

Housing Benefit and Council Tax Benefit

Urgent Bulletin

Department for Work and Pensions, 1st Floor, Caxton House, Tothill Street, London, SW1H 9NA

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

HB/CTB U5/2010

12 August 2010

Contact	Queries about the distribution of this bulletin , contact Corporate Document Services Ltd Orderline Email: orderline@cds.co.uk bulletin in general , contact Jane Autherson Email: Jane.Autherson@dwp.gsi.gov.uk Te: 0113 232 7755
Who should read	All Housing Benefit (HB) and Council Tax Benefit (CTB) staff
Action	For information

Debt Relief Orders and Overpayment recovery

- 1 This bulletin follows on from U4/2010 and G12/2010, which gave information on recovery of Housing Benefit (HB) and Council Tax Benefit (CTB) overpayments by making deductions from ongoing benefit during the period of a Debt Relief Order (DRO). On Monday 26 July, a Judge in the Administrative Court ruled that it is unlawful for the Secretary of State to recover overpayments of Social Security benefits and Social Fund loans that have been included in a DRO, by making deductions from ongoing benefit entitlement. The Department for Work and Pensions (DWP) is of the view that in light of this judgment, it would also be unlawful for HB and CTB overpayments to be recovered by deductions from benefits in the same circumstances.
- 2 The Court of Appeal has now granted DWP a stay of the judgment. DWP are therefore continuing, in existing cases, to recover overpayments by deductions from benefit where the overpayments have been included in a DRO. Also, DWP will not, for the time being, be making refunds of benefits already deducted in such cases. Local authorities (LAs) will therefore need to decide whether they wish, in light of the stay, to continue recovery of overpayments that have been included in a DRO, by deductions from ongoing HB, CTB or any prescribed DWP benefits, or whether to commence or recommence recovery by this method in these cases.
- 3 If LAs do decide to continue making deductions in these cases, a list of affected cases should be kept, so that they can cease making deductions

and/or make refunds if the Secretary of State decides not to appeal against the judgment or does decide to appeal, but the appeal is unsuccessful.

- 4 Further guidance will be issued once any further decisions are made.

Crown Copyright 2010

Recipients may freely reproduce this bulletin.