finance, Modernisation and Performance
<b>Report title:</b>		Housing Benefit Overpayment Write offs over £5,000 and under £50,000	
<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 £362,501.75 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 38 debts, with a total value of £362,501.75.
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.
8. Appendix 2 in the closed report provides a summary of 4 debts passed for write-off. These include a full breakdown of the action taken before recommending 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 £362,501.75 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 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**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
Housing Benefit Customer Accounts and invoices	Revenues & Benefits	Norman Lockie 020 7525 0298

## **APPENDICES**

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

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Fiona Colley	
<b>Lead Officer</b>	Dominic Cain – AD Revenues & Benefits	
<b>Report Author</b>	Norman Lockie	
<b>Version</b>	Final	
<b>Dated</b>	9 November 2015	
<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 Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member for Finance, Modernisation and Performance</b>	Yes	No
<b>Date final report sent to Constitutional Team</b>		9 November 2015

**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.

<b>OP / INVOICE CREATED</b>	<b>OP START DATE</b>	<b>OP END DATE</b>	<b>HB Amount</b>	<b>Reason</b>
11-Feb-14	04-Jan-10	27-Mar-11	£9,037.06	Unrecoverable
24-May-13	07-Apr-08	13-Mar-11	£6,183.63	Deceased
13-Dec-08	03-Oct-94	13-Nov-05	£14,295.60	Deceased
18-Feb-14	02-Aug-10	09-Feb-14	£12,349.20	Deceased
13-Oct-14	05-Sep-11	12-Oct-14	£12,770.00	Unrecoverable
20-Nov-12	12-Sep-11	4-Nov-12	£5,903.33	Unrecoverable
19-May-15	18-Feb-13	08-Jun-14	£7,497.09	Unrecoverable
17-Feb-15	15-Nov-99	10-Jan-10	£16,301.21	Deceased
20-Jan-09	11-Oct-06	04-Oct-08	£6,303.37	Deceased
12-Aug-09	22-Oct-07	24-May-09	£12,837.40	Abscond
23-Jul-15	27-May-14	03-May-15	£7,993.91	Uneconomical to pursue
13-Dec-08	12-Apr-04	14-Nov-04	9,351.46	Time barred
13-Dec-08	22-Aug-05	20-Aug-06	5,887.79	Time barred
13-Dec-08	23-Jan-06	31-Oct-06	5,397.72	Time barred
13-Dec-08	09-Jun-03	26-Nov-06	6,750.00	Time barred
13-Dec-08	20-Dec-04	30-Sep-07	5,844.19	Time barred
13-Dec-08	12-Dec-05	20-Jun-07	12,399.00	Time barred
13-Dec-08	08-May-06	15-Apr-07	5,463.65	Time barred
13-Dec-08	17-Mar-03	16-Nov-06	6,685.00	Time barred
13-Dec-08	25-Apr-05	17-Aug-08	8,953.29	Uneconomical to pursue
09-Aug-13	31-Jul-06	09-May-10	5,891.01	Deceased
17-Sep-13	05-May-08	05-Aug-12	19,117.96	Deceased
14-Nov-13	20-Sep-10	04-Dec-11	11,208.72	Unrecoverable
28-Mar-13	13-Jun-11	10-Mar-13	£5,281.25	Unrecoverable
08-Dec-11	16-May-05	20-Nov-11	£18,465.69	Deceased
27-Sep-13	24-Sep-12	25-Aug-13	£11,575.85	Unrecoverable
22-Jan-10	30-Aug-07	17-Jan-10	£8,658.03	Unrecoverable
02-May-13	11-Mar-13	09-Feb-14	£5,583.04	Unrecoverable
09-Aug-13	18-Oct-10	12-Aug-12	£5,597.30	Unrecoverable
16-Apr-14	22-Oct-12	06-Apr-14	£8,419.59	Unrecoverable
28-Mar-13	13-Jun-11	10-Mar-13	£5,281.25	Unrecoverable
03-Jun-13	16-Jul-07	14-Apr-13	£16,430.40	Unrecoverable
26-Sep-12	07-Jun-10	31-Jul-11	£5,040.00	Unrecoverable
12-Nov-13	11-Nov-13	07-Sep-14	£5,183.92	Unrecoverable
27-May-14	06-Jan-12	12-Jan-14	£9,813.10	Unrecoverable

<b>OP / INVOICE CREATED</b>	<b>OP START DATE</b>	<b>OP END DATE</b>	<b>HB Amount</b>	<b>Reason</b>
23-Oct-14	18-Mar-13	26-Oct-14	£16,213.10	Unrecoverable
09-Jul-15	28-Jun-10	29-Sep-13	£12,980.36	Deceased
04-Feb-10	20-Jan-97	08-Nov-09	£13,557.28	Deceased
<b>TOTAL</b>			<b>£362,501.75</b>	