

Housing Benefit and Council Tax Benefit

Urgent Bulletin

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<http://www.dwp.gov.uk/local-authority-staff/housing-benefit/>

HB/CTB U4/2010

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Who should read	All Housing Benefit (HB) and Council Tax Benefit (CTB) staff
Action	For information

Debt Relief Orders and Overpayment recovery

- 1 On Monday, 26 July 2010, a Judge in the Administrative Court ruled on Judicial Review that the Secretary of State does not have the right to recover overpayments of Social Security benefits and Social Fund loans by making deductions from an ongoing award of benefit when the debtor is subject to a Debt Relief Order (DRO). This decision will also apply to the recovery of overpayments of Housing Benefit (HB) and Council Tax Benefit (CTB), whether the local authority (LA) is recovering from HB, CTB or any Department for Work and Pensions (DWP) prescribed benefits.
- 2 DWP is studying the decision and its implications. Meanwhile, both the DWP and LAs must cease making deductions on cases where the overpayment was included in the DRO. They must also not commence deductions on any further overpayments which are included in a DRO.
- 3 We will be issuing further urgent guidance as soon as the decision has been fully assessed. This will include information on the provision of refunds and the position on Fraud overpayments.
- 4 This decision only applies to cases where a debtor is subject to a DRO. It does not, for example, have any effect on making deductions during the period of bankruptcy.

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