



Irrecoverable Debts – overpaid Housing Benefit

Report by the Director for Digital Sustainability & Resources

Executive Summary

1. Purpose

This report details outstanding debts in respect of overpayments of Housing Benefit that have been the subject of lengthy recovery action and enquiries.

In all cases

- The debtor is insolvent, has died or has absconded without trace; or
- It is uneconomic to continue recovery; or
- Recovery is time-barred

2. Recommendations

It is recommended that the Cabinet Member for Finance & Resources approves the write-off of the debts detailed in paragraph 5.2.

3.0 Context

- 3.1 This report details outstanding debts in respect of overpayments of Housing Benefit that have been the subject of lengthy recovery action and enquiries.
- 3.2 Considerable resources have already been expended in the effort to collect these debts and any further enquiries or enforcement action would not be cost effective.
- 3.3 Any debt that is written off may subsequently be recovered due to various reasons including a dividend being received in an insolvency case or a debtor being traced.

4.0 Issues for consideration

- 4.1 Paragraph 8.4 of the Council's Financial Regulations requires that irrecoverable debts of overpaid Housing Benefit over £2,500 are to be submitted to the Cabinet Member for Finance & Resources for write-off.
- 4.2 All outstanding arrears are regularly reviewed and an assessment made as to the likelihood of recovery. The scale of the effort made to collect each debt varies in proportion to the amount outstanding.
- 4.3 This report proposes that the Cabinet Member for Finance & Resources approves the write off of the debts detailed in paragraph 5.2.

5.0 Financial implications

- 5.1 Considerable resources have already been expended in the effort to collect this outstanding debt. Any further enforcement action would not be cost effective.
- 5.2 The total value of overpaid Housing Benefit recommended for write off is £14,332.06. A schedule of the individual debts is available for inspection through the Contact Officer.
- 5.3 The current level of bad debt provision in relation to overpaid Housing Benefit before the write offs included in this report is £58,000.

6.0 Legal implications

- 6.1 Section 151 of Local Government Act 1972 provides that every local authority shall make arrangements of their financial affairs and shall ensure that one of their officers has responsibility for the administration of those affairs

Background Papers:

The Local Government Act 1972

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Schedule of other matters

1.0 Economic

1.1 Matter considered and no issues identified beyond the financial implications detailed in section 5.

2.0 Social

Matter considered and no issues identified.

2.1 Social Value

Matter considered and no issues identified.

2.2 Equality Issues

Matter considered and no issues identified.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified

4. Governance

Matter considered and no issues identified

Write Off Schedule – April 2022 to August 2022

Overpaid Housing Benefit Totals	£
Insolvencies Under £2500	
Insolvencies Over £2500	£7,560.90
Write Offs Under £2500	
Write Offs Over £2500	£6,771.16
Total	£14,332.06