

WIRRAL COUNCIL

CABINET

10 FEBRUARY 2015

SUBJECT	SUNDRY DEBTOR WRITE-OFFS
WARD/S AFFECTED	ALL
REPORT OF	DIRECTOR OF RESOURCES
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PHIL DAVIES
KEY DECISION	YES

1.0 EXECUTIVE SUMMARY

- 1.1. This Report sets out details of Housing Benefit Overpayments requested to be written off.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The total outstanding Housing Benefit (HB) debt at the beginning of this financial year was £8,987,097. Since then an additional £2,172,258 was raised in overpayments resulting from changes in claimants circumstances. Of this 62.33% was recovered and recovery continues on these debts. The debts requiring approval for write off are aged debts or debts with no prospect of recovery. The debts were identified as being appropriate for write off during the period 4 August 2014 to 23 November 2014.

- 2.2. The HB write offs are in respect of individual debts in excess of £1,000. Where there is ongoing entitlement to HB, any overpayments are recovered from those weekly payments. Where there is no current entitlement an invoice is raised and the debt then goes through the recovery process, the final stage being referral to the debt collection agency.

- 2.3. HB write-off values are summarised below. A breakdown of cases and the reasons for write off is attached at Appendix 1.

Over £1000 but under £5000

Write off description	Number of cases	Value (£'s)
Write off - irrecoverable	9	16,960.67
Write off statute barred	7	12,678.78
Total	16	29,639.45

Over £5,000

Write off description	Number of cases	Value (£'s)
Write off - irrecoverable	2	30,023.60
Total	2	30,023.60

Housing Benefits (total)

Write off amounts	Number of cases	Value (£'s)
Over £5000.00	2	30,023.60
Over £1000.00	16	29,639.45
Total	18	59,663.05

3.0 RELEVANT RISKS

3.1 If debts are not written off they have the potential to inflate what might be thought collectable.

4.0 OTHER OPTIONS CONSIDERED

4.1 None as the accounts have been reviewed as uncollectable.

5.0 CONSULTATION

5.1 Relevant officers of the Council have been consulted in preparing this report.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 There are none arising directly from this report.

7.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

7.1. There are none arising directly from this report.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

8.1 Debts written off as irrecoverable are charged against the Council provision for bad debts which is reviewed annually in accordance with the requirements of accounting practice. As detailed in the revenue out-turn report the provision at 31 March 2014 was £7.2 million which compares to the £10.9 million at 31 March 2013.

8.2. There are no IT staffing or assets implications arising directly from this report.

9.0 LEGAL IMPLICATIONS

9.1 There are none arising directly from this report.

10.0 EQUALITIES IMPLICATIONS

10.1 There are none arising directly from this report.

11.0 CARBON REDUCTION IMPLICATIONS

11.1 There are none arising directly from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are none arising directly from this report.

13.0 RECOMMENDATIONS

13.1 That the report is noted and the debts written-off as detailed in the report.

14.0 REASONS FOR RECOMMENDATIONS

14.1 Members are aware of the collection activity undertaken in these areas and that the sums written off are approved under delegation or by Cabinet.

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APPENDIX

Listing of proposed debts (amount to £1000.00 or more) to be written off

SUBJECT HISTORY

Council Meeting	Date
Cabinet - Collection Summary 2012/13	13 June 2013
Cabinet - Collection Summary 2013/14	07 July 2014

Appendix 1

HOUSING BENEFITS OVERPAYMENT WRITE OFFS OVER £1,000

Case Number	Debt outstanding £	Further details
1	1,200.00	Period of overpayment :- 9/10/06 to 29/01/07 .Overpayment due to Job Seekers Allowance cease. Attempts to recover have failed – statute barred.
2	1,384.50	Period of overpayment :- 26/02/01 to 9/9/01. Overpayment due to change in circumstances. £429 of original overpayment recovered, balance has been through the recovery process –now statute barred.
3	1,695.73	Period of overpayment :- 22/05/06 to 23/4/07. Overpayment due to change in circumstances. £569 of original overpayment recovered, balance has been through the recovery process –now statute barred.
4	1,465.75	Period of overpayment :- 9/9/04 to 27/2/05 Has been through the recovery process –statute barred.
5	2,940.00	Period of overpayment :- 11/10/04 to 31/7/05 Has been through the recovery process –statute barred.
6	2,970.00	Period of overpayment :- 1/10/07 to 18/5/08 Has been through the recovery process –statute barred.
7	2,410.06	Period of overpayment :- 14/1/08 to 25/8/09. Has been through the recovery process –statute barred.
8	1,359.78	Period of overpayment :- 3/9/12 to 17/2/14 .£968 of original debt recovered . Debt Relief Order granted
9	1,318.90	Period of overpayment :- 28/1/13 to 23/6/14 Debt Relief Order granted
10	1,020.26	Period of overpayment :- 8/4/13 to 2/12/13. Claimant declared bankrupt .
11	1,099.30	Period of overpayment :- 1/4/13 to 3/3/14. Claimant declared bankrupt .
12	1,911.42	Period of overpayment :- 24/5/04 to 29/8/11. Claimant deceased – no estate
13	1,492.37	Period of overpayment :- 8/7/13 to 18/8/14. 14 . Debt Relief Order granted
14	1,022.80	Period of overpayment :- 25/9/00 to 14/4/08 . Overpayment due to Claimant's circumstances changed, recovery process undertaken – statute barred.
15	2,826.33	Period of overpayment :- 22/8/11 to 23/9/13 - Claimant deceased – no estate
16	11,778.80	Period of overpayment :- 10/2/03 to 27/2/06 –Original debt raised due to claimant having capital in excess of £16,000 . Claimant deceased – £766 paid from remaining estate following funeral .No estate remaining
17	18,244.80	Period of overpayment :- 4/9/00 to 17/7/05 No payments received since February 2007 . Unable to trace
18	3,522.25	Period of overpayment :- 27/9/04 to 13/6/05 05 No payments received since January 2010 . Unable to trace