

REPORT TO: Executive Board

DATE: 12 December 2024

REPORTING OFFICER: Director of Finance

PORTFOLIO: Corporate Services

SUBJECT: Sundry Debts Write-Off

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

- 1.1 To seek approval for the write-off of a number of sundry debts, as the debtor has passed away and their estate has no remaining assets available to meet the outstanding debts.

2.0 RECOMMENDED That:

- (i) The write-off of debts against the bad debt provision, as outlined within the report, be approved.**

3.0 SUPPORTING INFORMATION

- 3.1 In 2019 the Council's Fraud Investigation Team identified that a significant fraud had been perpetrated against the Council relating to the receipt of Adults Direct Payments. A subsequent Police investigation revealed that the individual involved had been carrying out similar frauds against Oldham Council (although on a much larger scale) and the Department for Work and Pensions (DWP).
- 3.2 The individual went to great lengths to commit and conceal the fraud over fifteen years. In June 2020, following a lengthy Police investigation supported by both councils and the DWP, the individual was found guilty on 34 charges and given a custodial sentence of three years and eight months. The case and the conviction received considerable media attention at the time, which was helpful as a deterrent.
- 3.3 In total, the fraud amounted to over £1m across the two councils and the DWP, of which £240,095 related to Halton. This comprised the following items for which debtor invoices were raised once the individual was convicted and the following amounts are still outstanding;
- In-eligible Direct Payments £188,825
 - Housing Benefit Overpayments £50,375
 - Council Tax Arrears £895

- 3.4 The Halton Registrars Service was notified a few months ago that the individual had passed away. Following the individual's passing, the Council continued to attempt to recover the debts from the individual's estate. However, we have been informed that the fraudulently obtained monies had been used to fund day to day living expenses, holidays etc. over many years. As a result, there are no assets remaining in the individual's estate from which the Council could obtain payment of the outstanding debts. The situation is the same for Oldham Council and the DWP.
- 3.5 Given the nature of these debts, it was at the time considered prudent to make bad debt provisions each year-end for the full amounts outstanding.
- 3.6 As the debts can no longer be recovered, approval is sought to write-off the outstanding debts, which will be fully funded from the bad debt provision.

4.0 POLICY AND OTHER IMPLICATIONS

- 4.1 None.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

- 5.1 **Improving Health, Promoting Wellbeing and Supporting Greater Independence**
- 5.2 **Building a Strong, Sustainable Local Economy**
- 5.3 **Supporting Children, Young People and Families**
- 5.4 **Tackling Inequality and Helping Those Who Are Most In Need**
- 5.5 **Working Towards a Greener Future**
- 5.6 **Valuing and Appreciating Halton and Our Community**

There are no implications for the Council's priorities.

6.0 RISK ANALYSIS

- 6.1 There are no risks relating to this report.

7.0 EQUALITY AND DIVERSITY ISSUES

- 7.1 None.

8.0 CLIMATE CHANGE IMPLICATIONS

8.1 None.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

9.1 There are none within the meaning of the Act.