

CABINET
25 JULY 2019

HOUSING BENEFIT OVERPAYMENT WRITE-OFF

1. Summary

1.1 To consider the write-off of a Housing Benefit overpayment where recovery is prohibited, is not considered appropriate or where the customer has absconded.

2. RECOMMENDATION

1.2 That the sum of £39,792.31, shown in Appendix A to the report, on the closed part of the agenda, be written off as irrecoverable.

3. Background and Discussion

3.1. In all the cases shown in Appendix A, on the closed part of the agenda, the person affected was issued with a notification that an overpayment of Housing Benefit had occurred and that recovery would be sought from them.

3.2. A brief summary of each case is shown in the following paragraphs with details of how each overpayment arose, the actions taken and the reasons for recommending write-off.

3.3. In cases where the debt is submitted for write-off because the customer has absconded, should they subsequently be traced, the debt will be written back on.

3.4. In cases where the debt is submitted for write-off due to insolvency proceedings, should dividends be received the corresponding amounts will be written back on.

3.5. In all cases, should recovery from ongoing Housing Benefit become a viable option, the debts will be written back on and pursued.

Case 1

3.6. The invoice was raised on 16 October 2015 for the sum of £7,251.93 and covered the period 4 January 2010 to 7 July 2015. The overpayment arose due to the existence of two undeclared pensions and two additional bank accounts.

3.7. The overpayment was initially being recovered via deductions from ongoing benefit. Entitlement to Housing Benefit ceased on 3 April

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2017 and the customer made contact after the issue of a reminder notice.

- 3.8. Initially the customer indicated that he wished to appeal against the overpayment on the grounds that he could not afford to repay it. However, on 10 January 2018 he submitted an income & expenditure form, seeking a payment arrangement.
- 3.9. A payment arrangement was agreed on 10 January 2018 at the rate of £150.00 per month from 1 February 2018. Payment was made at the required rate up to and including 12 November 2018.
- 3.10. Contact was made on 3 December 2018 saying that expenditure had increased and the arrangement was no longer affordable. Payment at the rate of £100.00 per month was offered but this offer was rejected as it would take in excess of four years to clear the remaining balance.
- 3.11. The customer made two payments of £90.00 on 11 December 2018 and 10 January 2019. The customer's wife then called on 31 January 2019 confirming that the customer had died on 24 January 2019.
- 3.12. The debt cannot be recovered from the late customer's wife and there does not appear to be any monies in the estate. The debt is therefore submitted for write-off.

Case 2

- 3.13. The overpayment is made up of balances from two separate invoices raised on 7 July 2014. Both overpayments arose because of a decision by the Department for Work and Pensions (DWP) that the customer was living with a partner.
- 3.14. The first invoice was raised for the sum of £1,140.10 covering the period 30 June 2008 to 28 September 2008. A total of £645.90 has been recovered via deductions from DWP benefits reducing the current balance to £494.20.
- 3.15. The second invoice was raised for the sum of £17,755.29 covering the period 6 September 2010 to 7 April 2014. A total of £1,015.00 has been recovered via deductions from DWP benefits reducing the current balance to £16,740.59.
- 3.16. The customer entered in to an Individual Voluntary Arrangement (IVA) on 26 March 2019. As the overpayments are covered by the IVA recovery is no longer permitted. The debt is therefore submitted for write-off pending receipt of any dividends.

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Case 3

- 3.17. The overpayment is made up of balances from two separate invoices raised on 15 September 2014. Both overpayments arose because of a decision by the Department for Work and Pensions (DWP) that the customer was living with a partner.
- 3.18. The first invoice was raised for the sum of £16,869.16 covering the period 14 May 2012 to 4 August 2014.
- 3.19. The second invoice was raised for the sum of £276.92 covering the period 30 April 2012 to 13 May 2012.
- 3.20. The customer has not been in receipt of Housing Benefit since the overpayment was raised and therefore deductions are not appropriate.
- 3.21. Multiple reminder letters have been issued since the date the debts were raised without eliciting any contact.
- 3.22. The case has been referred to two separate debt collection agencies both of whom have been unsuccessful in making contact with the customer or recovering the debt.
- 3.23. Enquiries have been made at regular intervals with DWP but no state benefits are in payment and no employment details have been found.
- 3.24. The final option would be to consider seeking a County Court Judgment. However, this would incur further costs with no guarantee of success due to the age of the debt and the customer's lack of engagement throughout.
- 3.25. Therefore, although the customer's whereabouts are known, it is considered that no viable recovery options remain. The debt is therefore submitted for write-off.

4. Relationship to the Corporate Plan

Not applicable.

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5. Financial, legal, staffing and other administrative implications and risk assessments

Financial Implications	Writing off overpayments from previous years will have no subsidy implications, as entitlement will already have been calculated and awarded at a reduced rate. Provision exists within the Council's accounts to meet the costs of the write-off.
Legal Implications	There is no obligation on the Council to attempt to recover all recoverable overpayments. The decision whether or not to recover is discretionary both on the part of the Council and the Tribunals Service.
Staffing Implications	None
Administrative Implications	None
Risk Assessment	No uncertainties and/or constraints

6. Appendices

Appendix A

This appendix has been placed on the closed part of the agenda because it relates to exempt information within the category contained in Standing Order 46(1) (b) Annex 1, paragraphs 1 & 3, namely, information relating to an individual or information relating to the financial business affairs of any particular person (including the authority holding the information) and in all the circumstances of the case, the public interest in not disclosing the information outweighs the public interest in disclosing the information.

BACKGROUND PAPERS

<u>Documents consulted</u>	<u>Date</u>	<u>File Ref</u>	<u>Report Author</u>	<u>Section and Directorate</u>	<u>Exempt Information Category</u>
Benefits Write-off papers	Various		Sue Cressall 01732 227041	Revenues Strategic	Appendix A SO46 (1) (b) Annex 1 Paragraphs 1 & 3