

**NORTH SOMERSET COUNCIL
DECISION**



DECISION OF: EXECUTIVE MEMBER OF CORPORATE SERVICES
WITH ADVICE FROM: SECTION 151 OFFICER
DIRECTORATE: CORPORATE SERVICES DIRECTORATE

DECISION NO: CSD099 2021/22

SUBJECT: WRITE-OFF BENEFIT OVERPAYMENTS OVER £10k TO FEBRUARY 2022

KEY DECISION: YES, Exec Member Decisions

BACKGROUND:

Each year the council provides a range of financial support to residents by administering the national housing benefit and rent allowance schemes. Residents make a claim to request a financial contribution towards their housing costs, usually in respect of rental payments. These costs are ultimately funded by the Department for Work and Pensions as the DWP provide a subsidy to the council which largely offsets the payments made to residents. To give a sense of scale, the council has a budget of c£43m in the current financial year for rent allowance payments.

The application process does require residents to provide a lot of detailed information to ensure that they meet the relevant criteria in the first instance and then once set up in the system, payments will continue to be made until such time as circumstances change. It is the responsibility of the claimant to advise of a change in circumstances.

It is recognised that as part of the administration process instances of 'overpayments' will occur, this is where a payment has been made but to which there was no entitlement.

There are various reasons why an overpayment may occur, for example;

- claimant increases their hours of employment or rates of pay which means that they no longer meet the criteria,
- claimant moves to a different property which changes the level of housing benefit that can be claimed,
- claimant moves into a nursing or care home,
- claimant passes away,
- claimant fraud or error,
- landlord fraud or error,
- a local authority error, when processing the claim

Local councils have the primary duty to take action on all housing benefit overpayments, and once an overpayment has been confirmed, to calculate the value and classify the reasons for this. In some circumstances overpayments are recoverable from the claimant and recovery action is taken.

This decision relates to those overpayments which have been through the council's debt recovery processes but remain unpaid and have been deemed uncollectable. A judgement is therefore made to **write-off** this debt from the council's accounts.

Write-offs included within this decision could relate to the current financial year but are more likely to relate to liabilities raised in a previous financial year given the time taken to progress the various stages of recovery, and are grouped into the following categories;

- Bankruptcy, Debt Relief Orders (DRO), Individual Voluntary Arrangement (IVA), Dissolved
- Liable party is Deceased,
- Discretion because the liability is several years old and the liable party has gone away and cannot be traced through any approved mechanism (DWP, HMRC, Landlord, Debt Recovery specialists, etc), or
- the debt is uneconomical to collect or prohibited from being recovered.

It has not been possible to collect the Benefit Overpayments on the attached sheet because they relate to persons who are "Bankrupt", "Deceased", have "Gone Away without Trace", due to official error or the debt is un-economical to collect.

DECISION:

To cease recovery actions associated with benefit overpayments totalling £34,086.87 and to write these sums off as debts within the Council's systems and financial records.

REASONS:

Write-off categories are shown in the financial implications section below.

OPTIONS CONSIDERED:

All tracing and recovery options detailed within the Council's policies have been exhausted.

FINANCIAL IMPLICATIONS:

Net impact of the decision: £34,086.87

Housing & Council Tax Benefit Write-Offs	
Values:	Over £10k Limit
Decision:	Exec Member for Corp Services
Key Decision:	Yes
Date:	25/03/2022

HB Amount £	CTB Amount £	Total W/Off £	Reason
£21,154.62	£0.00	£21,154.62	Bankruptcy, DRO, IVA, Dissolved
£0.00	£0.00	£0.00	Deceased
£0.00	£0.00	£0.00	UTP
£12,932.25	£0.00	£12,932.25	Discretion, including unable to trace
£34,086.87	£0.00	£34,086.87	
		CSD099 21/22	

Funding

Housing benefit transactions are charged to the council's annual revenue budget, where payments are offset by subsidy, or reimbursements, from the DWP.

Annual returns are sent to the DWP at points during the year which contain details of payments made, overpayments, recoveries and write-offs. Subsidy levels are then adjusted to align to the level of spend discharged by the council.

This area is required to be separately audited at the end of each financial year with an annual report and disclosures sent onto the DWP.

LEGAL POWERS AND IMPLICATIONS

The Council's Financial Regulations permit write-off of council tax and business debts to be considered and approved by the Section 151 Officer if the write-off is less than £10,000. Write-offs that are greater than £10,000 require further scrutiny and approval must be obtained by the Executive Member for Corporate Services.

All steps listed within the Council's Debt Recovery Policy have been followed and exhausted.

CONSULTATION

Accounts have been reviewed by Liberata officers and pursued for recovery without success. The Support Services Client Team have also independently reviewed transactions as part of the assurance process and to ensure that the proposed write-offs remain within the DWP requirements.

RISK MANAGEMENT

The Council's constitution recognises that financial transactions are susceptible to a wide variety of risk, fraud and / or financial and that the Section 151 Officer has the responsibility to put into place a series of frameworks and controls to minimise these and ensure the integrity of the Council's financial viability and standing.

The financial administration and management of housing benefits form part of such arrangements – current processes require that the S151 Officer undertake an independent review of all write-offs recommending for approval by officers within the Liberata revenues teams which not only provides an additional level of assurance, but it also provides an opportunity to integrate impacts across a range of strategic financial policies and decision-making frameworks.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? No N/A The Council's debt recovery policy takes into account equality considerations for all relevant groups and individuals.

CORPORATE IMPLICATIONS

The decision is aligned to all current corporate policy considerations.

BACKGROUND PAPERS

Background documentation to underpin the financial values contained within this decision is held by the Section 151 Officer and the Revenues & Benefits Service but is not published as it contains personal information.

Detailed schedule of HB Write Offs April 2020 to February 2022 over £10k

Government guidance regarding overpayments:

<https://www.gov.uk/government/publications/housing-benefit-overpayments-guide/part-1-what-is-an-overpayment>

SIGNATORIES:

DECISION MAKER(S):

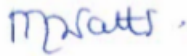


Signed:

Title: Ashley Cartman, Executive Member for Corporate Services

Date: 05 April 2022

WITH ADVICE FROM:



Signed:

Title: Melanie Watts, Head of Finance & Deputy S151 Officer

Date: 05 April 2022

Footnote: Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable: