

BELFAST 63210
EXT. 2407

Mr McKis

OFFICE OF THE DIRECTOR FOR LAW REFORM
PARLIAMENT BUILDINGS
(Room 133) STORMONT
BELFAST, 4

11 November 1975

12/11
Mr D McVitty
Dept of Commerce
Chester House

Dear Mr McVitty

I enclose a revised draft of the PQ and Answer the PDP Committee considered on Friday. It has been slightly revised to meet the comments made then, and expanded in the light of the SOSEC minutes.

Please let me know at once by telephone if you have any further changes to suggest.

Yours sincerely

As McKis

pp. J F McILWRATH

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See thumb. I shall be surprised if the Sol accepts it in quite its present form; but it leaves a clear door open to the extension of BABS to fuel debtors

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12/11

Q. To ask the Secretary of State for Northern Ireland what is the total of public debt in Northern Ireland for rent, rates, gas and electricity: what proportion of this can be attributed to the campaign of civil disobedience: and what steps are being taken to ensure that these debts are paid.

A. The total of public debt in these categories is approximately £13m. Of this, £4.75m is for rent and rates due to the Housing Executive: £3.5m is for rates alone: £2.5m is for electricity: and £2.3m is for gas. It is now impossible to assess with any accuracy the proportion of debtors who have or would claim political motives for not meeting their obligations, but of the 28,000 tenants of public housing who participated in the civil disobedience campaign of 1971, only 3,600 have not made an arrangement with the Housing Executive to pay off their arrears, and the amount they owe is £695,000.

These figures indicate that the original civil disobedience campaign itself now accounts for only a small proportion of public debt but that many people of no particular political persuasion are taking advantage of the difficulties of the public authorities to evade their responsibilities. This is as unfair as the civil disobedience campaign to the great many law-abiding people who are meeting their obligations.

I have accordingly decided to extend from a date early in the new year the procedures set up under the Payments for Debts (Emergency Provisions) Act (Northern Ireland) 1971, for the recovery of debts due to public authorities by deductions from payments made by public authorities, including social welfare benefits. In the first instance this form of debt collection will be extended to all defaulting Housing Executive tenants, where the Housing Executive is satisfied that normal methods of collection or enforcement are unlikely to be effective.

I also propose to impose from the same date a substantial collection charge where this method of recovery has to be used for rent and rates, and persons wilfully evading their obligations should take this notice that it will be in their interests to resume regular payments forthwith and make arrangements to clear their arrears. It will not usually be possible to release defaulters at short notice from this method of recovering debts, because regular social welfare benefits are paid by books covering periods of from 13 to 52 weeks which would have to be recalled and re-issued. Accordingly people who do not take the present opportunity may have to continue to pay the collection charge for some time after they belatedly decide to resume normal payments. I should also make it clear that people who are not trying to pay their rent and rates cannot qualify for the rebates to which they might otherwise be entitled.

The new collection charge will also, of course, apply to the 2,000 persons who are already having allocations towards their debts made from their welfare benefits, the residue of the civil disobedience campaign. Experience has shown that this method of recovery has been both effective and humane. About £4m of public money has so far been recovered in this way and the arrangements made by the Department to review cases of alleged hardship have shown up very few instances where the rate of deduction towards arrears has to be modified. It is, however, administratively expensive, and even the proposed collection charge of 50p per week will not meet the full cost.