

EAST RENFREWSHIRE COUNCIL

CABINET

27 March 2014

Report by the Director of Finance

WRITE-OFF OF IRRECOVERABLE HOUSING BENEFIT OVERPAYMENT

PURPOSE OF REPORT

1. The purpose of this report is to seek approval to write-off as irrecoverable housing benefit overpayments up to the value of £15,624.24.

RECOMMENDATION

2. The Cabinet notes the report and approves the write-off sum up to the value of £15,624.24 of irrecoverable housing benefit overpayments. without prejudice to subsequent recovery procedure.

BACKGROUND

3. Housing benefit overpayments (HBOs) can occur where a housing benefit recipient fails to notify the Council of a change of circumstance which affects the level of housing benefit they are due to receive. In most cases this is due to oversight but in a small number of cases the overpayment is the result of an attempt to defraud. In higher value, more important cases of this type such action will lead to prosecution and in lower value cases to the addition of an administrative financial penalty. In almost all cases the recipient is expected to repay the resulting overpayment.

REPORT

4. Because in many cases HBO debtors' only source of income is benefits, housing benefit overpayments are very difficult to collect with only around 40% of overpayments being collected in the year in which they occur. Collection of fraudulent overpayments is prioritised.

5. A recent trawl of outstanding housing benefit overpayments shows by reason of write off.

	<u>Number of Accounts</u>	<u>Irrecoverable account Total £</u>
Deceased	5	1,211.96
Process Exhausted	41	14,412.28
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	46	15,624.24
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6. None of the overpayments proposed for write off occurred because of fraud.

7. In 2012/13 housing benefit overpayments totalled £321,659 and up to 31st December 2013, in the current year the value of overpayments collected is £116,000. The sum recommended for write off represents around 5% of the 2012/13 overpayment level and can be met from existing bad debt provisions.

RECOMMENDATION

8. The Cabinet notes the report and approves the write-off sum up to the value of £15,624.24 of irrecoverable housing benefit overpayments

N Williamson
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DM/ac
27/2/2014

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BACKGROUND PAPERS:

1. Ohms Housing Management System Reports
2. Cars Corporate Debt recovery Reports
3. Orbis Housing Benefit System Reports

KEY WORDS Write off and irrecoverable.