

**Subject:** Write Off Outdated Housing Benefit Overpayments **Status:** For Publication

**Report to:** Cabinet **Date:** 17<sup>th</sup> June 2009

**Report of:** Head of Customer Services

**Portfolio**

**Holder:** Customer Services

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1.1 The purpose of this report is to request member authority to write off outdated debts from the Housing Benefit Sundry Debtor accounts, which are above the delegated limited of £2000.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

**2. CORPORATE PRIORITIES**

2.1 The matters discussed in this report impact directly on the following corporate objectives.

- Delivering Quality services to our Customers
- Providing value for money services.

The function of the Overpayment Section is to collect all debt owed to Rossendale Borough Council promptly and the amount of inactive debts to be reduced.

**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 It is prudent for authorities to periodically look at all old debts and clear any debts from its ledgers which are deemed irrecoverable.
- 4.2 The debts recommended for write off are listed in appendix A. All recovery processes have been exhausted, but due to the size of debts, members' approval is required.
- 4.3 Housing Benefit payments have been paid direct to the tenants, in these cases, so we are unable to recover the housing benefit overpayments from the landlords concerned.
- 4.4 It should be noted that a record is kept of all debts written off in the event that there is an opportunity for future collections.

#### **COMMENTS FROM STATUTORY OFFICERS:**

#### **5. SECTION 151 OFFICER**

- 5.1 The Council accounts for Housing Benefit overpayments on a cash basis, i.e. though we raise debtor invoices the Council does not account for the income until the invoice is paid. On this basis though the debts are formally written off there is no immediate impact on the Council's published reserves position.

#### **6. MONITORING OFFICER**

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

#### **7. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)**

- 7.1 There are no human resources issues

#### **8. CONCLUSION**

- 8.1 These are old debts, where the recovery process has been exhausted. There is provision for all old debt to be written back on to the system should we be able to recover at a later date. It is prudent to write off old irrecoverable debt and ensure that staffs concentrate their efforts on cases where the process has not yet been exhausted.

#### **9. RECOMMENDATION(S)**

- 9.1 That the report is noted and outdated Housing Benefit Overpayments, which have been deemed as irrecoverable are approved for write off.

**10. CONSULTATION CARRIED OUT**

10.1 Benefits Manager (Capita on behalf of Rossendale BC)

**11. COMMUNITY IMPACT ASSESSMENT**

Is a Community Impact Assessment required No

Is a Community Impact Assessment attached No

**12. BIODIVERSITY IMPACT ASSESSMENT**

Is a Biodiversity Impact Assessment required No

Is a Biodiversity Impact Assessment attached No

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Either

Background Papers	
Document	Place of Inspection
Appendix A	attached

## Appendix A

### Housing Benefit cases for overpayment write offs over £2,000.00

#### Case 1

**Overpayment:** £8,805.09

**Period:** 10/12/01 to 10/09/06

**Date created:** 20/09/06

**Reason for the write off:** Customer died with no estate.

#### Case 2

**Overpayment:** £3,845.38

**Period:** 02/08/04 to 25/12/05

**Date created:** 20/12/05

**Reason for the write off:**

All existing recovery processes have been exhausted. (Debts are only referred to Rossendale Collects when Invoice, Reminder, Final, DWP deductions, County Court action and telephone debt recovery has failed.)

The debt was created 20/12/05, as was living with a partner, which had failed to notify the Local Authority of. A summary of the recovery is as follows:-

10/01/06 - Final Demand issued  
06/04/06 - Threat of County Court action  
04/05/06 - Court Costs added  
19/06/06 - DWP deductions requested  
13/07/06 - Referred to Rossendales  
03/02/09 - Debt returned on schedule 'Collection Activity Exhausted'.  
24/02/09 - Re-applied for DWP deductions  
06/03/09 - Maximum deductions already in place for an earlier DWP overpayment, so the local authorities request was not agreed. Overpayment recommended for Write Off.  
**(To write back on if re-qualifies for HB)**

Collection Activity Exhausted.