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Southend-on-Sea Borough Council

Legal & Democratic Services

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24 June 2019

Dear Councillor

CABINET - TUESDAY, 25TH JUNE, 2019

Please now find attached Appendix B to the Report of Strategic Director (Finance and Resources) entitled 'Council Debt Position' to be taken at agenda item 24 at the meeting of the Cabinet taking place on Tuesday, 25th June, 2019.

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Summary of Write Off's

Debts written off in 2018/19

Period 1 April 2018 – 31 March 2019 relating to any year

Write Offs	Council Tax £	Business Rates £	Housing Benefit Overpayment £	Adult Services £	Miscellaneous Income £	HRA (Care Line/Service Charges) £	Parking £	Libraries £	HRA Tenants £
Under £5k	319,969.47	54,782.99	367,251	67,289	102,484	2,243	648,774	13,396	143,613
£5k-£25k	12,205.01	208,683.53	59,759	16,595	0	0	0	0	
Over £25k	0	238,828.49	29,723	0	0	0	0	0	0
Total	332,174.48	502,295.01	456,733	83,884	102,484	2,243	648,774	13,396	143,613

Note: Cabinet approved write off's excluding those recommended for write off as listed below

Write off's greater than £25,000 recommended for Cabinet approval

Amount of Write off		Service Area
£27,158.87	<p>Mrs L – Housing Benefit Overpayment</p> <p>Housing Benefit overpayment occurred because DWP informed us that Income Support and Jobseekers allowance were removed from 04/05/02 to 16/12/08, 06/01/09 to 05/05/09 and 17/12/09 to 29/05/12, due to living with un declared partner as husband and wife.</p> <p>Initial debt recovery started in March 2013. The debtor has been sent invoices, reminders and final letters. Opportunity was also given to dispute the overpayment by providing proof of income, but no evidence was provided.</p> <p>After no response debt was put to Debt Recovery Agents. They undertook recovery action, but were unsuccessful.</p> <p>A new claim for Housing Benefit was made on 12/06/2016 and recovery could then take place via clawback. However debtor was evicted shortly afterwards and so the Housing Benefit award only lasted from 15/02/16 to 06/03/16.</p> <p>March 2016 the DWP confirmed a new address for the debtor. This was her daughter's address.</p> <p>DWP confirmed they are already recovering another debt and so they could not made any further deductions.</p>	Housing Benefits Overpayment

	<p>The other debt was expected to take until April 2022 to clear. Put to further Debt Recovery Agent at this time. Again recovery actions were unsuccessful.</p> <p>Numerous checks have been done via the DWP and HMRC to trace any other employment, benefits or address details. These have either been unsuccessful or have resulted in the actions listed previously.</p> <p>A financial profile has also been conducted and the case was also referred for potential legal action. A pre-legal action letter was sent to the daughter's address. There was no response to this.</p> <p>At this time the potential for further legal action was assessed and the findings were as follows:</p> <ul style="list-style-type: none">• As the debtor is residing at daughter's address it is unlikely that she has anything of value there.• There are no other assets and although bankruptcy could be pushed for, this would only increase costs. It was also noted that there is previous case law where debtors have been able to annul a bankruptcy order where it was seen there was no benefit to a Local Authority in making them bankrupt due to lack of assets.• If a bankruptcy order was annulled due to lack of assets, then the council would likely to get a costs order to pay for her costs, as well and being liable for our own legal costs and the Official Receiver's costs. <p>The final assessment on the debt is:</p> <ul style="list-style-type: none">• It has been recommended not to pursue further legal action.• There are no known assets or evidence of current means to pay back debt.• It is not possible to recover debt direct from benefit payments.• Numerous Debt Recovery Agents have been unsuccessful in recovery.• No further recovery action is available on this debt.	
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