

REPORT TO: FINANCE COMMITTEE – 14 MARCH 2005
REPORT ON: RECOVERY OF HOUSING BENEFIT OVERPAYMENTS
REPORT BY: DEPUTE CHIEF EXECUTIVE (FINANCE)
REPORT NO 177-2005

1 PURPOSE OF REPORT

The purpose of this report is to consider the Council's policy in respect of the recovery of Housing Benefit Overpayments.

2 RECOMMENDATIONS

The Committee are asked to approve the proposal set out in paragraph 6.4 of this report.

3 FINANCIAL IMPLICATIONS

The financial implications of amending the level of deductions for Housing Benefit overpayments are that the amount owed in Housing Benefit overpayments by individuals will be repaid in a shorter period of time than currently.

4 LOCAL AGENDA IMPLICATIONS

None.

5 EQUAL OPPORTUNITIES IMPLICATIONS

None.

6 BACKGROUND

6.1 The payment of Housing Benefit can be made to clients, due to them providing erroneous information and/or a delay in them notifying the Council of changes in their circumstances. When the excess payment is discovered, then the Revenues Division recalculate the Housing Benefit entitlement, and thus identify the level of Housing Benefit that has been overpaid.

6.2 The Revenues Division has a responsibility to recover any Housing Benefit that has been overpaid to individuals and landlords.

6.3 It is possible to recover Housing Benefit overpayments by making deductions from Housing Benefit or certain state benefits such as Income Support. At present these methods of recovery are being used by the Council's Revenues Division using the levels of deduction as agreed in Committee Report 244/2004 as detailed below -

- Income Support (IS) or Job Seekers Allowance (JSA) - £ 2.75 per week
- Non IS or JSA - £ 7.10 per week
- Fraud Cases - £10.80 per week

It is estimated that approximately 33% of Housing Benefits overpayment debts are being collected by deduction from benefit.

6.4 The level of deductions will increase from 1 April 2005 and then annually thereafter in line with the levels recommended by the DWP with the exception of cases where the debtor is in receipt of IS or JSA. For these particular categories the level will be capped at the deduction amount that can be received when recovering Council Tax by direct deduction from these benefits and will increase in line with this amount annually.

7 CONSULTATION

The Chief Executive and Depute Chief Executive (Support Services) have been consulted in the preparation of this report.

8 BACKGROUND PAPERS

None

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