

**REPORT TO:** Cabinet

**REPORT OF:** Deputy Chief Executive (S151 Officer)

**REPORT TITLE: Housing Benefit & Council Tax Write Off over £50,000.**

**1. Introduction**

- 1.1 The Revenues and Benefits Service has robust policies and procedures in place to collect overpaid Housing Benefit and Council Tax debt. Recovery of monies owed are pursued in line with legislative requirements.
- 1.2 Where recovery options are exhausted and it is considered that no further action can be taken to recoup the debt, the outstanding amount is recommended for a write off.
- 1.3 Writing off the debt does not extinguish it. If circumstances change and it becomes possible to pursue the debt once more it can be “written back” and recovery resumed. Any accounts where debts are written off are marked to ensure this happens.
- 1.4 Each year the Authority analyses the amounts due to the Council and a provision for bad or doubtful debts is created or adjusted to reflect the risk of the debt not being paid. Any bad debts that are written off are charged to the revenue account or a specific bad debt provision account.
- 1.5 Writing off debts of £50,000 or above must be approved by the Cabinet, except where the debtor has gone into liquidation or bankruptcy.
- 1.6 This report details the background of a combined Housing Benefit overpayment and Council Tax debt totalling £57,190.14, which are recommended for a write off.

**2. Background Information**

- 2.1 These debts arose out of a unique and complex set of circumstances and rules. They relate to a criminal case pursued by the DWP for which the debtor was sentenced and imprisoned.
- 2.2 The DWP financial investigators did not find any assets held by the debtor. We could not have applied for an attachment from the debtor’s benefits at the time the Housing Benefit overpayment was created, because the DWP debt would have taken priority. Therefore, there would have been no prospect of recovering the money owed to the Council via this method.
- 2.3 Whilst very unusual in a fraud case, the DWP decided not to pursue the recovery of benefits due to the circumstances. The outstanding debt has since been written off in full by the DWP.
- 2.4 In view of the age and health of the debtor, that the debtor does not have any assets or the financial means to repay this debt, nor would the debtor be able to do so within their lifetime, recovery is considered exhausted, which is also in line with the conclusions drawn by the DWP.

**3. Recommendation**

- 3.1 It is recommended that the Housing Benefit overpayment totalling £44,877.71 for the period 09 January 2006 to 14 January 2018, in respect of claim number 4338, is written off.
- 3.2 It is recommended that the Council Tax debt of £12,312.43 for period 08 January 2006 to 14 January 2018, in respect of account number 5006260024, is written off.