

Housing Benefit and Council Tax Benefit

Urgent Bulletin

Department for Work and Pensions
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HB/CTB U6/2006

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Contact	HB/CTB Overpayments Policy Alison.Brooks@dwp.gsi.gov.uk
Who should read	All Housing Benefit (HB) and Council Tax Benefit (CTB) overpayment recovery staff
Action	URGENT – to note and action where appropriate
Subject	Recovery of overpayments in bankruptcy cases following DWP appeal in the case of <i>Steele v Birmingham City Council & Department for Work and Pensions</i>

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Recovery of overpayments in bankruptcy cases following DWP appeal in the case of *Steele v Birmingham City Council & Department for Work and Pensions*

- 1 *HB/CTB Bulletin U7/2005* detailed a judicial review hearing that was held in the Administrative Court in the case of *Steele v Birmingham City Council & Department for Work and Pensions (DWP)*.
- 2 The original judgment was not consistent with guidance and legal advice on dealing with the recovery of benefits in cases where the debtor is subject to a bankruptcy order.
- 3 The DWP appealed against the decision and this was heard on 16 December 2005.
- 4 The DWP won the appeal and this judgement has now been handed down.
- 5 Please be advised that the interim measures detailed in *HB/CTB Bulletin U7/2005* can now be withdrawn, and in cases where the claimant is bankrupt or discharged from bankruptcy, normal recovery procedures can be applied.
- 6 For more information on how bankruptcy cases should be dealt with, please refer to the *Housing Benefit/Council Tax Benefit Overpayments Guide, paragraphs 7.130 – 7.134*.
- 7 DWP Debt Management will be issuing similar guidance to Debt Centres. Therefore where overpayments are being recovered by Debt Management on behalf of local authorities, recovery should return to normal in due course.

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