

Subject: Write Off outdated Housing Benefit Overpayments **Status:** For Publication

Report to: The Cabinet

Date: 6th June 2007

Report of: Head of Customer Services and e Government

Portfolio

Holder: Quality Services to Customers

Key Decision: NO

Forward Plan

General Exception

Special Urgency

1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to request member authority to write off outdated debts from the Housing Benefit Sundry Debtor account, which are above the delegated limit of £2000 (see Appendix A)

2. CORPORATE PRIORITIES

- 2.1 The matters discussed in this report are linked to, and support, the following corporate priorities:

- *Delivering Quality Services to Customers*
- *Strong financial management and the delivery of value for money services*

The function of the Overpayment Section is to collect all debt owed to Rossendale Borough Council promptly and for the amount of inactive debts to be reduced. Not writing out debts which are irrecoverable can lead to time and effort being wasted pursuing debt which cannot be recovered at the expense of that which can.

3. RISK ASSESSMENT IMPLICATIONS

- 3.1 There are no specific risk issues for members to consider arising from this report.

4. BACKGROUND AND OPTIONS

- 4.1 Before the accounts for the year are closed down it is prudent practice to clear any debts from the ledgers which are now deemed to be irrecoverable. This process is important as it allows debt recovery processes to be concentrated on sums that are genuinely likely to be recovered. Write off is the end of an extremely thorough process and where possible protective claims are made against property to secure the debt. As reported previously because of the prudent view taken on the recovery of this debt a write off of this sort has no effect on the Council's General Fund. It is also worth pointing out that write offs of this sort of debt in excess of the delegated threshold of £2,000 are rare and that the debts presented here are in part the result of a tidying up exercise following the transfer of the Benefits Service to Capita.
- 4.2 The sum of £47,223.16, as set out in Appendix A, is regarded as irrecoverable due to no forwarding address known, the overpayment is unrecoverable as caused by Official error, or existing recovery processes have been exhausted and is therefore being recommended for write off. Accounts with a debt to be written off have been checked thoroughly by contacting other Local Authorities, Department for Work & Pensions, landlords, solicitors and new occupiers. A creditor's claim has been lodged for individuals who have ownership of property, although as it is not known when the property might be sold or how much might be recovered write off is still recommended in these cases..
- 4.3 A record of all debts written off is maintained in the event that there is an opportunity for future collections.

5. COMMENTS OF THE HEAD OF FINANCIAL SERVICES

- 5.1 The report states that there will be no direct adverse impact on the Council's finances. This is because provision is made against non-recovery of all housing benefit overpayment debt. This is a prudent position reflecting the difficulty in recovering this type of debt.

6. COMMENTS OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES

- 6.1 There are no immediate legal implications arising from this report.

7. COMMENTS OF THE HEAD OF HUMAN RESOURCES

- 7.1 There are no human resources issues arising from this report.

8. CONCLUSION

- 8.1 The write-offs are within the provisions available and recommendation to write off is made within the grounds of prudence before the financial year end.

9. RECOMMENDATION

- 9.1 The Cabinet is recommended to approve the write off of £47,223.16 in relation to Housing Benefit Overpayments.

10. CONSULTATION CARRIED OUT

- 10.1 Benefits Manager (Capita on behalf of Rossendale BC)

Contact Officer	
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There are no background papers to this report.

Appendix A

O/P	PERIOD	DATE CREATED	REASON FOR WRITE OFF
£2,385.39	14/04/03 - 28/05/06	02/02/2005	No f/a - Returned from Bailiffs 'Collection Activity Exhausted'
£2,975.00	20/01/01 - 19/01/03	17/06/2003	Returned from Bailiffs 'Collection Activity Exhausted'
£7,041.19	04/08/03 - 12/03/06	08/03/2006	No f/a - Returned from Bailiffs 'Collection Activity Exhausted'
£2,285.80	02/12/02 - 05/10/03	26/08/2004	LA error and decided unrecoverable.
£6,184.30	15/04/96 - 13/02/00	24/03/2000	Returned from Bailiffs 'Collection Activity Exhausted'
£9,088.80	08/05/00 - 07/11/04	20/04/2005	Returned from Bailiffs 'Collection Activity Exhausted'
£2,852.86	22/09/97 - 12/12/04	05/99-01/05	No f/a - Returned from Bailiffs 'Collection Activity Exhausted'
£14,409.82	11/05/98 - 22/08/04	05/01/2005	Awaiting sale of property - Charging Order pending.

£47,223.16